

HOUSE COMMITTEE ON GENERAL GOVERNMENT

April 01, 1999 Hearing Room HR D

1:15 p.m. Tapes 53 - 54

MEMBERS PRESENT: Rep. Carl Wilson, Chair

Rep. Jason Atkinson, Vice-Chair

Rep. Chris Beck, Vice-Chair

Rep. Jo Ann Bowman

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Bruce Starr

Rep. Ron Sunseri

Rep. Terry Thompson

STAFF PRESENT: Cara Filsinger, Administrator

Faye D. Trupka, Administrative Support

MEASURE/ISSUES HEARD: HB 2895 Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 53, A		
004	Chair Wilson	Opens meeting at 1:20 p.m. and opens work session on HB 2895.
<u>HB 2895 WORK SESSION</u>		

007	Paul Phillips	Plumbing and Mechanical Contractors Association. Explains HB 2895-3 amendments. States that section 6 is no longer a part of HB 2895. Comments that a public agency must pay promptly.
057	Phillips	States that if payment is not received within the established/prescribed timeframe then six months debarment is the penalty. Explains that HB 2895-3 amendments address women and minority issues. Details corrections to HB 2895.
101	Shawn Miller	Associated Builders and Contractors. States that HB 2895-3 amendments have been rewritten to benefit all concerned. Supports HB 2895-3 amendments.
122	Bob Shiprack	Oregon State Building and Construction Trades. Explains that a sub-contractor often does not submit the bid until 5 to 10 minutes prior to signing. States that sub-contractors need to submit their bids sooner. Supports HB 2895-3 amendments.
132	Phillips	Points to (EXHIBIT A) , which is the HB 2895-4 amendments. Supports HB 2895-4 amendments to replace HB 2895-3 amendments.
135	Rep. Bowman	Asks about the process for public agencies to get information from the Construction Contractors Board (CCB) regarding contractors who are not in compliance.
139	Phillips	States that Ken Keudell and Dugan Petty assisted in drafting HB 2895 amendments. Explains the process of obtaining information compliance.
143	Rep. Bowman	Asks if contractor compliance information is easy to obtain.
150	Ken Keudell	Administrator, CCB. Describes various information retrieval methods.
175	Rep. Atkinson	Asks how CCB will help in a situation where a state agency has not paid the prime contractor in a timely or correct manner.
195	Keudell	States that CCB will not have a role in dealing with public agency payments to the contractor.
200	Rep. Atkinson	Asks same question of Phillips.
201	Phillips	States that CCB is not intended to be responsible for enforcement.
205	Rep. Atkinson	States the burden of proof is on the prime contractor. Asks if a bulk amount can be put into the bid. Asks about the burden of proof and whether it is the responsibility of the prime or sub-contractor.

231	Phillips	Replies that HB 2895 does not prohibit the general contractor from having sub-contractors. States that it is mandatory to submit a list of sub-contractors.
241	Rep. Atkinson	Describes scenario of last minute sub-contractor bidding.
254	Phillips	Replies that there is a timeframe for bidding.
264	Rep. Atkinson	Asks for clarification.
267	Shiprack	Responds that late bids are not accepted.
284	Rep. Atkinson	Gives an example of a late proposal.
300	Dugan Petty	State Purchasing Manager, Department of Administrative Services, Transportation, Purchasing and Publication Services Division (DAS, TPPS) Testifies in support of HB 2895-4 amendments (EXHIBIT B). Describes error in written testimony stating that Contractor Review Board should be listed as Construction Contractors Board. States that HB 2895-4 amendments will reduce the amount of bid shopping and the prompt payment to sub-contractors.
350	Keudell	Details information about HB 2895.
384	Rep. Atkinson	Asks if the fiscal impact fits into the agency budget.
390	Keudell	Replies that CCB can not absorb the fiscal impact into their budget.
416	Cindy Catto	Associated General Contractors. Refers to HB 2895-4 amendments, line 18, which reads 30-days and states it should read 10-days.
<u>TAPE 54, A</u>		
008	Rep. Harper	Asks to which line she is referring.
010	Catto	Explains.
013	Cara Filsinger	Administrator. Points to page 5 of HB 2895-4 amendments which change the reference to 30-days.
016	Catto	Asks for clarification.
020	Phillips	Points to page 6, line 12, page 7, line 7, page 8 through page 9. States that 10 days is important.

030	Catto	States concerns about HB 2895-4 amendments regarding listing for sub-contractors. Asks for 24-hour notification ability for all sub-contracting tiers.
048	Rep. Bowman	Asks why it would be difficult to obtain a sub-contractors bid 24-hours prior to completion of the bid.
054	Dan O'Brien	Associated General Contractors. Describes current project and bidding procedure.
065	Rep. Bowman	Asks if anything would prevent O'Brien from requiring the sub-contractor to get their bid in five days prior to bid closing.
075	O'Brien	Responds no.
098	Rep. Bowman	Asks if there is anything that prevents them from setting up the bid process to get the sub-contractors information to the prime contractor in a timely manner.
103	O'Brien	Replies that it is extremely hard to accomplish.
110	Rep. Bowman	States that she does not understand why it takes so long.
112	O'Brien	States that it takes legislation to make that determination.
117	Rep. Bowman	Asks if HB 2895 should reflect a requirement of the sub-contractor to have their information into the prime contractor 24 hours in advance of the deadline.
120	O'Brien	Replies yes.
121	Rep. Harper	States that he disagrees. Asks why they can not be written in for last minute changes.
128	O'Brien	Asks if Rep. Harper is referring to at the time of bid.
131	Rep. Harper	Answers yes.
133	O'Brien	States that with changes, which need to be made after the contract has been bid, the cost of state agency staff time will increase.
148	Rep. Starr	Asks if general contractors submit bid packages prior to getting sub-contractor bids.
158	O'Brien	Replies yes.

160	Rep. Starr	Asks if HB 2895 language addresses the issue.
166	Rep. Bowman	States that sub-contractors must be listed at the time of bidding to all public agencies.
175	Catto	States concern about supplying the sub-contractor with invoice of public payment. Explains that the prime contractor may not list their direct costs within the document. States the preference would be to provide sub-contractors with notification.
200	O'Brien	States the extra cost is an issue for the State of Oregon.
223	Chair Wilson	Asks about the probability of replicating to that size.
230	O'Brien	States the probability of 10% of sub-contractors may have problems.
256	Rep. Bowman	Asks how to solve the problem of contractors not receiving timely payments. States that HB 2895 offers a solution to that problem.
271	O'Brien	States that by providing one sub-contract form for everyone the bidding process would be more workable.
300	Rep. Bowman	MOTION: Moves to ADOPT HB 2895-4 amendments dated 04/01/99.
305	Rep. Atkinson	States that the intent of HB 2895 is of interest to him.
319	Rep. Bowman	States that she would not support allowing an additional 24 hours for either side. Comments that invoicing should be investigated.
344	Rep. Sunseri	States that it takes time for a sub-contractor to get their bid into the general contractor.
363	Rep. Atkinson	Comments that bidding on large projects can take months to complete.
379	Rep. Bowman	States that HB 2895 is designed to pay sub-contractors in a timely manner.
402	Phillips	Points to HB 2895-4 amendments page 3, section 5, regarding labor and materials provided by the contractor. States that this is for the protection of both the general and sub-contractor.
<u>TAPE 53, B</u>		

006	Rep. Starr	Asks if a general contractor did not have a sub-contractor list at the bid opening process, would they be disqualified.
035	Phillips	Replies that it is not the intent of the proponents that a general contractor would be disqualified because they had no sub-contractor to list. States that if they hire after the bidding process they must disclose the name of the sub-contractor.
040		VOTE: 9-0 AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson
	Chair Wilson	The motion CARRIES .
060	Rep. Bowman	MOTION: Moves HB 2895 to the floor with a DO PASS AS AMENDED recommendation.
062	Rep. Atkinson	Declares potential conflict of interest.
065		VOTE: 9-0 AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson
	Chair Wilson	The motion Carries . REP. ATKINSON will lead discussion on the floor.
068	Chair Wilson	Closes work session on HB 2895 and adjourns meeting at 2:21 p.m.

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2895, written testimony, Paul Phillips, 3 pp.

B ñ HB 2895, written testimony, Dugan Petty, 1 p.