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**SENATE COMMITTEE ON BUSINESS, LAW, & GOVERNMENT**

**March 5, 1997 Hearing Room A**

**1:00 PM Tapes 82-84**

**MEMBERS PRESENT:**

**Sen. Randy Miller, Vice-Chair**

**Sen. Kate Brown**

**Sen. Gene Derfler**

**Sen. Randy Leonard**

**Sen. David Nelson**

**MEMBER EXCUSED: Sen. Neil Bryant, Chair**

**STAFF PRESENT:**

**Jan Nordlund, Administrator**

**Brian Krieg, Administrator**

**Vicki Champ, Administrative Support**

**MEASURE/ISSUES HEARD:**

**SB 128 Work Session**

**HB 2027 Work Session**

**SB 357 Public Hearing**

**Introduction of Committee Bills**

**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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 83, A</b>		
001	Vice-Chair Miller	Opens meeting at 1:15 p.m. and opens work session for introduction of measures for approval.
<b><u>INTRODUCTION OF COMMITTEE BILLS</u></b>		
010	Vice-Chair Miller	Explains the LC requests for committee approval.
<b>015</b>	<b>Vice-Chair Miller</b>	<b>MOTION: Moves LC 3380 dated 3/4/97 BE INTRODUCED as a committee bill.</b>
	<b>Vice-Chair Miller</b>	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>LC 3380 is introduced as SB 1034.</b>
017	Vice-Chair Miller	Closes work session and opens work session on SB 128.
<b><u>SB 128 WORK SESSION</u></b>		
019		Staff presents proposed-3 amendments to SB 128 ( <b>EXHIBIT A</b> ).
007	Jim Krueger	Department of Consumer and Business Services, Division of Finance and Corporate Securities. Explains the -3 amendments.
029	Sen. Derfler	Asks if there are fees involved.
030	Krueger	States there are not.
032	Sen. Derfler	Comments on the necessity of SB 128.
040	Shirley Edwards	Chapter President, Oregon American Society of Travel Agents. Supports SB 128 on behalf of the Society.
<b>045</b>	<b>Sen. Nelson</b>	<b>MOTION: Moves to ADOPT SB 128-3 amendments dated 2/28/97.</b>
	<b>Vice-Chair Miller</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
	<b>Sen.</b>	<b>MOTION: Moves SB 128 be sent to the floor with a DO</b>

048	<b>DERFLER:</b>	<b>PASS AS AMENDED recommendation.</b>
	<b>Vice-Chair Miller</b>	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. DERFLER will lead discussion on the floor.</b>
050	Vice-Chair Miller	Closes work session on SB 128 and opens work session on HB 2027.
<b><u>HB 2027 WORK SESSION</u></b>		
072		Staff presents proposed-1 amendments to SB 2027 <b>(EXHIBIT B)</b> .
073	Vice-Chair Miller	Explains HB 2027.
079		Discussion of the employees and wages.
095	Sen. Leonard	Comments the on issues of limits and wages.
106	Jan Nordlund	Committee Administrator. Explains the reasons behind the -1 amendments.
109	Vice-Chair Miller	Comments on benefits concerning a surviving spouse.
115	Paul Tiffany	Intergovernmental Relations Coordinator, Bureau of Labor and Industries. Comments on the limits in HB 2027.
136	Sen. Derfler	Asks for the reason of raising the limit.
138	Tiffany	Explains there are consistencies for payment by the state.
158	Vice-Chair Miller	Asks about the limit.
170	Sen. Leonard	Comments that many do not make the \$10,000.
173	Sen. Brown	Agrees with Sen. Leonard.
179	Nordlund	Comments that Sen. Bryant questioned the amount.
<b>185</b>	<b>Sen. Leonard</b>	<b>MOTION: Moves to ADOPT HB 2027-1 amendments dated 2/28/97.</b>
	<b>Vice-Chair Miller</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>194</b>	<b>Sen. LEONARD:</b>	<b>MOTION: Moves HB 2027 be sent to the floor with a DO PASS AS AMENDED recommendation.</b>
	<b>Vice-Chair Miller</b>	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. LEONARD will lead discussion on the floor.</b>
205	Vice-Chair Miller	Closes work session on HB 2027 and opens public hearing on SB 357.

<b>SB 357 PUBLIC HEARING</b>		
264	Jack Kalinoski	Presents and reads testimony in support of SB 357 ( <b>EXHIBIT C</b> ). Explains the effect of SB 357.
278	Sen. Leonard	Asks if counties could choose to not have review boards and not go against the law if SB 357 were to pass.
283	Kalinoski	States every county must have a contract review board.
283	David Douthwaite	Government Relations Manager, Oregon/Columbia Chapter of Associated General Contractors. Presents and reads testimony in support of SB 357 ( <b>EXHIBIT D</b> ). Comments on public contracting in Oregon. States local contract review boards should be independent from the agency it is reviewing.
322	Sen. Derfler	Asks what happens if there is not a review board.
326	Douthwaite	States some counties do not have separate local contract review boards.
330	Sen. Derfler	Asks what would happen if all counties decided not to have review boards.
334	Douthwaite	States he does not know, but he will look into that point.
337	Sen. Nelson	Asks how SB 357 would be related to a situation which might arise under SB 356.
339	Douthwaite	States they are two separate actions.
348	Kalinoski	Agrees with testimony.
354	Larry Eisenberg	Facilities Manager, Washington County and representing, Association of Oregon Counties. Presents and reads testimony in opposition to SB 357 ( <b>EXHIBIT E</b> ). States SB 357 is a duplication of effort, reduces accountability, and delays processing.
<b>TAPE 83, A</b>		
020	Eisenberg	Continues to read testimony.
054	Diane Cowan	Executive Director, Oregon People's Utility District Association. Presents testimony in opposition to SB 357 ( <b>EXHIBIT F</b> ). States the board members are very well versed in the complex issues of deregulation.
072	Franna Hathaway	Purchasing Manager for Multnomah County. Presents and reads testimony in opposition to SB 357 ( <b>EXHIBIT G</b> ).
112	Sen. Leonard	Comments on section 1 and asks if she is familiar with the option of contract review boards.
120	Hathaway	States she thinks that if the choice was made not to have a public contract review board, they would defer to the state.
131	Allen Willis	Represents Port of Portland. Presents testimony in opposition to SB 357 ( <b>EXHIBIT H</b> ). States the current system works well and the members make good decisions.

172	Rob Cook	Member, Port Commission. States the commission serves as a better contract review board because they are more accountable and they invest a lot of time understanding on-going projects.
182	Sen. Leonard	Asks why we have a review board statute at all.
193	Willis	States he believes it was a mechanistic device.
206	Sen. Leonard	Asks what the review board does which the city or county commission could not.
215	Willis	States it appears the same people make the decisions.
218	Sen. Leonard	Comments that local governments still have the ability to rescind a resolution which creates a local contract review board.
246	Jeanette Bailor	Purchasing Administrator, Lane Transit District, Lane County. Opposes SB 357. States citizens comment on the procurement process.
298	Roy Burns	Intergovernmental Relations Coordinator for Lane County. Presents testimony on behalf of the Lane County Board of Commissioners ( <b>EXHIBIT I</b> ). States the real issue is whether we should add additional complexity to a process for which we have not defined a problem.
336	Peter Grunfassen	Association of Oregon Housing Authorities. Opposes SB 357. States SB 357 would be costly and inefficient and that no instances have been cited of problems which should be fixed. States using the county's contract review board would not be helpful.
390	Grunfassen	Finishes testimony.
415	Kalinoski	Suggests in line 4 after the word "is" insert the word "repealed," and deleting the rest of the line and the rest of page 1 and all of page 2. States either make SB 357 work or eliminate it. States there is no relationship between SB 357 and SB 356.
<b>TAPE 84,A</b>		
064	Vice-Chair Miller	Closes public hearing on SB 357 and opens work session for possible introduction of new measures.
<b>INTRODUCTION OF COMMITTEE BILLS</b>		
065	Vice-Chair Miller	Lists the LC drafts for introduction.
075	Vice-Chair Miller	<b>MOTION: Moves LC's: 1858 dated 2/25/97, 1687 dated 2/25/97, 1907 dated 3/4/97, 3879 dated 3/3/97, 3950 dated 3/3/97, and 4204 dated 3/3/97 BE INTRODUCED as committee bills.</b>
		<b>Hearing no objection, declares the motion CARRIED.</b>

	Vice-Chair Miller	LC 1858 introduced as SB 1035, LC 1687 introduced as SB 1036, LC 1907 introduced as SB 1040, LC 3879 introduced as SB 1037, LC 3950 introduced as SB 1038, and LC 4204 introduced as SB 1039.
090	Vice-Chair Miller	Closes work session and adjourns meeting at 2:12 p.m.

**Submitted By, Reviewed By,**

**Vicki Champ, Brian Krieg,**

**Administrative Support Administrator**

**Transcribed By, Reviewed By,**

**Jennifer Peck, Jan Nordlund,**

**Administrative Support Administrator**

**EXHIBIT SUMMARY**

**A - SB 128, proposed-3 amendments, staff, 10 pp**

**B - HB 2027, proposed-1 amendments, staff, 1 p**

**C - SB 357, written testimony, Jack Kalinoski, 1 p**

**D - SB 357, written testimony, David Douthwaite, 2 pp**

**E - SB 357, written testimony, Larry Eisenberg, 2 pp**

**F - SB 357, written testimony, Diane Cowan, 1 p**

**G - SB 357, written testimony, Franna Hathaway, 1 p**

**H - SB 357, written testimony, Allen Willis, 2 pp**

**I - SB 357, written testimony, Roy Burns, 1 p**

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