

SENATE COMMITTEE ON
LABOR AND GOVERNMENT OPERATIONS

Hearing Room
Tapes 29 - 132

MEMBERS PRESENT:

Sen. Gene Derfler, Chair
Sen. Neil Bryant
Sen. Bob Kintigh
Sen. Bill McCoy
Sen. Randy Leonard

MEMBER EXCUSED:

Sen. Brady Adams, Vice-Chair

STAFF PRESENT:

Rita Thomas, Committee Counsel
Amy Baker, Committee Assistant

MEASURES HEARD:

SB 1129 - Public Hearing
SB 910 - Public Hearing & Work Session
SB 395 - Public Hearing
SB 340 - Work Session
SB 230 - Work Session
SB 745 - Public Hearing
SB 1047 - Public Hearing
SB 322 - Public Hearing
SB 955 - Public Hearing

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 29, A

002 CHAIR DERFLER: Opens PUBLIC HEARING on SB 1129.

010 JACK ROBERTS: Begins testimony on SB 1129. Suggests that a task force be established in order to look at the issues that are addressed in this bill.

039 CHAIR DERFLER: Closes PUBLIC HEARING on SB 1129.

040 CHAIR DERFLER: Opens WORK SESSION on SB 230.

050 RITA THOMAS: Gives background on SB 230 and amendments.

068 MOTION: SEN. LEONARD: Moves to ADOPT SB 230-1 AMENDMENTS.

VOTE: Hearing no objections the amendments are ADOPTED. Sen. Adams is

excused.

070 MOTION: SEN. LEONARD: Moves SB 230 AS AMENDED TO THE FLOOR with a DO PASS recommendation.

VOTE: 5-0 MOTION PASSES
AYE: DERFLER, KINTIGH, BRYANT, LEONARD, MCCOY
NO: NONE
EXCUSED: ADAMS

078 CHAIR DERFLER: Closes WORK SESSION on SB 230.

080 CHAIR DERFLER: Opens PUBLIC HEARING on SB 395.

081 CHAIR DERFLER: Closes PUBLIC HEARING on SB 395.

088 CHAIR DERFLER: Opens PUBLIC HEARING on SB 910.

090 SEN. YIH: Begins testimony in favor of SB 910.[EXHIBIT A]

103 RICHARD STACH: Representing Linn County, Linn County Commissioner. Begins testimony on SB 910.[EXHIBIT B]

129 CHAIR DERFLER: Closes PUBLIC HEARING on SB 910.

130 CHAIR DERFLER: Opens WORK SESSION on SB 910.

131 MOTION: SEN. BRYANT: Moves SB 910 to the floor with a DO PASS recommendation.

VOTE: 5-0
AYE: DERFLER, KINTIGH, BRYANT, LEONARD, MCCOY
NO: NONE
EXCUSED: ADAMS

139 CHAIR DERFLER: Closes WORK SESSION on SB 910.

140 CHAIR DERFLER: Opens PUBLIC HEARING on SB 395.

143 SEN. YIH: Begins testimony in favor of SB 395.

190 SEN. YIH: Continues testimony discussing fiscal responsibility of the state.[EXHIBIT C]

200 DAVID VANDERLIP: Representing Vanderlip & Associates. Testifying on SB 395. [EXHIBIT D][EXHIBIT E]

250 DAVID VANDERLIP: What this bill is about is giving the private sector companies an opportunity to enter a proposal.

300 DAVID VANDERLIP: Gives an example of a case where an intergovernmental agreement costs the taxpayer more than using a private firm to the perform the work.

355 DAVID VANDERLIP: Continues detailing specific cases where private firms can do the work cheaper than other government agencies.

400 DAVID VANDERLIP: I don't think that you can rely on agency administrators.

TAPE 130, A

025 SEN. BRYANT: Notes that he was at the award ceremony at which Mr. Vanderlip was honored for his innovative program to reduce the cost of government.

035 CAMERON BIRNIE: Administrator of the Transportation, Purchasing & Print Services Division in the Department of Administrative Services. Begins testimony on SB 395. [EXHIBIT F]

099 SEN. BRYANT: Where in SB 395 is the statute that you believe would limit a public organization in their decision of contract?

103 CAMERON BIRNIE: Section 7(8), (9).

114 SEN. BRYANT: Proposes an amendment to remedy the concerns brought up by Cameron Birnie.

165 HAROLD MURRAY: Begins testimony on SB 395. [EXHIBIT G] [EXHIBIT H]

200 HAROLD MURRAY: Discusses qualification selection on bids.

240 HAROLD MURRAY: Discusses fees and analysis, qualification based selection process.

250 SEN. BRYANT: Which governor vetoed this bill in the passed?

255 HAROLD MURRAY: Governor Goldschmidt.

281 SIDNEY S. LASSWELL: Representing Consulting Engineers Council of Oregon. Begins testimony on SB 395.

335 SIDNEY S. LASSWELL: Describes how the competition for bid ranking on contracts would work with this measure.

405 JACK NELSON: Community Relations Manager for the Associated General Contractors. Begins testimony on SB 395 and discusses his proposed amendments. [EXHIBIT I]

TAPE 129, B

020 JACK NELSON: Discusses the proposed amendments in section 6.

075 SEN. BRYANT: Does the criteria include the cost per participate?

080 JACK NELSON: It may or may not. A positive point to public contracts is that the cost is not the only criteria in determining the contractor.

100 SEN. MCCOY: If the way the proposed contracts are judged is determined on various criteria then the highest point ranking bid could also be the highest costs?

104 JACK NELSON: It could be but in the criteria point system, cost effectiveness is a criteria therefore lowering the odds of the contractor with the highest bid.

112 BILL SIZEMORE: Oregon Taxpayers United. Offers a friendly amendment relating to true and actual cost of bids.

140 BILL SIZEMORE: Discusses the oppositions for selecting a bid which is not exclusively based on the dollar amount of the bid.

171 BILL SIZEMORE: Lists a number of associations in favor of SB 395.

215 SEN. LEONARD: Your proposed amendment is related to similar bills we have heard requiring all aspects of the cost of the contract to be included in the bid.

240 BILL SIZEMORE: I believe your assumption that under used government services which are available at a lower cost for a bid is the cause of the continuation of large government is incorrect.

275 BILL SIZEMORE: I would support the private sector revealing all government subsidizes.

300 DAVID KISH: Representing City of Portland. Testifying against SB 395. [EXHIBIT J]

350 DAVID KISH: Continues testifying describing the work that is contracted out by the City.

400 DAVID KISH: Discusses the comments from private sector firms on his public sector departments efficiency.

TAPE 130, B

020 DAVID KISH: Discusses the coordination of public sector services between agencies.

065 DAVID KISH: Continues giving examples of how the City is able to find savings for themselves and other local jurisdictions.

095 BILL PENHOLLOW: Representing Association of Oregon Counties. Testifying against SB 395. [EXHIBIT K]

150 BOB HANSON: Public Utilities director for Marion County. Testifying against SB 395.

211 BOB HANSON: There is much being done in Oregon to provide efficient services by public agencies.

215 TIM WOOD: Representing Washington County. Testifying against SB 395. [EXHIBIT L]

250 TIM WOOD: SB 395 would cause severe increases in administrative costs to the counties, states and other public entities.

280 Michael Hutchers: Multnomah County. Testifying against SB 395.

327 SARAH HACKETT: Representing the League of Oregon Cities. Testifying against SB 395. [EXHIBIT M]

345 RICH PEPPERS: Representing Oregon Public Employees Union. Testifying against SB 395. [EXHIBIT N]

400 RICH PEPPERS: Discusses points which should be addressed if the bill is going to be moved forward.

TAPE 131, A

017 CHAIR DERFLER: Closes PUBLIC HEARING on SB 395.

020 CHAIR DERFLER: Opens WORK SESSION on SB 340.

021 MOTION SEN. BRYANT: Moves SB 340 to the floor with a DO PASS recommendation.

VOTE: 4-0
AYE: DERFLER, KINTIGH, BRYANT, LEONARD
NO: NONE
EXCUSED: ADAMS, MCCOY

029 CHAIR DERFLER: Closes WORK SESSION on SB 340.

030 CHAIR DERFLER: Opens PUBLIC HEARING on SB 745.

035 SEN. LEONARD: Begins testimony on SB 745.

055 SEN. LEONARD: Describes the physical fitness requirements for PERS transferees.

100 RANDY BRUSSE: Portland firefighter and ambulance service attendant. Describes the problems that he encountered with the retirement system when district 10 and Portland merged.

130 SEN. BRYANT: How many employees do you think this will effect?

132 SEN. LEONARD: There are 75 employees who could use this plan, though all may not opt for this plan.

163 DAVID SMITH: Treasurer of the City of Portland. Testifying against SB 745.

210 DAVID SMITH: Discusses the bonds sold for liability coverage.

260 DAVID SMITH: Describes the benefits of PERS compared to those provided by the city of Portland.

320 DAVID SMITH: Describes the positive benefits of PERS for those employees who opted for that choice at the original transition of employees into the Portland district.

355 CHAIR DERFLER: Closes PUBLIC HEARING on SB 745.

360 CHAIR DERFLER: Opens public hearing on SB 955 and SB 322.

368 VICTORIA MCLEAN: Building Codes Division. Agrees to the quick opening and closing of SB 955 and SB 322. [EXHIBIT P]

375 CHAIR DERFLER: Closes PUBLIC HEARING on SB 955 and 322.

380 CHAIR DERFLER: Opens PUBLIC HEARING on SB 1047.

385 BRAD HIGBEE: Begins testimony on SB 1047.

TAPE 132, A

050 PHIL GRATTAN: Representing Marsh & McLennan. Testifying in favor of SB 1047. [EXHIBIT Q]

080 PHIL GRATTAN: Describes the advantages to the different parties effected by wrap-up insurance.

090 JIM MURPHY: Representing Marsh & McLennan. Testifying in favor of SB 1047. Describes what occurs in major construction projects.

120 JIM MURPHY: Discusses non-wrap-up programs vs. wrap-up program

statistics.

160 SEN. MCCOY: Who pays for wrap-up?

180 JIM MURPHY: The payer is the owner/operator of the project.

215 JIM DAVIS: Representing Argonaut Insurance Company. Testifying in favor of SB 1047. [EXHIBIT R]

260 JIM DAVIS: Continues testimony describing the savings using the wrap-up insurance.

283 CHRIS NOVOTNY: Representing the Port of Portland. Testifying in favor of SB 1047. [EXHIBIT S]

325 CHRIS NOVOTNY: Describes one project in Portland that used wrap-up insurance and the positive results that ensued from the project.

380 CHRIS NOVOTNY: Discusses the benefits for the various contractors working on one project using wrap-insurance.

TAPE 131, B

004 MICHAEL SALSGIVER: Representing INTEL Corporation. Testifying in favor of SB 1047. Three points for support. [EXHIBIT T]

033 JACK MONROE: Representing the Independent Insurance Agents of Oregon. Testifying on SB 1047.

055 ED DAVIS: Testifying on SB 1047. [EXHIBIT U]

080 ED DAVIS: Discusses competitive advantages to safe firms which is lost with this bill.

140 CHAIR DERFLER: Closes PUBLIC HEARING on SB 1047.

141 CHAIR DERFLER: Adjourns meeting.

Submitted by, Reviewed by,

Amy Baker Rita Thomas
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Testimony on SB 910 - Sen. Mae Yih - 2 pages
B - Testimony on SB 910 - Richard Stach - 1 page
C - Testimony on SB 395 - Sen. Mae Yih - 3 pages
D - Testimony on SB 395 - David VanDerlip - 11 pages
E - Testimony on SB 395 - David VanDerlip - 7 pages
F - Testimony on SB 395 - Cameron Birnie - 2 pages
G - Testimony on SB 395 - Harold Murray - 3 pages
H - Testimony on SB 395 - Harold Murray - 2 pages
I - Testimony on SB 395 - Jack Nelson - 6 pages
J - Testimony on SB 395 - David Kish - 7 pages
K - Testimony on SB 395 - Bill Penhollow - 4 pages
L - Testimony on SB 395 - Tim Wood - 2 pages

M - Testimony on SB 395 - Sarah Hackett - 1 page
N - Testimony on SB 395 - Rich Peppers - 2 pages
O - Testimony on SB 395 - Bill Gille - 1 page
P - Testimony on SB 955 - Victoria McLean - 1 page
Q - Testimony on SB 1047 - Phil Gratton - 7 pages
R - Testimony on SB 1047 - James Davis - 2 pages
S - Testimony on SB 1047 - Chris Novotny - 5 pages
T - Testimony on SB 1047 - Michael Salsgiver - 2 pages
U - Testimony on SB 1047 - Ed Davis - 2 pages