

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

January 18, 1991 Hearing Room E 8:30 a.m. Tapes 5 - 6 MEMBERS
PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice Chair Rep.
Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley Rep.
Lonnie Roberts MEMBER EXCUSED: None VISITING MEMBER: None STAFF
PRESENT: Randall Jones, Committee Administrator Carolyn Cobb,
Committee Assistant MEASURES CONSIDERED: HB 2042 - Public Works
Contracting, PH, WS HB 2043 - Advertisement of Bids, PH, WS HB 2044 -
State Employee Fidelity Bonds, PH, WS HB 2045 - Insurance for State
Agencies, PH, WS HB 2184 - Historic Property, PH, WS HB 2257 - Public
Land Transactions, PH, WS

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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 5, SIDE A

004 CHAIR MARKHAM: Calls meeting to order at 8:35 a.m.

HB 2042 - PUBLIC WORKS CONTRACTING - PUBLIC HEARING Witnesses: Clifford
Freeman, Executive Assistant to Administrator of the Purchasing
Division, Department of General Services Del Isham, Devils Lake Water
Improvement District / 019 CLIFFORD FREEMAN, EXECUTIVE ASSISTANT TO
ADMINISTRATOR OF THE PURCHASING DIVISION, DEPARTMENT OF GENERAL
SERVICES: submits and summarizes written testimony in favor of HB 2042
(EXHIBIT A) because it removes ambiguity in ORS 279.015 by including a
definition for the term "Emergency". 041 DEL ISHAM, DEVILS LAKE WATER
IMPROVEMENT DISTRICT, in favor of the measure because the district must
often take immediate actions to prevent damage House Committoce O State
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from winter storms and it is unclear under present law when an
"emergency" exists which would allow such actions.

HB 2042 - PUBLIC WORKS CONTRACTING - WORK SESSION

059 MOTION: REP. ROBERTS moved HB 2042 to the floor with a "do pass"
recommendation. VOTE: In a roll call vote, the motion carried, with Rep.
Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Roberts, Rep. Sowa, and
Chair Markham voting AYE.

HB 2043 - ADVERTISEMENT OF BIDS FOR CONTRACTS - PUBLIC HEARING
Witnesses: Clifford Freeman, Executive Assistant to Administrator of the
Purchasing Division, Department of General Services. Kim Mingo,
Associated General Contractors

084 KIM MINGO, ASSOCIATED GENERAL CONTRACTORS: Submits and explains
proposed amendments to HB 2043 which they had requested at a previous
hearing (EXHIBIT I).

-If the proposed amendments are adopted an "emergency" clause will be
added to the measure, and the measure will be effective as to those
public contracts which have not yet been advertised.

-Want to avoid any confusion about those contracts which are advertised
prior to the effective date of measure, but awarded after the effective

date.

HB 2043 - ADVERTISEMENT OF BIDS FOR CONTRACTS - WORK SESSION

105 MOTION: REP. ROBERTS moved to adopt the dash one LC amendments dated 1/17/91 to HB 2043 (EXHIBIT I).

VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE.

129 RANDALL JONES, COMMITTEE ADMINISTRATOR: Reviews proposed amendment to HB 2043 which was submitted by Jim Stenbridge, Deputy Administrator, Oregon Construction Contractors Board (EXHIBIT G).

132 REP. ROBERTS: Under the Committee Rules we can't accept this amendment because it would be a "conceptual" amendment and has to be sent to Legislative Counsel.

136 REP. SOWA: Expresses concern about making it increasingly difficult for people to get these contracts. Should have proposed amendment sent to Legislative Counsel so we know how it fits in with the legislation.

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157 MOTION: REP. ROBERTS moved HB 2043 to the floor with a "do pass" recommendation. 167 REP. NOVICK: Are the arborists licensed through the Landscape Contractors Board? 170 DEL ISHAM, OREGON ARBORISTS ASSOCIATION: Some have dual licenses, but it is more common to have a separate registration. 183 REP. FORD: Could this cause a duplication of licensing? 189 ISHAM: I think that's correct. 220 REP. BELL: We are only talking about what is included in advertising. The point of this is to let people know in advance what the requirements are. Maybe it would be more clear if we added to it "or licensed with the Landscaping Contractors Board, depending on the nature of the contract." so the contractor has the option of either. 239 ISHAM: I'm satisfied with the bill as it is from the prospective of the people I'm representing. 317 MOTION: REP. ROBERTS withdrew his earlier motion. 323 CHAIR MARKHAM: Asks Rep. Bell to do further research on the effect of the amendment submitted by the Oregon Construction Contractors Board and report back to the committee.

HB 2044 - STATE EMPLOYEE l1VELITY BONDS - PUBLIC HEARING Witness: Dave White, Administrator, Risk Management Department, Department of General Services

334 REP. ROBERTS: Are members of the legislative assembly bonded?

344 DAVE WHITE, ADMINISTRATOR, RISK MANAGEMENT DEPARTMENT, DEPARTMENT OF GENERAL SERVICES: Yes you are under a fidelity bond for a dishonest act.

367 REP. SOWA: Is the Governor going to be exempt from issuing a loss review report?

377 WHITE: That is an old piece of the law that predates the blanket bond provision. -Blanket bond, in place since the mid '60s, negates necessity for governor's review.

TAPE 6, SIDE A 002 REP. FORD: Why doesn't the division of audits have to do anything about losses?

006 WHITE: They work together with Risk Management, which can more effectively ~ .

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investigate small losses. They are not attempting to avoid major loss investigations. 013 REP. FORD: There will be an investigation, we are just going to do it in this manner. If the legalities are lessened, might there become more losses? 020 WHITE: There are still numerous agencies and departments involved in the investigation of any significant loss. HB 2044 - STATE EMPLOYEE FIDELITY BONDS - WORK SESSION 045 MOTION: REP. ROBERTS moved HB 2044 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE. HB 2045 - INSURANCE FOR STATE AGENCIES - PUBLIC HEARING Witness: Dave White, Administrator, Risk Management Department, Department of General Services 078 REP. ROBERTS: What is the effect of excluding mysterious disappearance? 084 WHITE: Mysterious disappearance would not be covered. HB 2045 - INSURANCE FOR STATE AGENCIES - WORK SESSION 100 MOTION: REP. OAKLEY moved HB 2045 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE. HB 2257 - PUBLIC LAND TRANSACTIONS - PUBLIC HEARING Witnesses: Kim Mingo, Associated General Contractors Bill Nickleberry, Lands Manager, Department of General Services Maynard Hammer, Facilities Division Administrator, Department of General Services 121 REP. ROBERTS: Hasn't the legislature dealt with these matters in the past, making easier for you to manage and purchase new properties? 135MAYNARD HAMMER, FACILITIES DIVISION ADMINISTRATOR, DEPARTMENT OF GENERAL SERVICES: It is correct we can put money down on property without getting pre-authorization. -Circumstances under which pre-authorization from the legislature through the budget process is required for property transactions. .

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171 HAMMER: Submits and summarizes written testimony in favor of HB 2257 (EXHIBIT B) because it establishes a uniform procedure for the disposition of state owned real property. There currently are three ways to sell state-owned property which we wish to combine into one. The measure gives the department no new authority. 195 REP. ROBERTS: There still will be checks and balances in the system? 197 HAMMER: Yes this retains checks and balances, gives us no new authority. -There is no clear process for handling the sale of surplus property. -Transactions generally are not done through a bid process. -Describes present

process.

252 CHAIR MARKHAM: Do state agencies arbitrarily say they want state land and then don't use it?

254 HAMMER: No they don't.

272 REP. ROBERTS: Does this cover real property only?

274 HAMMER: Yes surplus personal property is handled by a different division.

288 REP. SOWA: Section 2 appears to set up a new policy that none of the other state agencies can have surplus property unless there is a reasonable foreseeable demand for it in the future.

306 HAMMER: That is existing law, Section 2 is not an addition.

313 REP. SOWA: Ninety nine percent is new language as I read it.

320 HAMMER: It is the policy of the state to hold no more property than is needed now and in the foreseeable future. -This bill does not give us the authority to take surplus property from a state agency that we cannot already take.

373 REP. SOWA: During the 1987 session, a bill passed to give Division of State Lands authority to sell surplus property. Under their statute the definition of surplus property is property they could make money on. We don't know down the road how this property could be used by the state. HB 2257 sets up a whole new state policy which may be in conflict with the mandates of other state agencies.

TAPE 5, SIDE B

HB 2184 - HISTORIC PROPERTY. PUBLIC HEARING Witnesses: Phil Keisling, Secretary of State, State of Oregon Cecil Edwards, Legislative Historian, State of Oregon Layne Sawyer, Historic Properties Commission, State of Oregon Jim Jones, Historic Properties Commission, State of Oregon Cameron Birnie, Administrator, Transportation & Distribution Division,

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Department of General Services. Greg McMurdo, Deputy Superintendent of Public Instruction

038 SECRETARY OF STATE KEISLING: Introduces Cecil Edwards, Layne Sawyer, Jim Jones.

065 CECIL EDWARDS, LEGISLATIVE HISTORIAN, STATE OF OREGON: Submits and summarizes written testimony in favor of HB 2184 (EXHIBIT C) because it more nearly brings the operations of the Historic Properties Commission under the Secretary of State.

128 REP. ROBERTS: How is determined whether a finder's fee should be paid and how is the amount of the payment based?

131 SECRETARY OF STATE KEISLING: Hasn't been determined yet. That question will be addressed once authority is granted that the bill discusses.

161 LAYNE SAWYER, HISTORIC PROPERTIES COMMISSION, STATE OF OREGON: submits and summarizes written testimony in favor of HB 2184 (EXHIBIT D) because the Historic Properties Commission believes these changes will improve the state's program for locating and protecting historic artifacts. 173 REP. ROBERTS: The effect on revenues of \$63,198 in the 1993-95 biennium, what is that money set aside for? 185 SAWYER: It is money provided by General Services for the administration of the commission. It pays the salary of the Historic Properties Coordinator, travel expenses, and other expenses associated with the upkeep of artifacts. 191 REP. ROBERTS: Legislative Revenue Analysis states this measure has no impact, is this already there? 198 SAWYER: Yes, it is. Resumes testimony (EXHIBIT D). 215 REP. SOWA: This measure does not clarify the definition of "historic significance" and who in this state is charged with deciding that. 226 SAWYER: We have defined in a policy what is meant by "historic significance". The Commission Coordinator and members have a broad background in this area. 241 REP. SOWA: What are you going to do with the money from the sale of surplus property? 259 CAMERON BIRNIE, ADMINISTRATOR, TRANSPORTATION & DISTRIBUTION DIVISION, DEPARTMENT OF GENERAL SERVICES: No such sales revenue is realized because historic items are not sold. 285 REP. SOWA: Then we are deleting the section that refers to surplus historic property,

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this won't affect your authority to sell other surplus property?

292 BIRNIE: We have never sold any historic property or artifacts because they are lateraled to the side to the historic properties program. Resumes written testimony (EXHIBIT E).

375 GREG MCMURDO DEPUTY DIRECTOR, DEPUTY SUPERINTENDENT OF PUBLIC INSTRUCTION: Gives background problems of associated with the handling of historic property. Then Secretary of State Norma Paulus developed a system of cataloging historic property and conducted a search for such property. It is appropriate this legislation be introduced. I don't have any difficulty with the finders fee.

TAPE 6, SIDE B

061 JIM JONES, HISTORIC PROPERTIES COMMISSION, STATE OF OREGON: Gives background on past treatment of historic artifacts. It is a monumental job just to look after all the artifacts. Items are presently being tagged which have potential to become historic artifacts in the future. 154 MOTION: REP. ROBERTS moved HB 2184 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE.

Submitted by: Reviewed by:

Carolyn Cobb Randall Jones Assistant Administrator

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EXHIBIT LOG:

A - Proposed Committee Rules - Chair Markham - 2 pages B - Testimony on
HB 2061 - Jim Stenbridge - 4 pages C - Testimony on HB 2061 - Rep. Hedy
Rijken - 1 page D - Testimony on HB 2061 - Genoa Ingram - 3 pages E -
Testimony on HB 2043 - Del Isham - 1 page F - Testimony on HB 2043 - Jim
Stenbridge - 1 page G - Testimony on HB 2044 - Dave White - 1 page H -
Testimony on HB 2045 - Dave White - 2 pages I - Amendments to HB 2043 -
Kim Mingo - 1 page

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