



Testimony to the Senate Committee on Judiciary in Support of SB 848

February 23, 2023

Good afternoon Chair Prozanski, Vice Chair Thatcher and members of the Senate Committee on Judiciary. For the record, my name is Michael Reynolds representing Reynolds Engineering, LLC, a veteran-owned emerging small business. I have been in business in Oregon since 2006 and while I am only a single-person firm, I work extensively with women, minority and emerging small businesses. I am writing today to strongly support Senate Bill 848.

Oregon's engineers, architects and land surveyors care deeply about our communities, which is why we invest in our local economy, creating jobs and housing for Oregonians. Right now, we are being forced into unfair contracting practices called "duty to defend" clauses, which require us to pay the legal expenses for those involved in construction projects even before fault is determined. This is detrimental to all design firms but especially women, minority and emerging small businesses. Because engineers, architects and land surveyors are being forced to shoulder all the legal liability and legal expenses far beyond what they're able to get insured for, fewer projects are being designed and built in our communities. This includes low-income public housing to help address Oregon's homelessness crisis.

For my firm, the inclusion of duty to defend clauses into construction agreements has limited my participation in contracting opportunities. Accepting these clauses is increasingly not worth the risk.

I respectfully ask this committee to support SB 848. Passing this bill would eliminate bad and unfair contract practices and ensure everyone involved in a project pays their fair share of legal expenses. This isn't about shirking responsibility – it's about ensuring fairness so everyone is paying their own way and adequately protected by their insurance.

Thank you for your service. I am happy to be a resource if you have additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MSR', is written over a light blue circular stamp.

Michael S. Reynolds, PE
Principal
Reynolds Engineering, LLC