



07 February 2024

To: Senate Judiciary Committee
From: Kim Olson AIA, Mahlum Architects
RE: Regarding Support for Senate Bill 1575

My name is Kim Olson representing Mahlum Architects, located in Portland, Oregon. I am writing today to strongly support Senate Bill 1575.

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 expense 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.

As a firm, we have seen increased occurrences of duty to defend clauses in our contract requirements, particularly for public and institutional projects. When this occurs, we face the reality of not being able to pursue these projects which impacts our ability to do business. Further, our firm regularly works to include women and minority owned firms and emerging small businesses on our teams, and these clauses can prohibit their involvement due to the risk involved.

We respectfully ask this committee to support SB 1575. Passing this bill would eliminate misaligned 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 public service and we are happy to be a resource if you have additional questions.

Respectfully,

A handwritten signature in black ink that reads "Kim Olson".

Kim Olson, AIA
Principal