

Testimony to the Senate Committee on Judiciary in Support of SB 1575 February 8, 2024

Good afternoon Chair Prozanski, Vice Chair Thatcher, and members of the Senate Committee on Judiciary. For the record, my name is Ron Vandehey representing Miller Consulting engineers, Inc. we are a structural engineering firm founded by a veteran. We have been in business in Oregon since 1978 and employ 28 people. 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, veteran owned and emerging small businesses. Because engineers, architects and land surveyors are being forced to shoulder the legal liability and legal expense without any insurance to cover this onerous clause, not all Oregon firms are participating in public agency projects. This problem persists and also includes low-income public housing to help address Oregon's homelessness crisis and its associated infrastructure.

Our firm's experience with duty to defend has been painful. We have been selected as the most qualified firm for public agency contract only to have this uninsurable "duty to defend" clause be put into the contract as a take it or leave it options. After spending significant resources to win the project it is painful to have to walk away or risk losing my firm to a contract clause that has nothing to do with the quality of my engineering or my negligent. I don't sell legal services and should not be forced to pay for legal service to others without being proven as negligent.

We respectfully ask this committee to support SB 1575. 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 and we are happy to be a resource if you have additional questions.

Thank you.

Sincerely,

md L. Vander

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