

February 4, 1975

SENATOR GOODRICH: Well the whole concept of the motion itself . . . Senator Chambers motion, as amended . . . all I'm trying to do is correct that so that, for example, the rate of inflation that we have experienced would be at least recognized. I think you do have a point there. If a contract, for example, exceeded one year, fifteen may not be adequate. Possibly, we should defeat the whole motion when the time comes. In the mean time, if it's a three or four month contract, then frankly I don't think there's the danger of having, for example, a three or four month contract subject to fifteen percent. Because in any three or four month period the economic conditions, relative to a specific item, could change that much in a three or four month period, and we would want to be open to cover that kind of situation.

SENATOR DWORAK: Thank you Senator.

PRESIDENT: Senator Cavanaugh.

SENATOR CAVANAUGH: I don't think the Chambers amendment . . . I just offer a piece of information here. I don't think the Chambers amendment applies to any particular time frame but applies to the contract, in that the maximum you could have less of an escalation clause if the nature of the transaction justified less. But the maximum would be fifteen percent of the contract price. So if you had a three million dollar contract to build a library, to be completed within two years, it would be ten or fifteen percent of that three million dollars over the entire period of time. As Senator Chambers amendment is written it applies to the contract price and not any particular time. It's a maximum and not a mandatory amount.

PRESIDENT: Senator Koch.

SENATOR KOCH: Mr. Speaker and members of the body, I rise to make one point. When you consider the amendments and you place either ten or fifteen you immediately are placing a minimum on there in terms of those who you are dealing with. It's a floor. You're better off possibly to go back to the original language and leave it as it is, reasonable, according to market trends.

PRESIDENT: Senator DeCamp.

SENATOR DeCAMP: Just like to reiterate what Senator Koch said, you're not cutting costs, you're increasing them if you start putting numbers in there. You start playing around with things like this, bidding, contracting, this kind of thing, I think you better listen to some people that have been in it before. This is not to criticize Senator Chambers, but I doubt his expertise in the area of contracting, construction, and negotiating bids with cities. You put numbers in there, you're increasing costs. You better remember that.

PRESIDENT: Senator Swigart.