



COALITION OPPOSITION TESTIMONY ON HOUSE BILL 333

HOUSE LOCAL GOVERNMENT COMMITTEE

February 23, 2016

Chairwoman Anielski and members of the House Local Government Committee, my name is Angela Van Fossen and I'm the director of Legislative Affairs for the Ohio Contractors Association. I am here to represent the opposition to House Bill 333, which would raise force account limits for townships.

In addition to the Ohio Contractors Association, the following groups and their members oppose this bill:

- AGC of Ohio
- International Union of Operating Engineers Local 18
- Ohio Laborers District Council
- Construction Employers Association
- Indiana-Kentucky-Ohio Regional Council of Carpenters
- Transportation Advocacy Group of Northwest Ohio
- Affiliated Construction Trades.

A force account limit is a monetary limit established in the ORC for counties, townships, municipalities and ODOT. If one of those governmental entities wants to perform construction work with their own workers and their own materials and equipment, an estimate of the project cost must be completed. If the estimate comes in under the statutory force account limit, the government entity may proceed on their own without putting it out for a competitive bid. If the amount is over the estimate, the project must be put out to bid for private sector

contractors to compete on. Raising force account limits takes work away from private sector contractors, and their workforce, while expanding the projects local governments can do without competitive bidding.

Prohibiting competitive bidding for Ohio's public works contracts only serves to raise the price of public improvements that are funded by taxpayers. Raising the force account threshold reduces the projects that the private sector is allowed to bid on and hands those projects over to local governments. By reducing competition, Ohio's taxpayers pay more as the cost of public works projects goes up. This has the end effect of reducing the number of road and bridge projects that can be done.

We believe the private sector is more efficient than the government. That is because private contractors and the workforce they employ are experts at efficiently and safely constructing infrastructure projects because that is what we do, every day. Township employees are not trained construction professionals and this is "mission creep" at its worst. It comes at a high cost to taxpayers who'll end up paying more of their hard-earned money to pay for their local governments to buy more equipment to do work that private sector contractors should be allowed to compete for.

Governor Kasich recently vetoed township force account increases that were added to the GRF budget bill in the Senate. In his veto message, Governor Kasich stated "Competitive bidding has the beneficial effect for taxpayers of keeping costs for construction and maintenance projects low....This provision would potentially increase costs for taxpayers and reduce opportunities for emerging small business. Therefore, this veto is in the public interest."

Please support Ohio's private sector contractors and their highly-skilled workforce by opposing House Bill 333. I would be happy to answer any questions you may have.