

## Senate Bill 23 Opposition Testimony of Howard Krisher

### Senate Government Oversight Committee

March 8, 2023

Chairman Roegner and members of the Government Oversight Committee, thank you for the opportunity to testify in opposition to Senate Bill 23. My name is Howard Krisher and I am the President of Starco Inc., a mechanical contracting firm based in Dayton and located in Vice Chair Antani's 6<sup>th</sup> District. At Starco, we have over 60 years of experience providing a diverse range of mechanical contracting services, such as plumbing, heating and air, refrigeration and more, to commercial, industrial and public projects throughout Southwestern Ohio.

I also am proud to serve on the board of directors of the Mechanical Contractors Association of Ohio (MCAO). MCAO is a coalition of plumbing, piping, HVAC, and specialty sheet metal contractors who, through their Local Associations from across the state, monitor and act on the legislative, judicial, and agency issues that are important to the industry. We are an organization of small business owners. Our members typically employ five to fifty people in the field in addition to support staff in the office. Our members are the backbone of many local communities and an integral part of the economy performing work on all types of mechanical contracting jobs from service and renovation to new construction and specialty fabrication.

On behalf of myself and MCAO, I am here to today to once again voice our strong support for an open, transparent and competitive public procurement process for construction services. And accordingly, our strong opposition to Senate Bill 23.

While I appreciate the value of collaborative purchasing arrangements for buying goods that are standard and one-size fits all – like paper goods or office equipment – but construction services are neither standard nor one-size fits all.

No two buildings are alike and a process that treats them as such is doing a disservice to our public owners. Our current competitive procurement process for construction services allows public owners to procure the best price for their individual project – ensuring that the details and requirements of their particular project are appropriately addressed and priced. Deferring to another public entity's procurement process and contract terms is unlikely to bring either good results or the best price for the project.

We also believe these arrangements are likely to box out local companies and local workers from working on public projects in this state. These programs operate on a national level and their selection process predominantly excludes local contractors. Additionally, collaborative purchasing typically relies on procuring proprietary systems – i.e., specific roofing systems or particular HVAC products - as opposed to outlining the general requirements of the job and allowing the contracting process to arrive at the best system. By specifying a proprietary system, the process eliminates competition and awards contracts to a limited number of manufacturers and contractors. Even if a local contractor wanted to join the consortium to be eligible to perform the work, they may or may not be able to as many manufacturers of proprietary systems only allow authorized contractors to install and warranty the system.

Finally, as we all know, you frequently pay a price for convenience. In these collaborative purchasing programs, manufacturers and contractors have to pay the purchasing consortium to participate. Those costs will be passed on in the form of higher contract prices, with no benefit to the public owner. Easier is not always better and certainly isn't cheaper.

We do not support a procurement system for construction services that could result in the procurement of services that are not tailored to the project, provided at a higher cost and which leave out local construction companies and workers. MCAO is opposed to Senate Bill 23. We encourage you instead to continue to protect Ohio's competitive public procurement laws by prohibiting the use of all construction services under collaborative purchasing agreements.

Thank you for your time and the opportunity to appear today, I'd be happy to answer any questions the members may have.