

Testimony

Before the

Senate Ways and Means Committee

**Supporting SB 475**

March 22, 2016

My name is Sheila A Ohrenberg. I am the President of Sorella Group Inc, an interior construction company based in Overland Park Kansas. I am also the Chapter President of the American Subcontractors Association, Greater Kansas City Chapter. Our membership spans throughout the state of Kansas and consists of subcontractors, suppliers and construction industry professionals.

I am here today **in support of the SB 475** payment protection for contractors, subcontractors and suppliers as it relates to public, private, partnerships, otherwise known as P3s. I understand that P3 projects are currently being built in the State of Kansas on public property. Thus, not allowing the filing of a lien should a financier or general contractor default on their contract.

Lack of payment protections shifts substantial risks to the subcontractors and suppliers. Typically, they will extend large amounts of credit before submitting an invoice to the projects prime contractor. They have paid workers, suppliers and estimated taxes before knowing if payment is forth coming. Such increased risk cannot be accepted without a cost by the business owner. This cost is ultimately borne by the taxpayer. If the risk is deemed too great the most skilled and successful subcontractors may forgo participation especially if the less risky opportunities exist.

I urge you to protect the cost of the projects ultimately funded by tax payers. I urge you to protect the payment protection rights of the subcontractors and suppliers that typically perform 90% of the project work and vote "yes" on SB 475.

Thank you for your time.

Sheila A Ohrenberg

President