

February 7, 2017

TO: Kansas Senate Commerce Committee

FROM: Sheila A Ohrenberg – Board Member of the Kansas City Chapter of the American Subcontractors Association and President of Sorella Group Inc. Lenexa Based Carpentry Contractor

RE: Senate Bill 55 – Public Construction Contracts and Performance and Payment Bonds

DATE: Testimony Given on Tuesday, February 7, 2017 at 8:30 a.m.

My name is Sheila A Ohrenberg. I am the President of Sorella Group Inc, a commercial carpentry construction company based in Lenexa, Kansas. I am a Board Member of the American Subcontractors Association, Greater Kansas City Chapter. Our membership spans throughout the state of Kansas, consists of subcontractors, suppliers, and construction industry professionals.

I am here today in support of the SB 55 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.

Thank you for your time.

Sheila A Ohrenberg

President