

**Senate Ways & Means Committee**

**Neutral Testimony SB 375**

Marynell Popst, Reece Construction Co., Inc.

Chairwoman McGinn and Honorable members of the Committee:

Thank you for allowing me to speak today. I am the Vice President of Reece Construction Co., based out of Salina, Kansas. We have been (with our fellow contractors) building the roads and bridges that make Kansas strong since 1926. Our infrastructure is a vital part of making our Kansas economy work. As you know, it is essential in a state where our products, our crops and our people are spread throughout the state to have a good, safe and economical highway system to make sure that our excellent Kansas products are delivered to their markets and that our people can move around safely. We are so grateful for a legacy of good highway programs in this state, which comes from having a supportive legislature. The time has come to pass another comprehensive transportation program to continue that legacy. We are very supportive of the work Secretary Lorenz and her team have done to put forward another long-term strategic plan for transportation. I am a fourth generation Kansas small business owner and we currently provide quality jobs to about 100 employees who live in Scandia, Salina, Wichita, Sabetha, Great Bend and many other communities around the state. We are proud of our strong Kansas roots and we know that this sort of legacy would not be possible in a state that did not foster a positive environment for strong local small businesses.

Which is why, although I strongly support the need for a transportation program, I am also concerned about a few trends in this plan that I believe you all need to be aware of. The first is the possibility of bundling projects and alternative delivery. A few other states, including our neighbors to the east, have made a habit of bundling multiple bridge projects into one larger “bundled” project. This would be devastating to the strong competitive contractor base that has been fostered over the last 30 years of transportation programs. When we bid on a bridge construction or repair project many of our competitors are also small Kansas-based family businesses. That strong local contractor base gives KDOT competitive prices for all its projects and builds a stronger business community in Kansas. If this bill continues to allow for alternative delivery or bundling those projects into one larger project, all of those local competitors and ourselves will be excluded, opening the door for large, out of state contractors with out of state employees who are not committed to partnering for a better Kansas. We understand that there is a time and place for alternative delivery, but it is NOT the right solution for many of the projects and taxpayer dollars in Kansas.

Our local contractors and suppliers have weathered the storm of the funding transfers over the last few years, like many of you, by tightening our belts and working towards a better solution. We believe that a comprehensive transportation program needs to be passed, but also needs a protection of funding, otherwise it is an empty promise. I am gravely concerned that without that critical protection of the highway transportation fund and without limiting alternative delivery and bundling, only a limited amount of funding will be available. It would go to large out of state contractors who have the design staff and bonding capacity to handle large projects to the exclusion of the local contractors who use local suppliers and invest in local workforce development.

Our local contractors and suppliers need to be assured there will be funding for this entire Highway Program, so that we can continue to build up our workforces, purchase necessary equipment and invest in our company and our state.

We support KCA's amendment limiting alternative delivery and bundling and a protection for the funding of this Forward Program. Without those critical pieces, I don't believe this program will foster a productive and vibrant business environment which is the key to the long term success and maintenance of our Kansas infrastructure system.