



GENERAL SHEET METAL

TESTIMONY IN SUPPORT OF HB 4128

Good Afternoon Chair Holvey and members of the committee.

My name is Carol Duncan and I am the owner and CEO of General Sheet Metal. We are a Mechanical, Architectural Contractor and a manufacturer with a 43,000 sq ft facility in Clackamas County.

I'm celebrating 36 years at GSM this year and have been a Certified WBE since 2000. When I received our certification in 2000 we were a straight sheet Metal and manufacturing company with 36 employees. My volume was 4 million dollars that year. In 2008 our volume was 6 million and we had 31 employees and we diversified into the Architectural Sheet Metal market.

By 2012 our volume was nearly 12 million and 64 employees. Still trying to survive the Great recession we started offering full Mechanical Services which meant that we hired subcontractors, and bought equipment. I invested in a new building, new equipment, started manufacturing product for installation locally rather than bring it in from out of state.

I now employ over 200 people. My volume rose accordingly and I reached the COBID cap in 2016, and was decertified last year. I am no longer considered a Woman Owned business by the state of Oregon, which is required to be counted as a COBID on public projects in the state of Oregon, although I am still a national certified WBE.

The size of our projects grew as we grew. Construction companies are 2nd in failure rates only to restaurants. It took 18 years to get to the point that I could take on an 8 million dollar project.

As you know we are experiencing a construction boom like I nor my father before me have ever seen. Mega projects that might have dotted the landscape 15 years ago are now the standard.

General Contractors are asked to provide 20% COBID participation by the contracting agencies. Typically my scope of work is approximately 4 to 5% of the total construction costs. On a 170 million dollar project that is \$34 million in COBID contracting required commitments.

If my scope is 8 million, that general contractor still needs to fill in 26 million. On a current project we are involved with there are over 20 separate COBID contractors besides myself and they haven't finished filling the requirement yet. There simply isn't the capacity in the COBID system to meet those requirements, especially when the COBIDS start dropping off due to the cap.

I have had conversations and discussions with general contractors and subcontractor in the last 2 months regarding the fact that they will not be bidding particular projects due to the lack of capacity in the COBID system to meet the requirements.

My story shows that it takes time for businesses to develop and you do that by taking on bigger and bigger projects.

Thru this legislation you are allowing the businesses that have been fortunate in their growth to continue, help younger business to climb the ladder of success and help local government achieve their goals.

Thank you for your time and I am happy to answer any questions.