

Good Morning/Afternoon, Mr. Chairman/ Madam Chairperson, and Committee Members. Thank you for allowing me this opportunity to speak on behalf our request for you to consider Senate Bill 1721 "An Act Relative to Structural Steel".

My name is Stephen Capone. I am a Massachusetts native and a lifelong resident of this Commonwealth. I live in North Reading, Massachusetts where my wife Deanna and I are proudly raising our three teenage children, Giavanna, Catarina and Stephen Jr. All three children attend North Reading Public Schools.

I am an owner and president of a family steel construction company; Capone Iron Corporation located in Rowley, MA.

I am also the current president of the Steel Fabricators of New England which has over 50 fabricator members and 51 trade and supplier members.

Additionally, I serve on the Board of Directors of the Associated Subcontractors of Massachusetts and I am a member of the Associate Builders and Contractors and the American Welding Society as well.

Capone Iron employs over 50 people in Rowley and 100's of subcontractors through the Commonwealth and region Capone Iron has been in existence for over 64 years working throughout the Commonwealth and all over New England and New York.

Our company fabricates, supplies and installs Structural Steel and Miscellaneous Iron products on all types of projects.

We service the commercial, private and sometimes if we are fortunate enough, the public sectors. Capone Iron is certified by the American Institute of Steel Construction for complex structures and major bridge projects and Capone Iron is an approved vendor for the Massachusetts Department of Transportation for Simple Bridge and Bridge Components We are also DCAMM CERTIFIED

Our projects, small and large range from retail plazas and malls, to colleges and universities, hotels and hospitals and basically anything in between requiring fabricated steel Yet we rarely get to do work on publicly funded building projects like schools, libraries, town halls and municipal buildings.

I am here today to request your support with regards to our bill "Senate Bill 1721" , An Act Relative to Structural Steel.

The basis behind this bill is create an opportunity for DCAMM CERTIFIED companies like Capone Iron and other steel fabricators from New England to have a FAIR OPPORTUNITY to bid on the structural steel packages within our publicly funded building projects.

The Filed Trade Laws were enacted to protect the major trades.

The Filed Sub Bid laws "Chapter 149", were enacted circa 1939-1941.

Projects with a Fees cost over \$10,000.00 and Construction Estimate over \$100,000.00 are subject to Chapter 149 Filed Sub Bid Laws. Those projects include such that are under the jurisdiction of: DCAMM, Division of Capital Asset Management and Maintenance, DCHD, Department of Housing and Community Development.

They really began take root from the late 40's to 50's but back then the majority of the buildings were mostly built of masonry, not steel framed as opposed to today.

Masonry continues to be a Filed Trade.

Back then Lath and Plaster were a major trade and are still a Filed Trade bid but that practice is basically nonexistent today replaced by Drywall which is a major trade but not a Filed Trade.

Currently there are 16 project specification sections broken down into 23 divisions .

The current list of filed trades include:

1. Acoustical Tile
2. Electrical Work
3. Elevators
4. Fire Protection Sprinkler Systems
5. Glass and Glazing
6. HVAC
7. Lathing and Plastering
8. Marble
9. Masonry Work
10. Metal Windows
11. Miscellaneous and Ornamental Iron
12. Painting
13. Plumbing
14. Resilient Floors
15. Roofing and Flashing
16. Terrazzo
17. Tile
18. Waterproofing, Damp-proofing and Caulking

This effort is to establish a fair bidding opportunity to anyone who is DCAMM CERTIFIED and wants to bid on small and/or large public steel projects in MA.

What it is designed to do, is to eliminate price fishing practices.

It's designed to give everyone who wants to bid on a public project, **a fair chance to do so.**

In short summary;

- A sealed bid is submitted on bid day by a DCAMM CERTIFIED bidder
- The sealed bid is opened on bid day
- And the results declared.
- A fair bid process on a publicly funded building construction project.

Requirements for Consideration of Sub-Bidder Certification

1. Your firm must have been in business for at least one year in the category of work for which certification is sought.
2. Your firm must have successfully completed a minimum of three (3) projects, each with a minimum value of \$20,000, within the past three years in each category of work in which you're seeking certification.
3. Your firm must have Workers' Compensation Insurance Coverage.

The application process requests financial statements, articles of organization and/or annual report, bonding letter (if bonded), resume of principal and supervisory personnel, list of completed projects, list of projects in progress, workers comp mod and evidence of insurance.

From the Owner, Contractor and CM perspective the benefit realized will be:

- the assurance that financially responsible DCAMM CERTIFIED subcontractors are doing their work
- All bidders will be putting their best number forth on bid day
- Owners get a fair and economical bid on bid day
- Pricing may tend to go down too because the fabricators will not worry about including contingencies in their bids to cover the risks that may otherwise be shifted to them.
- if the bidder happens to be a local/regional DCAMM CERTIFIED fabricator, the **Economic Multiplier** does come into effect.

"The Economic Multiplier for this type of work ranges from 1.6 to 2X". That means for every 10 million dollars of this work performed by a local or regional steel fabricator, 16 to 20 million dollars will resonate throughout the local and regional economies

From the Structural Steel Fabricators perspective the benefit realized will be:

- A statutory fair, 2 page standard form of sub contract for all.
- 5% retainage
- Better payment terms, steel contractors may not be forced to accept paid if/when paid
- Better legal rights and remedies for nonpayment and Change Orders
- And again , The theory goes that with the above fair and reasonable terms, our prices may go down too because we're not including contingencies in our bid to cover the risks that may otherwise be shifted to us.
- And Yes, if the bid happens to a local/regional DCAMM CERTIFIED fabricator, the **Economic Multiplier** does come into effect and again, it's a win /win all around.

There is nothing to lose and all to gain for fabricators and their supporting companies as well as the awarding authorities, contractors, and construction managers including the local and regional economies.

I am sure that you will have questions and we may face opposition. I will do my best to answer your questions and convince any opposition on how this bill will benefit the Commonwealth.

All that I can ask is for you to give this bill fair and reasonable consideration. Please consider bill S1721 to create a FAIR BIDDING platform for anyone who is or wants to be DCAMM CERTIFIED and bid on publicly funded building construction projects.

Thank you for your time and allowing me this opportunity to present this bill