



2/20/2023

Attn: Maryland Senate Finance Committee Chair Melony Griffith and Members of the Senate Finance Committee

Re: **SUPPORT Senate Bill 453** – State and Private Construction Contracts- Prompt Payment Requirements

Chair Griffiths and Members of the Senate Finance Committee,

I'm writing to you today to express strong Support of Senate Bill 453. As the Founder and Chief Visionary Officer of Bernward Mechanical and Construction Solutions, we are highly supportive of **Senate Bill 453** to ensure that we and our fellow subcontractors are protected from needlessly slow payment from Owner and General Contractors after the completion of contracted work.

Bernward Mechanical is a Service Disabled Small Business located here in Anne Arundel County, Maryland. We started in 2016 with a vision to provide best in class mechanical construction and service with an all-union workforce to the DMW with Leadership, Service, and Dedication. Since those early beginnings, we have grown to a force of over 80 employees, are signatory to Local Unions 486, 602, 5, 24, 26, 100, 197, 51 and LiUNA, and are active members in both MCA-MD and MCAMW.

As a subcontractor, we face numerous burdens from delayed payments from owners and general contractors. Most significant is cash flow to pay our employees, our suppliers, and our second tier subcontractors. During a construction contract, we bear the primary burden of the cost of construction each and every day. We must make payroll weekly, pay our withholding taxes weekly, pay our union benefits and dues monthly, and pay our suppliers every 30 days. Almost every one of those payments has to be made on average 60 days before we see one dollar of payment from our clients. That leaves us holding the burden of the cost of construction 90, 120, sometimes even 150 days. This is a major and avoidable problem for small businesses that prevents many from growing to their full potential and boosting our economy, and opens up many small businesses to seeking out often high interest financing options that cut into their margins in order to pay for an owner's renovation or new building.

I urge you to provide a favorable report on SB453. You will not only be alleviating one of the largest burdens on our small businesses, but also ensuring the economic growth of those same businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Neimeyer", is written over a white background.

Carl Neimeyer, Founder and Chief Visionary Officer, Bernward Mechanical and Construction Solutions

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