



Maryland Chapter
National Electrical Contractors Association



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Dear Chair Pena-Melnyk and members of the Health & Government Operations Committee:

On behalf of the Maryland Chapter of the National Electrical Contractors Association (NECA) and the Alliance for Construction Excellence (ACE), I write today to express our strong support for House Bill 342, requiring prompt payment for State procurement contracts owed by a contractor or subcontractor to a supplier; and generally relating to the prompt payment of suppliers that have supplied labor or material for work done under State procurement contracts.

Maryland NECA represents over 75 electrical construction contractors that employ some 2,200 electrical workers and over 400 working apprentices. ACE is a coalition of premier construction specialty contractor associations, allied to create awareness of the value of quality construction. ACE represents subcontracting firms that employ highly skilled technicians for field construction work, and provide those employees with high-value wages, family medical care, retirement plans, and continuing education through workforce development and apprenticeship training programs.

Both NECA and ACE strongly support House Bill 342 because one of the many challenges that prime contractors, subcontractors, and suppliers in the construction industry face is not being paid in a timely fashion. Too often, these businesses are left waiting for months, and in some cases, years, until they are paid for a project they've already completed, even after having fulfilled their obligation of the contract with the customer or prime contractor.

While the contractor, subcontractor, and supplier waits to be paid for services rendered, their obligation to pay their vendors, their employees, and their overhead for an office and warehouse is demanded on a timely basis. This means the business owner is left operating with a massive deficit, especially when the payment owed is worth hundreds of thousands, if not millions of dollars. Contractors and suppliers - small, medium, and large - face this dilemma every day, and waiting for large sums of owed money means they're unable to pay themselves.

House Bill 342 is critical for the members of NECA, ACE, and all contractors - prime and sub - as well as suppliers in the State of Maryland by making sure that they are paid what they're owed and in a timely manner. For these reasons, Maryland NECA and ACE supports House Bill 342 and asks for a favorable report.

Sincerely,

William Yull
Executive Director
Maryland Chapter, NECA