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TESTIMONY OF
Keith Corneau, Vice President of Construction
United Steel, Inc.
COMMERCE COMMITTEE
Tuesday, March 19, 2013

SB 1133, AN ACT CONCERNING PREFERENCES FOR CONNECTICUT COMPANIES IN STATE AND MUNICIPAL CONTRACTING

Good Morning, Senator LeBeau and Representative Perone and distinguished members of the Commerce Committee. My name is Keith Corneau, I am VP of Construction for United Steel, Inc. Today I am testifying in **SUPPORT of SB 1133, AAC CONCERNING PREFERENCES FOR CONNECTICUT COMPANIES IN STATE AND MUNICIPAL CONTRACTING.** United Steel is based in East Hartford, CT and is the largest fabricator and erector of structural steel and miscellaneous metals in New England. While we have the skill, equipment, and facilities to meet virtually any steel need, it is our hands-on approach that gets projects done efficiently and achieves goals for cost, quality and attention to detail. We have 140 full time employees and have a State of CT certified Apprenticeship program.

Over the past few years we have experienced the loss of potential in state contracts to out-of-state competitors on bids with a difference of less than 2 percent. In one case, we were out bid by less than 1,000.00 dollars.

The following cite two very recent examples for the Committee;





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1. University of Connecticut Basketball Practice Facility - on a 2.9 million dollar bid to supply structural steel for the planned facility, United Steel lost to a New York based steel company. A thousand dollars could have been made up on a single change order with the increased trucking costs from New York. We understand the state is responsible to look out for taxpayers by securing the best deals. However, we feel strongly for 1,000 dollars the best deal for taxpayers would have been to provide this work to an in-state company who provides jobs to Connecticut taxpayers who spend their hard earned dollars in Connecticut. Also, the ancillary impact on the other Connecticut based subcontractors used by United Steel for raw material purchases, painting, galvanizing and trucking only exacerbate this lost opportunity.

2. UCONN Health Center - on a 17.1 million dollar bid to supply structural steel for the UCONN facility, United Steel was out-bid by 1.38 percent to a company that fabricates their steel in Virginia and Canada.

As you are well aware, the business climate at large has been difficult for a number of years. Our company is working within smaller and smaller margins, losing projects like the above to out-of-state contractors at a miniscule cost difference is simply frustrating. Our competitors are being subsidized by their local governments in many cases. We are not asking for any subsidies. We are asking for a competitive playing field. We do understand this is not a simple fix. The retaliatory statutes impacting states who provide in-state preference creates



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complications that warrant a careful balance between providing preference to in-state contractors/manufacturers and allowing them to continue to do business out-of-state without financially distressing consequences.

Thus, in addition, to supporting the current language of SB 1133 we suggest the legislature consider a "carbon footprint" model which could take into consideration environmental impact of out-of-state companies trucking large amounts of materials in and across our state borders. The United States Green Building Council mandates that in order to get LEED credits for regional materials, they must be manufactured within a diameter of the project. I would suggest using the same mandate in CT. By using a 100 mile diameter, from the fabricator/manufacturer to the job site, we would cover almost all CT business, not only benefiting the environment, but CT businesses as well. It is our understanding that the State has an interest in preserving and growing jobs in Connecticut and I believe SB 1133 could help achieve this goal.

In closing, I respectfully request the Commerce Committee to move SB 1133 forward while prudently considering any and all alternatives that support keeping jobs and viable work-products for Connecticut based companies in Connecticut. I certainly appreciate your time today and would be happy to answer any questions.



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