



POSITION: FAVORABLE

HB582 / SB232: Procurement – Prevailing Wage – Applicability

House Economic Matters Committee

Senate Finance Committee

Dear Delegates and Senators:

My name is Timothy J. Kirlin, and I write today as President & CEO American Combustion Industries, Inc. (ACI) to urge your favorable support of HB582 and SB232, eliminating the Prevailing Wage "state funding threshold."

Formed in more than 4 decades ago, ACI is a mechanical service contractor doing service and replacement of mechanical, electrical, and plumbing systems in commercial, residential and industrial facilities throughout the region.

Our workforce is both union and non-union, including 120 employees and 17 hard-working Apprentices.

We understand the importance of Prevailing Wages from the perspective of both an employer and incubator for the next generation of highly-skilled Journeymen through our world-class Apprenticeship Training program. Our work includes service and replacement of mechanical, electrical, plumbing and control projects for a number of regional government facilities, institutions, and military complexes, including National Institute of Health, St Mary's College, Johns Hopkins, University of Maryland, Army Research Lab, and a number of hotels and other commercial facilities.

Maryland's Prevailing Wage program is important because it incentivizes greater participation of Apprentices, increased wages, and overall higher construction standards and outcomes. This legislation improves the program by eliminating the "state funding threshold," which has been problematic because it is a barrier to contractors, like ACI. By eliminating the "state funding threshold," contractors like ACI are better able to bid on projects that would otherwise be prohibitive, which would increase the number of world-class Journeymen and Apprentices. In addition, down the road, we also hope that the legislature would consider lowering or eliminating the arbitrary \$500,000 threshold, which would expand opportunities to service contractors like ACI, who specialize in service and replacement projects that are often below the \$500,000 threshold. This would greatly expand the number of Journeymen and Apprentices that companies like ACI, who pay full medical and pension benefits to our people, can hire.

Thank you for your consideration. We appreciate your work, and we ask for a favorable committee report.

Sincerely,

Timothy J. Kirlin
President & CEO