

## CM/GC TESTIMONY, Senate Bill 254

Chairman and Committee members,

My name is Tom Gerding

1. Owner of Gerding Companies in Corvallis,
  - a. Work as a GC
  - b. Work as a specialty subcontractor
2. Member the Work Group that helped create the language in this bill
3. AGC President - 900 members representing subcontractors & suppliers, GC's , and industry associates all over the state. Large, small, union, open shop.

**I am really glad** to be here before you today speaking to **why the industry needs this bill**. CM/GC has become a divisive issue within our industry and within our membership at AGC.

Myself, I believe I am as **conflicted of a player on this matter** as anyone active in the industry today can be. There are times **I benefit** from CM/GC in its current state, and there are **times I lose** from CM/GC in its current state. There are others out there who are not so conflicted, they either hate it or love it. **What we need is better transparency & consistency** when CM/GC is being **sought out** and **used** by the public owners. So that:

1. It is used on the **appropriate** projects
2. The **CM/GC that should get the project** actually does get it
3. The subcontractors that **should be awarded** the work are getting the work

I support this Senate Bill 254 as a great first step

1. It improves **transparency in the owners initial exemption** process
2. It establishes a **consistent set of Model Rules** that **all owners** must work within. This will **improve consistency & transparency** for the:
  - a. **CM/GC selection** process
  - b. And after award, the **subcontractor selection** process

Speak to the benefit of having sat on the Work Group for **nearly year's worth of meetings**. Large work group comprised of:

1. Subcontractors
2. General Contractors (heavy highway & building)
3. Trades & Associates
4. Large cross section of public owners

During the half-day meetings we talked through the **varying perspectives and many intricacies** of the CM/GC process. We all heard the **challenges & frustrations** some experience while also the **value and needs it provides** to others. This is the end product of a **year long collaboration and negotiation process**.

This is a good Bill for our industry and simply stated, **good public policy**. It is not perfect but is a **very good step forward**.

Thank you Mr. Chairman and I would be happy to answer any questions you or committee members may have.