



General Assembly

January Session, 2005

**Bill No. 6686**

LCO No. 3394

\*03394\_\_\_\_\_\*

Referred to Committee on Government Administration and Elections

Introduced by:

REP. WARD, 86<sup>th</sup> Dist.

SEN. DELUCA, 32<sup>nd</sup> Dist.

**AN ACT CONCERNING THE SET-ASIDE PROGRAM FOR SMALL CONTRACTORS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (1) of subsection (a) of section 4a-60g of the  
2 general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective July 1, 2005*):

4 (1) "Small contractor" means any contractor, subcontractor,  
5 manufacturer or service company (A) which has been doing business  
6 under the same ownership and management and has maintained its  
7 principal place of business in the state, for a period of at least one year  
8 immediately prior to the date of application for certification under this  
9 section, (B) which [had gross revenues not exceeding ten million  
10 dollars in the most recently completed fiscal year prior to such  
11 application] meets the size standard established by the Department of  
12 Administrative Services for the business sector in which such  
13 contractor, subcontractor, manufacturer or service company operates,

14 and (C) at least fifty-one per cent of the ownership of which is held by  
15 a person or persons who exercise operational authority over the daily  
16 affairs of the business and have the power to direct the management  
17 and policies and receive the beneficial interests of the business, except  
18 that a nonprofit corporation shall be construed to be a small contractor  
19 if such nonprofit corporation meets the requirements of subparagraphs  
20 (A) and (B) of this subdivision.

21 Sec. 2. Subsection (f) of section 4a-60g of the general statutes is  
22 repealed and the following is substituted in lieu thereof (*Effective July*  
23 *1, 2005*):

24 (f) The awarding authority shall require that a contractor or  
25 subcontractor awarded a contract or a portion of a contract under this  
26 section perform not less than fifteen per cent of the work with the  
27 workforces of such contractor or subcontractor and shall require that  
28 not less than twenty-five per cent of the work be performed by  
29 contractors or subcontractors eligible for awards under this section. A  
30 contractor awarded a contract or a portion of a contract under this  
31 section shall not subcontract with any person with whom the  
32 contractor is affiliated. No person who is affiliated with another person  
33 shall be eligible for awards under this section if both affiliated persons  
34 considered together would not qualify as a small contractor or a  
35 minority business enterprise under subsection (a) of this section. The  
36 awarding authority shall require that a contractor awarded a contract  
37 under this section submit, in writing, an explanation of any  
38 subcontract entered into with any person that is not eligible for awards  
39 under this section.

40 Sec. 3. Subsection (k) of section 4a-60g of the general statutes is  
41 repealed and the following is substituted in lieu thereof (*Effective July*  
42 *1, 2005*):

43 (k) (1) Whenever the awarding agency has reason to believe that any  
44 contractor or subcontractor awarded a set-aside contract has wilfully  
45 violated any provision of this section, the awarding agency [may] shall

46 send a notice to such contractor or subcontractor by certified mail,  
47 return receipt requested. Such notice shall include: (A) A reference to  
48 the provision alleged to be violated; (B) a short and plain statement of  
49 the matter asserted; (C) the maximum civil penalty that may be  
50 imposed for such violation; and (D) the time and place for the hearing.  
51 Such hearing shall be fixed for a date not earlier than fourteen days  
52 after the notice is mailed.

53 (2) The awarding agency shall hold a hearing on the violation  
54 asserted unless such contractor or subcontractor fails to appear. The  
55 hearing shall be held in accordance with the provisions of chapter 54.  
56 If, after the hearing, the awarding agency finds that the contractor or  
57 subcontractor has wilfully violated any provision of this section, the  
58 awarding agency shall suspend all set-aside contract payments to the  
59 contractor or subcontractor and may, in its discretion, order that a civil  
60 penalty not exceeding ten thousand dollars per violation be imposed  
61 on the contractor or subcontractor. If such contractor or subcontractor  
62 fails to appear for the hearing, the awarding agency may, as the facts  
63 require, order that a civil penalty not exceeding ten thousand dollars  
64 per violation be imposed on the contractor or subcontractor. The  
65 awarding agency shall send a copy of any order issued pursuant to  
66 this subsection by certified mail, return receipt requested, to the  
67 contractor or subcontractor named in such order. The awarding agency  
68 may cause proceedings to be instituted by the Attorney General for the  
69 enforcement of any order imposing a civil penalty issued under this  
70 subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	4a-60g(a)(1)
Sec. 2	July 1, 2005	4a-60g(f)
Sec. 3	July 1, 2005	4a-60g(k)

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*