



Testimony of
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Government Administration and Elections Committee
Public Hearing – February 21, 2007

S.B. 41 (COMM) An Act Concerning Clean Contracting Standards

Good afternoon Senator Slossberg, Representative Caruso and members of the GAE Committee. My name is Ron McLellan. I am Vice President of Connecticut Employees Union Independent (CEUI), SEIU Local 511, which represents members of the state's NP-2 Service and Maintenance bargaining unit.

STEVEN PERRUCCIO
President

RON McLELLAN
Vice President

LESLIE MADDOCKS
Secretary-Treasurer

Thank you for the opportunity to speak in support of S.B. 41, which would establish uniform contracting standards for all state agencies.

As a state employee, it is my belief that public services should be provided by public servants. Not only are public employees invested in their work and the state's success, but the state has administrative structures in place to review job performance.

More than 3,000 CEUI members have lost their jobs over the last 10 years because the state has privatized their work. The state has outsourced the UConn Print Shop, DAS Laundry and Warehouse and attempted to privatize the DAS Fleet Service.

We've all heard public officials and administrators complain about the cost of generous benefits negotiated and earned by state employees. But is Connecticut really saving money by putting state employees out of work? From its own admission, the Governor's Contracting Standards Board does not even know how much the state spends on outside contracts. How can we know privatizing saves money if we don't even know how much we spend on contractors and if those services can be provided for less by state employees?

S.B. 41 addresses these issues by requiring state contracting agencies to conduct comparative cost analyses and employee impact statements when evaluating proposals to privatize public services and reviewing privatization contract bids.

Important as it is, price should not be the sole factor in determining how to provide public services. Quality and accountability are critical pieces of the puzzle. We are now learning that lesson as fallout from the defective storm drains on I-84 continues to unfold.



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L.G. DeFelice Inc. was awarded a \$52 million contract to build the road. The Maguire Group Inc. received a \$6 million contract to inspect DeFelice's work. The Department of Transportation, crippled by inadequate staffing, was reduced to managing contractors and consultants rather than perform critical on-site inspections. Now, the state could have to pay as much as \$27 million to fix the entire mess - half of what it was originally supposed to cost to build the road in the first place. Surely Connecticut taxpayers deserve better than paying 50 percent more than necessary for a road improvement project.

Sadly, I-84 is not an isolated incident. We have witnessed other failures in privatizing, such as: the DMV's inspection contract with Agbar Technologies, Inc.; Central Connecticut State University's \$40 million food service contract with Chartwells USA; and Department of Transportation's contracting out of maintenance work at DOT repair garages.

Private contractors are in business to make a profit. There's nothing wrong with that until competition and greed drive them to deliver a cheap, substandard product by cutting corners on labor, materials and services. If we do privatize services, it should be done right – with transparency, fairness and uniformity.

We understand the State's desire to save taxpayer money, but the Administration is being penny wise and pound foolish. It is time to stop the practice that became the hallmark of the Rowland administration. It's not enough to ban contractors from making political contributions to state politicians and to create a toothless Contracting Standards Board. A uniform, transparent contracting process provides accountability and gives Connecticut taxpayers a reason to have faith in government. For this reason I urge the Committee to continue its leadership on this issue and act favorably on S.B. 41.

Thank you for the opportunity to testify before you today. I would be glad to answer any questions you may have.