



M. JODI RELL  
GOVERNOR

**TESTIMONY OF  
GOVERNOR M. JODI RELL**

**Government Administration and Elections Committee  
February 21, 2007**

**On Senate Bill 41  
AAC Clean Contracting Standards**

Senator Slossberg, Representative Caruso and members of the Government Administration and Elections Committee, thank you for the opportunity to submit my comments this morning on Senate Bill 41, *AAC Clean Contracting Standards*.

As Governor, I have pledged to restore faith, trust and integrity in state government. No one place shouts out louder for immediate action to restore these principles than the state's contracting system. Connecticut spends hundreds of millions of dollars annually on goods and services including construction projects, leases, personal services, and equipment to name but a few. However, state purchasing procedures are inconsistent, training of personnel varies by state agency and not all selection processes are conducted in the open. The system is vulnerable to abuse and confusion and in many cases inefficient.

It has never been clearer that the people of Connecticut have had enough with the present dysfunctional contracting process and that they are demanding action to clean up the current system. As I have urged everyone since my first day as Governor, it is time to make Connecticut a national leader in having policies and procedures in place for state contracting that live up to the trust Connecticut's citizens have placed in us as stewards of their tax dollars.

To his end, as one of my first official acts as Governor, I created the Task Force on Contracting Reform. The Task Force was charged with reviewing all state contracting procedures and recommending improvements for how the state purchases goods and services. Among the primary recommendations of the Task Force was the adoption of a state procurement code. The Task Force's final report and recommendations culminated in the drafting of legislation that has come before the General Assembly in previous years. While I do not agree with all aspects of SB 41, the legislation serves as a vehicle to provide us with the opportunity to adopt the recommendations of the Task Force, to move the work of the Task Force forward and to make Connecticut's system for contracting a model for other states.

To maintain momentum on the Task Force's final recommendations, I established the State Contracting Standards Board on June 30, 2005 by Executive Order. The Board was charged, among other tasks, with the creation of a uniform procurement code as recommended by the Task Force. The Board is conducting its work in three phases: developing a framework for the procurement code; identifying and compiling all relevant state statutes and regulations; and reviewing those statutes and regulations to determine what should remain and what needed to be kept, modified or discarded.

On January 16, 2007, the Board submitted a proposed "Consolidated Uniform Procurement Code" to my office and to the General Assembly. The Code establishes a statewide procurement system with a common statutory framework that mandates accountability, training, oversight and clear standards applicable across all state entities. More importantly, an operational structure is put in place that focuses the state procurement system on integrity and transparency and introduces the concepts of best practices, innovation and responsibility.

It is imperative that the General Assembly pass a procurement code into law. On February 7, 2007, I submitted House Bill 7088, *An Act Concerning a Uniform Procurement Code*. That bill incorporates the Board's major organizational recommendations, which include:

- Establishing, by statute, a State Contracting Standards Board as the central oversight and policy body for all state procurement;
- Creating the position of the Chief Procurement Officer, who shall be an experienced procurement professional, to implement the policies and directives of the Board;
- Requiring each agency head to appoint a qualified Agency Procurement Officer to oversee all procurement activities of the agency and to serve as the liaison to the Chief Procurement Officer;
- Developing a standardized state procurement and project management education and training program;
- Certifying that agencies and staff are in compliance with Code;
- Establishing the enforcement authority of the Board, including the ability to restrict or eliminate the procurement authority of any state agency;
- Instituting a structured process that all state agencies must follow when entering into a privatization agreement, including, a cost benefit analysis;
- Requiring CHRO to conduct a disparity study, to examine if there is significant evidence of discrimination in the way State contracting dollars are expended; and
- Recommending a time-line to redesign and streamline the repetitive, conflicting or obsolete provisions of law.

Now, more than ever, it is imperative that concrete steps be taken to reform the state's contracting process. As leaders, we must establish a system with standards that are clear, consistent, open, simple and fair. We must lay clear ground rules across all state entities that demand the highest standards of integrity and guarantee the most efficient use of taxpayer dollars. We must restore confidence in the state contracting process.

I look forward to working with the Committee and the rest of the General assembly to make the reforms and improvements to state contracting recommended by the Task Force and the Board.

These bills provide us with an opportunity to make changes that will show all Connecticut citizens that we are true stewards of their trust, that we can and will make the system more transparent, open and fair and that we can work together to deliver Connecticut a contracting system that is second to none. As we have done so many times together, I ask you to join me in making this year the year we deliver this critical reform to the people of Connecticut. Connecticut cannot wait any longer.