



DEPARTMENT OF ADMINISTRATIVE SERVICES

STATE OF CONNECTICUT

165 Capitol Avenue
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Raised Bill 7032

An Act Concerning the Retention of Jobs in Connecticut and the United States

Testimony of Carol Wilson
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Labor and Public Employees Committee
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Good morning Senator Prague, Representative Ryan and members of the Labor and Public Employees Committee. My name is Carol Wilson and I am the Director of Procurement at the Department of Administrative Services. I am here today to testify regarding House Bill 7032, An Act Concerning the Retention of Jobs in Connecticut and the United States.

DAS strongly supports the purchase of products and services from companies that are located in the United States and, especially, in Connecticut and we continually strive to add more local businesses to our list of awarded suppliers. Current statutory language provides that in awarding a contract, with all factors being equal, we give preference to supplies, materials and equipment that are produced, assembled or manufactured in the state and to services originating and provided in the state. **Nearly 67% of our existing suppliers are based in Connecticut.**

DAS recognizes that the intent of House Bill 7032 is to assist local companies; however, we are concerned that this bill will **actually have the unintended effect of hindering Connecticut companies from bidding on state contracts and depriving them of commercial opportunities.**

By imposing additional requirements on the bidding process, this bill hurts all Connecticut-based companies that make or sell goods that are produced, manufactured or assembled, **in whole or in part**, outside the United States, as well as Connecticut companies that manufacture or sell goods that are "made in the USA" but not in Connecticut. **From small, family-owned retailers to Connecticut's largest manufacturers, virtually every Connecticut-based company uses some materials or sells some goods that originate elsewhere.** Thus, essentially every bidder would be required to provide detailed information about the various sources of their goods and services, **presumably including component parts**, thereby complicating the bid submissions.

For example, under this bill, Bozrah Home & Hardware, Inc. which sell lawn mowers and snow blowing equipment to various towns and state agencies, would have to identify the source of every lawn mower and snow blower, not to mention every wheel, engine block, gear shift, auger, and blade from which they are made. Likewise, Norwich Cylinder Gas, Inc, which sells industrial and medical gases, as well as welding and medical equipment to the state and to towns, would have to report the origin of the various gases it provides, as well as the source of all of the grinding wheels, hoses, regulators, wires, and other associated equipment. The administrative burden associated with complying with these requirements will be extremely onerous – especially to Connecticut’s small and family-owned businesses – and **is likely to act as a disincentive for local companies to bid on state contracts.**

Determining “Economic Impact”. The bidding process would be further complicated by the requirement in HB 7032 that state agencies assess the “economic impact to Connecticut and residents of the state.” First, it is not clear how an agency would go about determining the economic impact of a contract award. Further, even assuming that agencies would be instructed on what factors should be considered in assessing the economic impact, such an analysis would inevitably cause delays in awarding contracts.

Retaliation by Other States. Moreover, this attempt to assist Connecticut-based companies may well lead neighboring states to retaliate by imposing their own protectionist measures. Receiving a preference from the state of Connecticut will not necessarily compensate a Connecticut business that has lost opportunities to sell goods and services to New York, Pennsylvania or Massachusetts.

Reporting on All Existing Contracts. Section 1 of HB 7032 requires that the Governor review all state contracts and identify any contracts under which state funds are paying for goods manufactured outside Connecticut or the U.S, and services provided outside Connecticut and the U.S. On a purely practical note, this requirement is simply unworkable. Currently, DAS administers **864 active contracts**, which are serviced by **2023 different suppliers**. In addition, **several hundred other contracts** are administered by the Departments of Public Works, Transportation, Information Technologies, Public Health, Public Utilities Control, Social Services, Mental Health & Addiction Services, UCONN, the Office of the Treasurer and other state departments, offices and branches. Simply reviewing all of these contracts would be a massive endeavor. It is impossible even to imagine how long it would take to attempt to identify where the **thousands of goods or services** covered by such contracts are performed or manufactured.

In summary, this bill would **seriously impair** the ability of DAS and other contracting agencies to source and contract for products. Additionally, this bill is likely to have an **unintended detrimental impact** on most of Connecticut’s own businesses.

Thank you. I’d be happy to answer any questions you may have.