



House of Representatives

General Assembly

File No. 348

February Session, 2008

Substitute House Bill No. 5800

House of Representatives, April 1, 2008

The Committee on Planning and Development reported through REP. FELTMAN of the 6th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CHARTER OF THE METROPOLITAN DISTRICT OF HARTFORD COUNTY.

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

1 Section 1. Section 39 of number 511 of the special acts of 1929, as
2 amended by special acts 80-14 and 90-14, is amended to read as follows
3 (*Effective from passage*):

4 (a) Whenever any work shall be necessary to execute or perfect any
5 public work or improvement, or whenever any supplies for the district
6 shall be needed for any particular purpose and such work or supplies
7 shall involve the expenditure of more than ten thousand dollars, except
8 in the case of an emergency to be determined by the district board, a
9 written contract for such work or supplies shall be made under such
10 regulations as the district board may establish, which contract shall be
11 based on sealed bids made in compliance with public notice, duly
12 advertised by publication, in a daily newspaper published in said
13 district, at least five days before the time fixed for opening such bids or

14 proposals. Each contract awarded by the district shall be awarded to the
15 responsible qualified bidder submitting the lowest bid in compliance
16 with bid requirements, except as provided in subsection (b) of this
17 section.

18 (b) (1) As used in this section:

19 (A) "Minority business enterprise" means any small contractor (i) in
20 which fifty-one per cent or more of the capital stock, if any, or assets of
21 which are owned by a person or persons who (I) are active in the daily
22 affairs of the enterprise, (II) have the power to direct the management
23 and policies of the enterprise, and (III) are members of a minority, and
24 (ii) who has a certificate of eligibility issued by the Department of
25 Administrative Services under regulations adopted under section 4a-
26 60h of the general statutes.

27 (B) "Minority" means (i) Black Americans, including all persons
28 having origins in any of the black African racial groups not of Hispanic
29 origin; (ii) Hispanic Americans, including all persons of Mexican,
30 Puerto Rican, Cuban, Central or South American or other Spanish
31 culture, origin, regardless of race; (iii) Asian Pacific Americans and
32 Pacific Islanders; or (iv) American Indians and persons having origins
33 in any of the original peoples of North America and maintaining
34 identifiable tribal affiliations through membership and participation or
35 community identification.

36 (2) The district may waive the provisions of subsection (a) of this
37 section concerning selection of the lowest qualified bidder if a qualified
38 bid is submitted by a minority business enterprise or by a nonminority
39 business enterprise participating in a qualified bid with a minority
40 business enterprise. In the case of a bid submitted by a nonminority
41 business enterprise participating in a qualified bid with a minority
42 business enterprise, the district shall give priority to such bid in an
43 amount equal to the proportion of participation by a minority business
44 enterprise in the qualified bid. A bid shall be considered to be the same
45 as the lowest responsible bid if such bid is not more than ten per cent of
46 the amount of the lowest responsible bid and was submitted by one of

47 the following, in order of priority, (A) a minority business enterprise
 48 located in a member municipality of the district, (B) a nonminority
 49 business enterprise located in a member municipality in the district, and
 50 (C) a minority business enterprise not located in a member municipality
 51 in the district.

52 (3) If a bid selected is submitted by a nonminority business enterprise
 53 and includes participation by a minority business enterprise, the contract
 54 or subcontract shall be performed with at least the same proportion of
 55 minority business enterprise participation as the priority that was given
 56 by the district to the general contractor or subcontractor in evaluating the
 57 bid.

58 (4) If a contract or subcontract awarded to a nonminority business
 59 enterprise includes participation by a minority business enterprise, the
 60 general contractor or subcontractor shall submit to the district a report
 61 every fifteen days after the date the contract is awarded which describes
 62 the extent of minority business enterprise participation in performance of
 63 the contract. Such report shall identify all subcontracts and the dollar
 64 value of the contract between the general contractor and the
 65 subcontractor. If the extent of minority business enterprise participation
 66 in such contract is less than the amount of priority that was committed at
 67 the time of the award, the district may (A) claim any retainage payable
 68 under the terms of the contract, and (B) disqualify the bidder from any
 69 future contracts.

70 (5) The district shall establish a program to assist potential minority
 71 business enterprises in obtaining technical assistance or bonds to ensure
 72 performance completion in contracts awarded by the authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	Number 511 of the special acts of 1929, Sec. 39

PD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Various State Agencies	Various - Potential Savings	Indeterminate	Indeterminate
Department of Environmental Protection	Clean Water and Drinking Water Funds ¹ - Potential Cost	\$10.0 million to \$20.0 million	\$10.0 million to \$20.0 million

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
Various Municipalities	Potential Savings	Indeterminate	Indeterminate
Various Municipalities	Potential Cost	\$2.5 million to \$3.0 million	\$2.5 million to \$3.0 million

State Impact

To the extent that various state agencies are water and sewer customers of the Metropolitan District Commission (MDC), the bill could result in an indeterminate potential savings to various state agencies, since it requires MDC to select the lowest qualified bid for contractual obligations.

Conversely, it could also result in a cost of about \$10.0 million to \$20.0 million in FY 09 and FY 10, to the Clean Water and Drinking Water Funds, through the Department of Environmental Protection (DEP), since the bill provides priority to certain qualified bidders. If

¹ The Clean Water Fund (CWF) and Drinking Water Funds provide grants and loans, which are funded with General Obligation (GO) bonds and revenue bonds respectively. As of 3/31/08 the unallocated balance for CWF GO bonds is

priority was granted to certain minority-owned and other related businesses, it is anticipated that the cost of procurement for items over \$10,000 could increase up to 10%.

Municipal Impact

To the extent that the bill requires MDC to select the lowest qualified bidder, an indeterminate savings could result to the member municipality customers of MDC².

To the extent that MDC must grant priority to certain minority-owned and other related businesses, it could also result in increased costs, of about \$2.5 million to \$3.0 million in FY 09 and FY 10, to various municipalities. This is also related to the anticipation that the cost of procurement for items over \$10,000 could increase up to 10%. Any increase to municipalities would be reflected through increased annual Ad Valorem tax warrants.

The Out Years

The annualized ongoing fiscal impact identified above, related to any potential savings, would continue into the future subject to inflation.

It is anticipated that any increased costs to the state and various municipalities would increase, by about \$16.0 to \$28.0 million per year, over the next 15 years.

approximately \$4,000 and the unallocated balance for CWF revenue bonds is about \$61.7 million.

² This includes Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford and Wethersfield, Windsor and portions of other towns in the central Connecticut region.

OLR Bill Analysis

HB 5800

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/12/2008)