



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS



Raeanne V. Curtis
Commissioner

Written Testimony of Commissioner Raeanne V. Curtis

February 20, 2008

**House Bill 5320: An Act Concerning the Supervision of Certain Alterations, Repairs
and Additions to State-Owned Real Assets**

The Department of Public Works (DPW) respectfully submits testimony to express support for House Bill 5320: An Act Concerning the Supervision of Certain Alterations, Repairs and Additions to State-Owned Real Assets. This bill would give agencies supervision over projects having a value of one million dollars or less, subject to the prior approval of the Commissioner. The Commissioner retains the sole charge of, and supervisory authority over, projects in excess of one million dollars.

This proposal would be beneficial to the State for a number of reasons. First, it was determined in 1999 that agencies could administer projects involving a total expenditure of \$500,000 or less. Utilizing the industry standard calculations for the percentage increase in construction costs since that date, a project costing \$500,000 in 1999 would cost approximately \$825,000 in 2009. If the current trends of cost escalation continue, a 6-8% increase would bring the cost to approximately \$1 million for a project within a relatively short period of time. As important, the current trends of significant increases in the cost of construction materials are projected by industry analysts to continue. This would mean, over time, more and more projects will be exceeding the current maximum amount of \$500,000 thereby increasing the work load of DPW unless the statute is amended.

Second, there are agencies that possess staff with the requisite skill, experience and training to handle construction projects under \$1,000,000. Presently, approximately 189 projects with a value of almost \$30,000,000 are being agency administered. The Commissioner of Public Works initially decides whether a project can be agency administered, and the determination is made on a case-by-case basis taking into consideration the agency experience, scope of the project and other criteria. Agency administered projects are then able to proceed on a timely basis. If an agency lacks the skilled and experienced staff, or the scope is too complex, the Commissioner has in the past, and will continue to exercise her judgment to keep the project within DPW. Further, DPW staff does provide the Building Code oversight and code field inspection for these agency-administered projects.

Third, by increasing the maximum dollar amount to \$1,000,000, the staff of DPW can begin other projects that are a priority to the State and can dedicate more time to the supervision of existing projects. Presently, if the amount would increase to \$1,000,000, nine (9) more projects could potentially be handled by agencies. Given the escalation of construction costs above the inflation rate, this number will only increase. There are a number of agencies that do have the requisite staff that can handle such projects in a timely and cost effective manner.

For the reasons stated above, I urge the committee to support House Bill 5320.

If you have any further questions, please contact our legislative liaison, Vanessa Ramirez at 860-713-5718.