

THE ASSOCIATED GENERAL CONTRACTORS OF CONNECTICUT, INC.

A Division of Connecticut Construction Industries Association, Inc.



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House Bill 5113, An Act Concerning Surety Bonds in Contracts for Public Projects Government Administration and Elections Committee March 23, 2009

CCIA/AGC/CT Position: Opposed

Connecticut Construction Industries Association, Inc. (CCIA) represents the commercial construction industry in Connecticut and is committed to working together to advance and promote a better quality of life for all citizens in the state. CCIA is comprised of more than 350 members, including contractors, subcontractors, suppliers and affiliated organizations representing all aspects of the construction industry. Associated General Contractors of Connecticut (AGC/CT), a division of CCIA, represents commercial, industrial, and institutional construction contractors, subcontractors, material suppliers and professionals serving the construction industry. AGC/CT is the Connecticut chapter of the Associated General Contractors of America, a national contractors trade association.

House Bill 5113, An Act Concerning Surety Bonds in Contracts for Public Projects, gives the state or a municipality the discretion whether to require a bond from the contractor for a public works project in excess of \$100,000. CCIA and AGC/CT are **opposed** to House Bill 5113, and we respectfully request that the committee not act on the bill.

Surety bonds are necessary parts of every public construction project because they protect the taxpayers' money. From the contractor's standpoint, they serve two important functions. First, by requiring that bonds be required, the owner is assured that the bidding contractors have the financial capacity to handle the risk inherent in any construction project. In that sense, bonds essentially function to prequalify contractors' financial ability to do the job. Second, they protect the public's money by guaranteeing performance and payment to subcontractors and suppliers per the terms of the contract.

To not require a bond on state and municipal projects would put the taxpayers' monies at risk and would allow potentially financially-unstable contractors to work on public construction projects in Connecticut.

Please contact John Butts of AGC/CT or Matthew Hallisey of CCIA at (860) 529-6855 if you have any questions or if you need additional information.