

Testimony of Gary S. Mala, Superintendent of Schools  
Regional School District 17 (Haddam & Killingworth)  
Submitted to the Government Administration and Elections Committee  
March 23, 2008

**RE: H. B. 5373: AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY TO THE PURCHASE OF SERVICES BY TOWNS, SCHOOL DISTRICTS AND STATE AGENCIES.**

I am Gary Mala, Superintendent of Schools for Regional School District 17, serving the towns of Haddam and Killingworth.

Last year at this same time, I spoke to you in support of H.B: 5899 which was subsequently approved as Public Act 08-161: *AN ACT CONCERNING ON-LINE PROCUREMENT BY STATE AGENCIES, MUNICIPLAITIES AND REGIONAL AND LOCAL SCHOOL DISTRICTS.*

I am here today to urge you to support **H.B. 5373: AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY TO THE PURCHASE OF SERVICES BY TOWNS, SCHOOL DISTRICTS AND STATE AGENCIES.** If passed, this bill would allow reverse auctioning to be used as a part of the public bidding process to secure not only goods but also the many services associated with operating publicly funded organizations. At the present time, the law passed in last year's legislative session only allows reverse auctioning to be used to secure goods such as technology, custodial / maintenance supplies and other commodities purchased by means of the public procurement laws. It does not allow for using reverse auctioning obtaining bids for the various services associated with operating schools and other publicly funded organizations such as cities, towns and state agencies.

In October of this past year, the Regional School District 17 utilized the services of a national procurement company (Aeon Nexus) to host the first reverse auction of its kind to secure pricing on technology equipment. As was quoted by the representative of the company, our savings ranged from 20% to 56% less than the pricing available on the state contract awards advertised at that time by the Department of Administrative Services. The specifics of the savings by item are included as an attachment to my comments.

Similar projected savings of between 20% and 40% would also be realized if the reverse auctioning process could be used to secure competitive pricing for the multitude of services contracted for annually by municipalities, state agencies and public school districts. To make my point further, I will use an example of the cost for architectural and construction management fees incurred by the Regional School District 17 during its recent construction of the Haddam-Killingworth Middle School. The total cost of the project was \$48,000,000.00 with approximately 50% state reimbursement. We, as a district, paid a Connecticut based architect \$3,279,550.00 and a local construction management company \$3,666,020.00 to oversee the project. If the current state law had permitted the use of reverse auctioning to obtain quotes for both of these services, the district may have saved approximately \$983,000 (\$983,865.00 calculated at 30% savings) in the fees paid to the project architects and an additional \$1,000,000.00 (\$1,099,806 calculated at 30% savings) in the fees paid to the construction management firm. This would have resulted in local taxpayers paying approximately \$2,000,000.00 less for the same project and the School Facilities Unit having to reimburse a proportionately less amount.

Just as has been demonstrated in the documented savings associated with securing goods through the reverse auctioning process, the potential for more significant savings would be realized by cities, towns, state agencies and publically funded schools if H.B. 5373 is amended to allow this same process to be used to secure quotes for services.

As the legislature and our state's municipalities grapple with finding ways to do more with less during this time of unprecedented fiscal challenge, this no-cost change to Public Act 08-161 will allow for the acquisition of many services at a reduced cost to all of us. Speaking specifically from my professional position, this requested change would allow for school districts to demonstrate to our publics that we are cognizant of the costs associated with providing high quality services to children and are continuously seeking ways to lessen the burden on an already strained local taxation model. For the Regional School District 17, the change to which I have referred during this testimony would have resulted in a potential savings of approximately \$2 million dollars with one project. Imagine for a moment what total savings would be realized in all state agencies, the 169 towns which comprise our state and the 166 school districts who serve these same towns if this bill is passed as it has been presented.

I urge you to strongly consider passage of this bill.

## Understanding Public Act 08-141

**What are Regional School District 17's results using the provisions of P.A. 08-141 for a recent technology bid?**

<u>Item</u>	<u>Savings</u>
Laptops (142)	24% (\$ 37,914)
Laptop Carts (3)	20% (\$ 900)
LCD Projectors and Bulbs	20% (\$ 10,600)
Desktop Computers (12)	\$ 585 / unit (- \$107 / unit)
Printers (8)	56% (\$ 2,700)
Assorted Audio Equipment	32% (\$ 2,800)