



State of Connecticut

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MEMBER
EDUCATION COMMITTEE
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INSURANCE AND REAL ESTATE COMMITTEE

Chairman Spallone, Chairwoman Slossberg, and esteemed members of the Committee –

Thank you for the opportunity to testify on SB 472

As a former state employee, responsible for the Medicaid Program, I was involved in the process of contracting with numerous companies for claims processing, medical review, and other services. We had an excellent contract administrator who made sure we followed the exact letter of the law at all times to assure a fair bidding process and to avoid any potential for lawsuits from disgruntled losing bidders.

We never gave extra points to those bidders who located jobs within CT versus those who did the work from afar. As I recall, this was because our contract administrator did not feel such a criteria for awarding points would be “litigation-proof.” Our criteria stuck solely to cost and qualifications.

This bill would establish that state agencies could award extra points to the bidders who locate jobs in CT, if they so choose and if it’s appropriate to the nature of their need for contractual work.

The bill proposes that such extra points awarded to contractors locating jobs in CT would be essentially equal to the value of the income tax that will be paid by the CT workers. In other words, the value of that CT income tax would be deducted from the bidders’ price for the overall work the contractor would perform, when comparing the competing price bids of all the bidders. This simple empirical method is fair and based on easily calculated and verifiable figures.

No company is unfairly advantaged or disadvantaged simply because of the locus of their headquarters, since any company could choose to put or hire the workers for a CT project in CT. So, for example, if two equally qualified companies bid to run a call center, and each bid the same price, but the CT domiciled company planned on placing the call center in India, and the NJ domiciled company planned on opening a call center in CT, then the NJ company would win the bid. Their bid price would be scored as being lower than their competitor, because the income tax value of the jobs they'd put in CT would be subtracted from their bid price for scoring purposes.

Even if our economy were not in trouble this approach would make sense. Our State government should promote in-state economic prosperity. But given our current fiscal situation, this seems even more important.

Thank you for your consideration of this bill.

Linda Schofield
State Representative, 16th District