

HOUSE BILL 6598, AN ACT CONCERNING OFFERS OF COMPROMISE IN
CONSTRUCTION CONTRACT ARBITRATION PROCEEDINGS AND
MEDIATION AND ARBITRATION OF CONSTRUCTION CONTRACTS

Judiciary Committee
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My name is Roger S. Chapman. I am President of Blakeslee Arpaia Chapman, Inc., in Branford, Connecticut, and a professional engineer licensed by the state of Connecticut. I am a resident of Madison. Blakeslee Arpaia Chapman or its predecessor company has been providing construction services in Connecticut for more than 160 years. Blakeslee Arpaia Chapman is a multi-faceted, Connecticut-focused company that performs engineered construction services primarily in the areas of marine construction, roads and bridges, dams, foundations and other large site structures, as well as conduit construction for utilities, and millwrighting and rigging for utilities and industries.

I am here to testify in strong support of House Bill 6598. I want to thank the committee for introducing the bill and holding a public hearing on the important concept in the bill.

The need for the bill is simple. As a subcontractor, I have performed work on numerous projects where a dispute arose with the general contractor. The GC has at times been able to avoid paying or performing other obligations as required under the contract. Inevitably, the dispute ends up in court where litigation is often time-consuming and costly. More frequently in recent years, those disputes go to arbitration. Those matters can also become complex, protracted and costly. HB 6598 would help facilitate a speedier, less costly resolution of construction contract disputes that go to arbitration. By allowing an offer of compromise to be made during arbitration of a construction contract, the bill would lead to fairer and more equitable settlements. It would help level the playing field for many contractors and subcontractors who are involved in disputes over construction contracts. Interest added by the court to an award would give some leverage to smaller contractors and provide an incentive to settle arbitrations.

Additionally, there is a gap in the law that allows commercial construction contracts to be mediated or arbitrated outside Connecticut. Mediation and arbitration rules in other states can be more favorable to certain contractors. Presently, construction contracts cannot require the contract to be adjudicated outside the state. More construction contract disputes are being resolved in mediation and arbitration. Thus, section 2 of the bill would simply prohibit the contracts from being mediated or arbitrated outside Connecticut. This would help level the playing field for smaller contractors or subcontractors who are at a disadvantage to some contractors.