



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC WORKS

Testimony of Jonathan Holmes
Acting Commissioner, Department of Public Works
To the Labor Committee
March 1, 2011



987

Senate Bill 987 An Act Requiring Community Workforce Agreements for Construction Projects in the Connecticut State University System

The Department of Public Works (DPW) offers the following observations about SB 987.

We acknowledge that some municipalities have used project labor agreements for certain projects in which such agreements were deemed to be of significant benefit to the owner-municipality.

However, the state is already required by law to pay prevailing wage for its construction projects. Largely for this reason, we have never had a strike on a state construction project. We question, therefore, the necessity or desirability of mandatory legislation of this sort from the state's, and the taxpayers', perspective.

DPW has no resources or expertise to negotiate, arbitrate or otherwise enforce a labor agreement. Making the agency a party to, or guarantor of, such an agreement simply exposes the state to significant potential litigation, with no apparent benefit to taxpayers for taking that risk.

Under Connecticut Supreme Court caselaw, the state has no privity of contract with subcontractors or employees of our general contractors. This is beneficial to taxpayers in that the state is insulated from suit by those parties. Those parties' recourse is to the general contractor. Also, since the general contractor is liable, he has the incentive to efficiently, safely and otherwise lawfully administer the project. If the state were "on the hook" as the proverbial "deep pocket", general contractors may well lose that incentive and of course, taxpayers would become liable for substantial claims that the state does not now face.

At a minimum, if this legislation moves forward, we would strongly recommend that the agency be given the discretion as to when to require such agreements, as opposed to a presumption that they should be required in all or most cases. Further, the state should not be a party to the agreement nor should the state otherwise be an arbitrator or guarantor of such agreement. The agreement should be entered into by the general contractor and his employees. Criteria for the agency to consider in deciding whether to require such an agreement may include the size or dollar value of the project, the

complexity of the project, its location or site, the need for a particular level of coordination and the available labor market for the project.

We are happy to work with the committee on providing any additional information on this topic, as well as refining this legislation, if need be. Thank you for the opportunity to submit this testimony.

For further information, please contact:

Jeffrey R. Beckham

Director

Legislation, Regulations & Communications

Department of Public Works

165 Capitol Avenue

Hartford, Connecticut 06106

jeffrey.beckham@ct.gov

860 713 5694 ofc

860 970 8254 cell