



DEPARTMENT OF ADMINISTRATIVE SERVICES



STATE OF CONNECTICUT

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Labor & Public Employees Committee

Commissioner Donald DeFronzo
Department of Administrative Services

February 10, 2011

Good afternoon Senator Prague, Representative Zalaski, Senator Guglielmo, Representative Rigby and distinguished members of the Labor and Public Employees Committee. For the record, I am Commissioner Donald DeFronzo and I want to thank you for the opportunity to submit comments on two bills today:

- Senate Bill 850, "An Act Concerning the Department of Administrative Services, Department of Transportation and Prequalification and Evaluation of Contractors," and
- House Bill 5174, "An Act Concerning State Employees and Training to Deal with Workplace Violence."

Senate Bill 850, "An Act Concerning the Department of Administrative Services, Department of Transportation and Prequalification and Evaluation of Contractors"

Senate Bill 850 impacts the DAS Construction Contractor Prequalification program. To provide a little background, DAS prequalification is a screening process that evaluates construction companies to ensure they meet certain baseline standards to work on state-funded construction projects. By statute, the prequalification unit evaluates a number of factors, such as a company's financial background, experience in certain construction classifications, record of performance, integrity, safety record, and other criteria. It should be noted that the DAS prequalification program does not apply to Department of Transportation ("DOT") projects or to contractors that seek to bid on DOT contracts. DOT has its own prequalification program.

DAS strongly believes that performance evaluations are essential to the prequalification process and we are attempting to strengthen their use. SB 850 will help with this goal.

Senate Bill 850 Allows DAS to Disqualify Companies with Three or More Unsatisfactory Evaluations

First, SB 850 strengthens DAS's ability to use performance evaluations in the prequalification process in a more meaningful way. Currently, DAS is able to deny prequalification or disqualify a company with a poor performance record only if the average of all of the company's evaluations on file falls below the minimum threshold for satisfactory performance. Therefore, even if DAS receives several unsatisfactory evaluations about a contractor, DAS cannot disqualify that contractor if the combined average continues to remain above the minimum threshold as a result of older, better evaluations.

SB 850 allows us to address such situations by giving DAS the authority to deny prequalification or disqualify a company if the company receives three or more unsatisfactory evaluations within a five year period. This would eliminate the problem of failing contractors remaining prequalified based solely on outdated evaluations while continuing to reward contractors that demonstrate consistently good performance over the years.

Senate Bill 850 Extends Liability Protection to Private-Sector Project Owners

In addition, the liability protections in Section 3 of SB 850 will enable us to secure more performance evaluations for contractors seeking renewals of their prequalification certificate. Currently, when a contractor first applies for certification, it must submit performance evaluations for its three most recently completed projects. These evaluations are completed by private-sector or public-sector projects owners, in-state or out-of-state. However, when a contractor files a renewal application, it provides only evaluations for any construction project that it completed in the preceding year that was subject to the prequalification statutes (i.e., state funded projects with a value of \$500,000 or more).

Passage of SB 850 will support a key change in the renewal process – requiring contractors that did not work on enough large state-funded projects during the preceding year to provide evaluations from their three most recently completed projects regardless of funding. This will enable DAS to obtain a more complete and current view of the contractor's actual performance record.

We anticipate that this change in our renewal process will result in more evaluations from private-sector project owners. SB 850 makes this administrative change possible by **extending the liability protections currently provided to public-sector project owners who complete evaluation to the private-sector project owners as well.** Extending this liability protection will promote compliance and will help ensure that we receive honest evaluations from these private-sector project owners.

Other Efforts to Improve Contracting Processes

I would also like to take this opportunity to let the Committee know that I have asked my staff at DAS to consider other ways to strengthen the prequalification program, particularly with regard to applicants' safety records. We are also analyzing how we can make the prequalification process – and state contracting in general – less cumbersome and more business-friendly while still ensuring that construction companies that perform work on state projects – and companies that are on other state contracts – are capable, reliable and trustworthy. We will keep the Committee apprised of any progress we make as we review these topics.

House Bill 5174 – Workplace Violence Prevention Training

House Bill 5174 requires DAS, by January 2012, to develop an employee training program to instruct state employees on workplace violence awareness, prevention, and preparedness. It also requires that any individual employed by the state on or after January 1, 2011 attend such training as a condition of his or her employment.

DAS has been offering and coordinating workplace violence prevention training to state employees since 1999 as a result of Executive Order 16. Since that time, DAS has provided training to all Executive Branch agencies, and thousands of state employees. Currently, DAS offers Workplace Violence Prevention training and Threat Assessment Team training to individual state employees through the DAS Learning Center at least 4 times per year, and also to larger groups upon request, at state agencies.

House Bill 5174 appears to codify this procedure in statute and mandate the training for all state employees who have not already participated in it. If that is the intent, and DAS is not required to re-formulate the trainings that we have already established, re-train employees who have already participated in prior classes, or validate prior attendance for employees hired prior to January 1, 2011, then the goals of this proposal could be accomplished within existing state resources. DAS would be happy to work with the proponents of this proposal to ensure that those goals and objectives are met.

Thank you again for the opportunity to submit testimony. Please do not hesitate to contact me or my staff if we can be of any assistance.