



# Spoken

**Testimony**  
**Betsy Gara, Executive Director**  
**Connecticut Council of Small Towns**  
**Before the GAE Committee**  
**March 11, 2013**

The Connecticut Council of Small Towns (COST) supports the intent of HB-5604 and Section 5 of HB-6579 – to expand opportunities for minority and women-owned enterprises – however, we oppose the bills because these will requirements will increase costs associated with municipal projects.

Under current law, municipalities may, by ordinance, set aside municipal contracts or portions of municipal contracts for award to small and/or minority contractors, on the basis of a competitive bidding procedure. This provides towns with the flexibility to craft a policy that supports small and minority contractors without imposing burdensome reporting requirements or higher costs on small rural and suburban towns that have little in the way of administrative support staff.

As drafted, HB-5604 would impose another layer of regulatory oversight onto municipal projects valued at \$10,000 or more and impose additional reporting requirements on municipalities. For example, municipalities would have to notify DAS regarding the contracts set aside at the time the bid documents are available and enforce compliance with the requirements. The legislation would also require municipalities to accept letters of credit from small and minority contractors rather than performance bonds, which could create concerns.

According to a report by the state Department of Administrative Services that referenced the state Set-Aside program, prices paid for certain commodities and services may be higher under the program because Set-Aside program contractors are not competing against larger companies, who have the purchasing power to negotiate lower prices.

COST is therefore concerned that the bill will add to the overall cost of projects in addition to imposing administrative burdens on small towns.

*COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. Its members are Connecticut towns with populations of less than 30,000. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.*