

TESTIMONY
BEFORE THE
GENERAL ADMINISTRATION AND ELECTIONS COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 11, 2013

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

CBIA is concerned about Proposed HB 6319 An Act Establishing a preference for Connecticut Companies for State Contracts.

CBIA is concerned for a number of reasons, as outlined below:

1. Tax Payer Money: One of the central tenants of state contract bidding is that it is a process designed to achieve the best price for the best work. A preference for in-state contractors would put a central goal of the bidding process into question.
2. Retaliation: A significant concern with establishing an in-state preference is that other states will do the same for contractors in their states. Connecticut is at a noticeable disadvantage should this occur. Since we are a smaller state compared with our neighbors Connecticut companies may face an even more significant hurdle retaining contracts with other states should this go into effect.
3. Existing Preference Laws: Currently, Connecticut operates with a number of laws that establish preference for specific groups. To name a few: building construction architects/engineering services, UConn Construction, Project Labor Agreements and set-aside programs for small and minority owned business. Creating further preferential treatment may not be prudent.

CBIA understands a predominant supporting argument to providing in-state contracting preferences is that it likely leads to the employment of Connecticut residents. However, the competing policies outlined above must also be weighed carefully. In consideration of such factors CBIA believes that competition wins out and taking in the full picture an in-state preference is not the best policy for Connecticut business.

The Department of Administrative Services published a report in 2012 that speaks to the topics outlined above in detail and it is attached for your review.

In conclusion, although CBIA appreciates the perceived benefits of an in-state contracting preference, the consequences, including (i) circumventing the bidding process, (ii) retaliation by other states, and (iii) existing preference laws, outweigh those points. CBIA hopes to have the opportunity to work with you moving forward in order to adopt the best policies to support Connecticut businesses.

Thank you for the opportunity to offer CBIA's comments.