

CONNECTICUT CONSTRUCTION INDUSTRIES ASSOCIATION, INC.



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Senate Bill 977, An Act Concerning the Membership of Construction Service Panels and the Evaluation of Bidders' Past Performance

Senate Bill 978, An Act Concerning Subcontractor's Prequalification and Classification Thresholds and Increasing the Threshold for Requiring Competitive Bidding of Public Works Projects

March 11, 2013

Public Hearing, Committee on Government Administration and Elections

Connecticut Construction Industries Association, Inc. (CCIA) represents the commercial construction industry in the state and seeks to advance and promote a better quality of life for all citizens in the state. Formed over 40 years ago, CCIA is an organization of associations, where all sectors of the commercial construction industry work together to advance and promote their shared interests. CCIA is comprised of more than 300 members, including contractors, subcontractors, suppliers and affiliated organizations representing many sectors of the construction industry. CCIA members have a long history of providing quality work for the public benefit.

AGC of Connecticut is the building division of CCIA, representing 150 commercial, industrial, and institutional construction contractors, subcontractors, material suppliers and professionals serving the Connecticut construction industry. AGC is a chapter of AGC of America.

Senate Bill 977, An Act Concerning the Membership of Construction Service Panels and the Evaluation of Bidders' Past Performance, would, in part, require awarding authorities to consider a bidder's change orders and assertions of unsubstantiated claims and the subcontractors' past performance and integrity when determining the lowest responsible bidder.

As the bill stands, we are opposed to the bill's provision to require awarding authorities to consider a bidder's assertions of unsubstantiated claims when determining the lowest responsible bidder. We believe an interpretation of the term "unsubstantiated" is highly subjective and may result in an inaccurate picture of a subcontractor's qualifications to perform work for the state. What an owner may feel is an unsubstantiated claim may be perfectly legitimate and within the legal rights of a contractor to file. Working a difficult project may force a subcontractor to file a number of claims to protect his or her business but it may not necessarily represent a pattern of bad behavior. We have expressed our concerns to officials with the Department of Construction Services, and hope to continue discussions with them on possible changes that may meet everyone's satisfaction.

Regarding S.B. 978, An Act Concerning Subcontractor's Prequalification and Classification Thresholds and Increasing the Threshold for Requiring Competitive Bidding of Public Works Projects, we support the provision in the bill that requires that subcontractor bidders to be prequalified at the time of the bid submittal. However, we have concerns about increasing the



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value threshold for bidding out state projects from \$500,000 to \$2 million. We understand the department's position that the threshold needs to be updated; however, \$2 million in value still represents a sizable project in today's construction market and could potentially prevent a number of qualified contractors an opportunity to compete for work. Additionally, in order to preserve the competitive nature of public bidding, we would also like to ensure that proper administrative safeguards are in place if the threshold is increased.

As with S.B. 977, we are currently discussing ways with the department to amend S.B. 978, and we are hopeful that we can reach a mutual agreement.

Thank you for your consideration and for the opportunity to present our views.