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TESTIMONY OF R. BARTLEY HALLORAN, ESQ. IN OPPOSITION TO SB 1153 AN ACT CONCERNING COMPREHENSIVE REVIEW OF CONTRACT COMPLIANCE PROCEDURES FOR THE METROPOLITAN DISTRICT COMMISSION

Chairman Coleman, Chairman Fox and Members of the Committee,

I am the District Counsel for the Metropolitan District (“MDC”), a specially chartered, non-profit municipal corporation established by the State of Connecticut General Assembly by Special Act in 1929 (SP.ACT.51), providing drinking water and sanitary sewer services to its eight member towns—Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor—as well as portions of other towns within the region. Created in 1929, with its long history of providing affordable, potable drinking water and reliable sanitary sewer services to its constituency, the MDC is considered by many to be a successful example of how delivery of essential public services on a regional basis can work effectively.

The MDC is a distinct, regional corporate entity governed by an organic body of laws and ordinances, including its Charter, Ordinances and By-Laws, that set forth its powers and limitations on those powers and, in many respects, address the goals and objectives behind SB 1153. **While the MDC supports the public policy rationale behind Raised Senate Bill 1153, we offer our opposition to this legislation. In effect, this proposed bill would treat one municipality - the MDC - differently from all other municipalities within the State.** The bill imposes a myriad of contracting and procurement requirements upon the MDC and its contractors and subcontractors without any justification or support. In fact, in many respects, the proposed bill mirrors the requirements imposed by the federal government on all municipalities, including the MDC, while creating an unnecessary financial burden on the State and the taxpayer.

It is important to note that since October 1, 2009, the MDC has been considered a state agency for purposes of submitting to and obtaining the approval of the State Commission on Human Rights and Opportunities (“CHRO”) of an annual affirmative action plan. The MDC is in full compliance with this new requirement, and secured unanimous approval of its most recent plan at the CHRO meeting held on November 14, 2012. The MDC takes great pride in its accomplishments to date on issues of diversity, equal opportunity and fairness in its contracting and procurement objectives. Solely by way of example, and certainly not an exhaustive list, please note the following accomplishments/initiatives:

- a. Creation of a Special Committee on Diversity, charged with ensuring that contracting opportunities are available to minority and woman owned businesses;
- b. With the assistance of the legislature, the MDC amended its Charter in order to adopt various portions of the Federal Acquisition Regulations to streamline the procurement process and implement programs, such as the Small Local Business Program (“SLBE”),



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to provide more contracting opportunities for small, local business within the MDC's eight member towns;

c. Relaxing insurance and bonding requirements for minority and women owned businesses;

d. Recipient of MBDA 2012 Northeast Regional Utility industry Supplier Diversity Champion Award; and

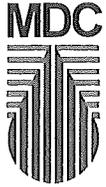
e. Sponsoring match making opportunities to encourage general contractors to retain local subcontractors and employees.

Of particular note is the MDC's effort to expand contracting and employment opportunities for our diverse community within its \$2 billion, 15 year sanitary sewer improvement project, the Clean Water Project ("CWP"). The CWP is necessary in order to comply with consent orders/decrees from the U.S. Department of Environmental Protection and the State of Connecticut Department of Environmental Protection, and designed to reduce the amount of sewage outflow and nitrogen into the Connecticut River. From the start of the project in 2008 through February, 2013, 29% of the total work hours on the CWP were performed by minority employees, 13 general contracts totaling \$139 million were awarded to minority/women - owned businesses, and 231 subcontracts totaling \$47 million was awarded to minority/women - owned businesses. This was accomplished within existing federal and state contracting restrictions limiting the use of specific set-asides.

In addition, in an effort to ensure that a meaningful portion of the contracting opportunities for businesses within the MDC member towns outside the CWP, the MDC, pursuant to Special Act 08-9, established a Small Local Business Enterprise program ("SLBE"). The SLBE provides contracting opportunities for contractors located within one of its eight member towns that have annual gross revenues less than 15 million dollars. This is the threshold used by the Department of Administrative Services in determining whether a business is a "small business for purposes of State contracting. To date, the MDC has used the program for its general, non-CWP capital improvement projects, with a great deal of success. In fact, although this is much less than a strict set-aside program, the MDC has been able to increase its small local business participation by approximately ten percent above its prior experience, and has done so while maintaining competitive pricing. An internal committee recommends to the District Board our SLBE spend goals each year. In 2012, that goal was 11%, and the actual spend was 18%.

With aggressive application of the SLBE, this committee has dramatically increased the share of District work done by small and minority businesses in the past two years. The results for 2012 show:

- a. 8.4% of the total contracts were awarded to minority businesses, more than \$4,000,000.00 dollars;



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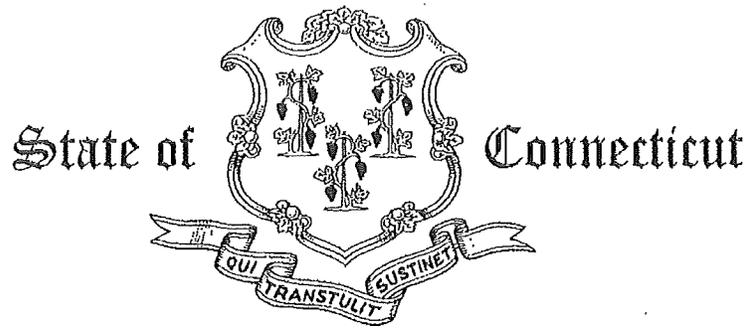
- b. An additional \$4,851,000.00 dollars was awarded to small businesses, bringing the total awarded to small and minority businesses to just under \$9,000,000.00 dollars awarded.

These totals compare very favorably to almost all state agencies and quasi-public entities currently reviewed by CHRO. For instance, CRRA has published their compliance on their website, showing that of over \$55,000,000.00 dollars of expenditures, the total small business expenditure is \$157,445.95. The MBE spend by CRRA is \$88,874.62 out of their 55 million dollar budget. I have attached the CHRO report on state agencies and the CRRA self-report to this testimony.

The District has embraced the goal of maximizing the utilization of small, local businesses. The District commissioned and completed a disparity study, an effort which the state is just now undertaking. The study concluded that no race based set asides could be utilized, but suggested other race neutral measures, such as the SLBE, to increase local involvement. Historically these local measures have increased minority participation, as many of our local businesses are owned by minorities. Significant impediments still exist to the full functioning of this program, impediments which can only be removed by legislative action.

The District agrees with all of the goals of CHRO, but respectfully suggests that the current bill will not lead to any greater achievement of these goals. We encourage the committee to focus on changes which will clearly make a difference, such as removal of some of the DAS required pre-qualification criteria, granting of the ability to utilize small business set asides on State-funded projects, and continuing to encourage the use of state contractors for State projects.

Thank you for the opportunity to provide the foregoing written testimony in opposition to SB 1153.



By Her Excellency Nancy Wyman, Lieutenant Governor

Official Statement

I take great pleasure in congratulating

The Metropolitan District Commission

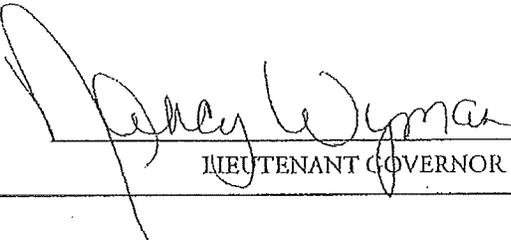
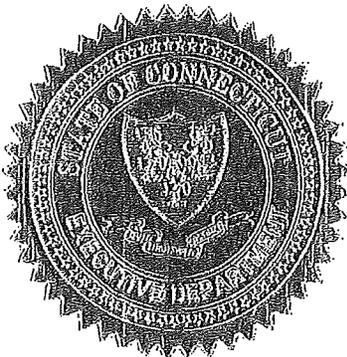
on receiving the

National Association of Women in Construction Visionary Award

Your dedication and support as a WBE Academy Major Sponsor and Partner to NAWIC demonstrates your commitment to the construction industry. Due to your support women are receiving opportunities for professional development, education, networking, leadership training and public service to better advance themselves in the workplace.

Thank you for all you do!

Signed this 5th Day of March, 2013



LIEUTENANT GOVERNOR

DEPARTMENT OF ADMINISTRATIVE SERVICES
SUPPLIER DIVERSITY PROGRAM

FISCAL YEAR - 2013

(2012-2013)

SMALL/ MINORITY BUSINESS ENTERPRISE QUARTERLY REPORT

Fiscal Year Quarter Fiscal Year Period

ENTER THIS QTR- 2ND

Agency Name:	Connecticut Resources Recovery Authority	Agency Number:	
Prepared by:	Vicki Arnum	E-mail Address:	varnum@crra.org
Tel. # -	860-757-7738		

1) TOTAL FUNDS AVAILABLE (ALL SOURCES) FROM YOUR ADOPTED BUDGET Page 1 (Summary Page) From The Annual Goals Calculations Report	\$ 135,780,970.00
2) Amount Available for Small/Minority Business Program after DAS APPROVED DEDUCTIONS/EXEMPTIONS	\$ 2,638,500.00
3) 25% of line # 2 Total - Set Aside - Small/Minority Business Enterprises (Combined)	\$ 659,625.00
4) 25% of line # 3 Total- Set Aside - Minority Business Enterprises only	\$ 164,906.25

	QUARTER	Number	YEAR TO DATE	Number
	TOTALS (\$)	Contracts	TOTALS (\$)	Contracts
5) Total Agency FY Expenditures for Purchases and Contracts	\$ 26,713,414.67		\$ 55,879,575.31	

6) Total Agency FY Expenditures for Purchases and Contracts from Small and Minority Contractors. Combined TOTALS OF SBE AND MBE EXPENDITURES	\$ 58,455.05		\$ 157,445.95	
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7) Total Agency FY Expenditures for Purchases and Contracts from Minority Business Enterprises (MBE) only. PLEASE CATEGORIZE:				
A) Black (B)	\$ 456.00		\$ 588.00	
B) Hispanic (H)	\$ 252.00		\$ 252.00	
C) Iberian Peninsula (I)			\$ -	
D) Asian (A)	\$ 26,214.90		\$ 50,862.17	
E) American Indian (N)			\$ -	
F) Disabled American Indian (DN)			\$ -	
G) Disabled Individual (D)	\$ 155.25		\$ 1,030.25	
H) Woman (W)	\$ 16,824.78		\$ 35,206.18	
I) Woman Black (BW)			\$ -	
J) Woman Hispanic (HW)			\$ -	
K) Woman Iberian Peninsula (IW)			\$ -	
L) Woman Asian (AW)			\$ -	
M) Woman American Indian (NW)			\$ -	
N) Woman Disabled (DW)			\$ -	
O) Disabled Black American (DB)			\$ 936.32	
P) Disabled Hispanic American (DH)			\$ -	
Q) Disabled Iberian Peninsula Woman (DIW)			\$ -	
R) Disabled Asian American (DA)			\$ -	
S) Disabled Black American Woman (DBW)			\$ -	
T) Disabled American Indian Woman (DNW)			\$ -	
U) Disabled Asian American Woman (DAW)			\$ -	
V) Disabled Hispanic American Woman (DHW)			\$ -	
MBE TOTALS (Lines A-V)	\$ 43,902.93		\$ 88,874.92	

