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House Bill 6638
An Act Concerning State-Wide Percentage Goals and Individual Participation
Percentage Goals for the Award of State Procurement Contracts to Minority Business
Enterprises

Testimony of Commissioner Melody A. Currey

Government Administration and Elections Committee
February 25, 2015

As the agency responsible for administering goods and services contracts, as well as construction contracts on behalf of executive branch agencies, the Department of Administrative Services (DAS) offers the following testimony regarding **House Bill 6638, An Act Concerning State-Wide Percentage Goals and Individual Participation Percentage Goals for the Award of State Procurement Contracts to Minority Business Enterprises.**

HB 6638 would amend Chapter 58 "to require the Secretary of the Office of Policy & Management:

- (1) In consultation with the Commissioners of Administrative Services and Transportation and the Attorney General, to establish biennially a state-wide goal for the percentage of state procurement contracts to be awarded to minority business enterprises each year;
- (2) To establish minority business enterprise participation percentage goals for such contracts, including, but not limited to: (A) For African-American-owned business enterprises, seven per cent of the total value of contracts, (B) for Hispanic-American-owned business enterprises, seven per cent of the total value of contracts, and (C) for women-owned business enterprises, seven per cent of the total value of contracts; and
- (3) To establish biennial guidelines to assist state agency procurement officers in deciding what the appropriate percentage goal is for a procurement contract."

DAS respects and appreciates the intent of this proposal; however, we strongly believe that any change to the existing statutes and policies relating to the State's set-aside program must be supported with a disparity study. The current set-aside statutes are based on a disparity study that is over 25 years old. A new, up-to-date disparity study that identifies differences between the proportion of minority-owned business in Connecticut and the share of state contracting the businesses receive is essential to the process of developing new, legally justifiable goals.

The General Assembly has, in fact, contracted for a disparity study to assess the constitutionality of and update the state's existing statutes and policies relating to set-aside and state contract work. DAS respectfully suggests that any policy changes in this area should await completion of that study. This may be especially prudent given the costs and administrative challenges that could result from passage of this bill to perspective bidders on goods and service contracts, construction contractors, DAS, other agencies with contracting authority, and CHRO.

We thank the Committee for permitting DAS to comment on HB 6638.