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## **Raised Bill 5614, An Act Raising the Threshold for State Construction Contracts Requiring the Approval of the Department of Administrative Services and Competitive Bidding**

**March 18, 2016**

### **Public Hearing, Committee on Government Administration and Elections**

Connecticut Construction Industries Association, Inc. (CCIA) represents significant sectors of the commercial construction industry in the state. CCIA is comprised of more than 300 members, including contractors, subcontractors, material producers, suppliers and affiliated entities. CCIA members have a long history of performing public work in Connecticut.

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.

Raised Bill No. 5614 would increase the threshold for construction contracts requiring the approval of the Department of Administrative Services, competitive bidding, and bid bonds from \$500,000 to \$1 million.

**CCIA and AGC oppose** this bill because doubling these thresholds will eliminate important controls that the state has over a significant amount of construction, exponentially increasing the exposure to problems. This bill compromises the objective competition that is important to clean contracting. It circumvents years of contracting reforms. It encourages agencies to attempt construction projects that the agencies are not capable of managing. It may have the unintended consequence of enticing agencies to break up contracts to avoid complying with rules and procedures that are put in place to protect against fraud, waste, and abuse.

This proposal effectively impairs the overall state construction program because it removes important project development and performance protections from more, larger, projects. It significantly expands the State's exposure to the performance problems, mischief, claims, and expensive mistakes that the public bidding laws and state contracting system are designed to protect against.

This bill also moves state agencies in the wrong direction because it decentralizes state contracting. It encourages agencies to hire more staff, add talent, and shift resources to administer and oversee larger construction projects. Under the current budget pressure, the state should be centralizing construction under experts at the Department of Construction Services.

Thank you for your consideration. Please contact Don Shubert, CCIA President and John Butts, AGC Executive Director at 860-529-6855 if you have any questions or if you require additional information.



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