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Governor's Proposal – HB 5049 – Delaying implementation of the Municipal set-aside program until July 1, 2019.

Good morning. My name is Kate Rotella, Purchasing Agent from the Town of Waterford and with me today is Mary Visone, Purchasing Agent from the Town of Glastonbury. We are here before you representing the *Public Purchasing Association of Connecticut (PPAC)*. Thank you for this opportunity to testify before the Committee regarding the *Governor's proposal HB 5049 to delay the implementation of the Municipal set-aside program until July 1, 2019.*

As the Legislature deliberates we urge you to support the proposal to delay the municipal set-aside program providing mandate relief for local government. The implementation date of the mandate of October 1, 2015 was unfair to all involved. Given the short notice and rush to implement it left municipalities, the Commission on Human Rights and Opportunities (CHRO) and even the vendors it seeks to assist scrambling to understand the law and process for compliance.

The extension proposed by Governor Malloy will provide an opportunity for municipal leaders, purchasing agents and CHRO administrators to establish a program that does not burden municipalities and gives Minority and Small Businesses adequate time to get certified and registered for the program. There are not enough SBE's/MBE's currently registered in the program to support the demand created by this mandate. In addition, the delay will provide time for meaningful discussions regarding the appropriate thresholds that would trigger the set-aside provisions. The current threshold of \$50,000 places an unnecessary burden of administration on all involved and it is not reasonable given the types of projects performed at the local level. For example, alignment with the set-aside program currently in place with the State of Connecticut DAS prequalification program of \$500,000 would establish a consistent level by which all programs involving state funding are triggered.

Delaying the program will also allow many procedural items to be addressed such as;

- Exempting certain contracts where there are limited qualified SBE's/MBE's such as paving, sidewalks and fencing.
- Municipalities cannot delay projects for an inability to comply with the statutes as written. The statutes fail to address the procedure by which local government will proceed when there are no qualified subcontractors available for a project.

- Roles and responsibilities of municipalities must be clearly defined and not be overly administrative & burdensome.

With an increase in SBE/MBE contracts comes greater responsibility to ensure that money intended to help spur minority entrepreneurship is utilized as it was intended. That responsibility includes insuring that the State of Connecticut has the resources necessary to efficiently monitor and certify firms.

Thank you for your consideration of these recommendations. We would welcome any opportunity to collaborate and work together with state agencies, CHRO, CCM, and others towards a thoughtful change to the current legislation as it exists. We are more than happy to respond to any questions that you may have.

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