



**House Bill 5228**

**An Act Concerning the Notification of Department of Administrative Services Projects, the Definition of "Project" and Repealing a Provision Concerning State Agency Reporting of Certain Contractor Information**

**Testimony of Commissioner Melody A. Currey**

**Government Administration & Elections Committee**

**February 22, 2016**

Good afternoon Senator Cassano, Representative Jutila, Senator McLachlan, Representative Smith and distinguished members of the Government Administration and Elections Committee. I would like to thank the Committee for raising this concept on behalf of the Department of Administrative Services (DAS) and for allowing me to provide comments on House Bill 5228, **An Act Concerning the Notification of Department of Administrative Services Projects, the Definition of "Project" and Repealing a Provision Concerning State Agency Reporting of Certain Contractor Information.**

**Sections 1 and 3** eliminate the requirement to advertise specific construction-related contracts in newspapers and instead requires us to post these contract opportunities on the State Contracting Portal. These changes will save the State money, ensure that the public has 24/7/365 statewide access to construction contracting opportunities, and streamline agency processing of these notifications.

These changes will also make the construction contracting statutes consistent with the statutes that apply to other kinds of contracts DAS administers, as well as with the State Contracting Standards Board's mandate that all contracting opportunities with executive branch state agencies be posted on the Portal.

This would merely be a technical conforming change for the contracting community for many reasons:

- 1) DAS has been posting construction contract opportunities on the Portal (as well as in newspapers) for several years, so contractors are well aware that they should look on the Portal and should sign up on the Portal for automatic notification of contracting opportunities;
- 2) C.G.S. § 4b-91, which establishes the process for bidding design-bid-build projects, was revised in 2009 to require requests for bids to be posted on the Portal and to eliminate the requirement for newspaper advertising; and
- 3) Construction Managers at Risk (CMRs) have been using the State Contracting Portal to advertise for sub-bids since at least 2009.



HB 5228 also modifies the definition of a "project" as it relates to our use of architects, engineers and other construction-related consultants. Under current law, a "project," is defined in C.G.S. §4b-55(g) as "any state program requiring consultant services if the cost of such services is estimated to exceed three hundred thousand dollars." "Consultant services" means "those professional services rendered by architects, professional engineers, landscape architects, land surveyors, accountants, interior designers, environmental professionals, construction administrators, planners or financial specialists..." (C.G.S. §4b-55(c))

If a program meets the definition of a "project," the formal consultant selection process set forth in in C.G.S. §4b-57 and C.G.S. §4b-58 is triggered. This selection process can take more than six months to complete. **Section 2** of HB 5228 increases the cost threshold of what constitutes a project from a program requiring consultant services estimated to cost \$300,000 to one where the consultant services are estimated to cost \$500,000.

Raising this threshold will enable DAS to continue its efforts to streamline and improve the processes associated with all of its project delivery methods. Specifically, it will enable DAS to concentrate its time and resources on the large construction projects for which the full formal selection process is truly necessary, thereby improving the turn-around time for those large projects.

This change will also improve DAS's ability to provide timely and high quality service in connection with its on-call contracts. DAS is authorized to select consultants to be on an "on-call" list established for the purpose of providing consultant services. This "on-call" list enables DAS to expeditiously identify and select qualified providers in a competitive and transparent way and then call upon them on an as needed basis to perform specific tasks without the need for the lengthy formal selection process necessary for large-scale construction. Given the existing definition of project, however, we cannot use the on-call list for any work where we believe the consultant services may exceed \$300,000.00. As consultant services cover a wide array of disciplines, this limitation impacts DAS - and the agencies we serve --across a broad spectrum of services.

Raising the cost threshold for what constitutes a project will enable DAS to continue its efforts to improve our service delivery to client agencies, streamline bidding and selection processes, and complete projects all without compromising competition or transparency.

Additionally, **Section 15** repeals C.G.S. §4a-80. Under C.G.S. §4a-80, when an agency contracts for the purchase of goods or services or enters into a lease, that agency must obtain the Social Security number or federal employee identification number (FEIN) of the contractor. It further requires each public agency to provide to the Department of Revenue Services, a yearly report on a "compatible magnetic tape file or some other form which is acceptable to the commissioner" a list of all such contractors, together with the contractor's name, address, social security number or FEIN.



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To the extent that C.G.S. §4a-80 requires agencies to provide DRS with a list of contractors and their social security numbers or FEINs on a magnetic tape file or other format acceptable to DRS, it is obsolete.

To the extent that an agency needs a contractor's social security number or FEIN in order to process payments, such need is already addressed by C.G.S. § 4a-78, which requires the contractors to provide their social security number or FEIN to state agencies.

This statute was enacted in P.A. 93-288, a decade before the State moved all of the executive branch financial data into the Core-CT system. Currently, if DRS needs information about state contractors, it can simply access that information from Core-CT. There is no need for agencies to generate separate, potentially inconsistent, lists to send to DRS. As such, C.G.S. §4a-80 is unnecessary. DAS discussed this concept with DRS and they agreed that this section could be repealed.

The remaining sections of HB 5228 (sections 4 through 14) are merely technical changes suggested by the Legislative Commissions Office to conform the affected statutes to modern drafting standards.

We thank the Committee for permitting DAS to comment on House Bill 5228 and we hope you will support this bill.



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