

**Government Administration and Elections Committee
JOINT FAVORABLE REPORT**

Bill No.: HB-5418

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE

Title: CONTRACTING STANDARDS BOARD.

Vote Date: 3/29/2019

Vote Action: Joint Favorable Substitute

PH Date: 3/13/2019

File No.:

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SPONSORS OF BILL:

General Administration and Elections Committee

Co-Sponsors

Rep. Tom Delnicki, 14th Dist.

REASONS FOR BILL:

The bill intends to strengthen independent oversight of the bonding process, by expanding the education of agency employees through a new certificate program. The legislation will expand the authority of the State Contracting Standards Board (SCSB) by shifting authority for approving waivers from competitive bidding for personal service agreements from the Office of Policy and Management (OPM) to SCSB.

SUBSTITUTE LANGUAGE LCO No. 6730: In lines 54-57, in addition to the secretary notifying the Auditors of the Public Accounts, the secretary must also notify the State Contracting Standards Board of any application which the secretary receives for personal services agreement where the agency does not intend to purchase the services by competitive negotiation. Line 99 & 108 removes legislative and judicial branch agencies.

The role Chief Procurement Auditor was defined in lines 178-189, Sec. 6(a), which would require this role to establish procedures for monitoring the financial provisions of contracting regulations and establish an anonymous hotline to receive complaints regarding procurement and report annually on the procurement process improvement.

RESPONSE FROM ADMINISTRATION/AGENCY:

Alfred W. Bertoline, The State Contracting Standards Board: Bertoline, on behalf of the Board, supports and applauds the legislation. The Board believes the oversight mechanisms in the bill and other reforms will strengthen the value and quality of Personal Service Agreement services; better the training of procurement personnel; lessen the cost of services; and make the process more transparent.

Josh, Geballe, Commissioner, Department of Administrative Services (DAS): DAS opposes this legislation on the basis of constitutionality, practicality, and fairness. DAS questions the Board's ability to implement such reforms; contends that these policies will make doing business with the state more cumbersome as increased oversight may increase wait times for bonding; and says that conflating the legislative and judicial branches as contracting agencies is likely unconstitutional as it would undermine the separation of powers principal.

Judeen Wrinn, Commissioner, Department of Motor Vehicles (DMV): The DMV takes issue with two provisions in the bill: the first of which mandates that consolidating the authority to issue waivers in the bonding processes under the State Contracting Standards Board; and the second is in regards to the creation of a certificate program for all agency personnel. The DMV says that these provisions have the potential to create significant delays in the bonding process and that this new certificate program is not adequately or comprehensively outlined in the bill.

NATURE AND SOURCES OF SUPPORT:

Steven Anderson, President, CSEA SEIU Local 2001: Writing on behalf of CSEA's 25,000 members, Anderson supports this legislation's intention to take on the recommendations of the State Contracting Standards Board. Anderson says that the mission of the Board is to ensure that integrity is maintained in the contracting and procurement process for state bonds and that given their mission, their recommendations need to be implemented.

Jan Hochadel, President of the American Federation of Teachers Connecticut (AFT CT): Hochadel writes in favor of this legislation and on behalf of the AFT CT's 30,000 members. Hochadel says that implementing the recommendations of the State Contracting Standards Board will save the state millions of dollars and will allow the Board to run more effectively.

Robert J. Kane & John C. Geragosian, State Auditors : Kane and Geragosian, two state auditors, write in favor of Section 2 of the bill, which would require that the State Contracting Standards Board be made aware of every bid waiver offered. With respect to Section 6, which stipulates that state auditors will play a management role in financial monitoring of the bonding process, the state auditors say that this would compromise their independence as delineated under their professional guidelines.

Sal Luciano, President of the Connecticut American Federation of Labor and Congress of Industrial Organizations (AFL-CIO): Luciano writes in support of the legislation and on behalf of the Connecticut AFL-CIO's 220,000 members. Luciano make she case for the bill's improvements to the Board's effectiveness through measures that will increase the Board's transparency with the public, protect taxpayer dollars; build up trainings for state employees so workers can better perform on the job; and create a Chief Procurement Officer, whose job

it is to create annual reports on how to improve the Board's effectiveness and bonding process as well as handle and respond to relevant complaints.

NATURE AND SOURCES OF OPPOSITION:

The American Council of Engineering Companies of Connecticut (ACEC-CT): Saying that this legislation creates another layer of bureaucracy in duplicating administrative functions already in place under different agencies, ACEC-CT writes in opposition to this legislation. :

Elizabeth Graham Executive Director of the Judicial Branch's Administrative Services Division: Writing on behalf of the state's judicial branch, Graham opposes this legislation, taking issue with the judicial branch's inclusion under the bill's definition of contracting agency alongside the legislature. Graham writes that this makes for a conflict of interest in separation of powers as defined in the state constitution.

University of Connecticut (UConn): UConn opposes this legislation as it would take away the University system's ability to procure its own bonds as granted by the Legislature in the General Statutes under Title 10a.

**Reported by: Emmet Teran
Assistant Clerk**

Date: 4/8/19