

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1184

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES CONCERNING STATE CONTRACTING

Title: REQUIREMENTS AND CERTAIN PROCUREMENT THRESHOLDS.

Vote Date: 03/27/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/10/2023

File No.:

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SPONSORS OF BILL:

Government Administration and Elections Committee.

REASONS FOR BILL:

This bill implements the Department of Administrative Services (DAS) recommendations to revise contracting and administration practices to better support small, minority, and women-owned businesses. Specifically, this bill includes provisions raising the contractor prequalification threshold to \$1,000,000 and updating the purchasing thresholds to \$25,000 for informal bids and \$100,000 for public advertisement. Which is aimed at reducing the burden of undergoing the approval process for contractors and small businesses. It is highlighted that these thresholds have not been updated since 1999 and the previous amounts do not reflect the rising cost of construction, and more contractors have had to undergo the prequalification as a result. The amended bill also clarifies DAS' authority to establish purchasing agreements directly with other states, updates thresholds for notice publication by DAS, and changes contract affidavit requirements. The changes in this bill further DAS goals of creating a more business-friendly environment in the state.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Department of Administrative Services \(DAS\), Director of Procurement Programs and Services, Gene Burk:](#) supports this bill as it aims to improve business-friendly contracting practices and administrative efficiencies at the DAS to better support small, minority, and woman-owned businesses through various provisions. It is stated that one of the provisions raises the threshold for requiring contractor prequalification, while the other updates set-aside spend reporting requirements by leveraging digital tools to improve timeliness and efficiency. It is also stated that the bill clarifies DAS' authority to authorize contracting directly with other

states, removes burdensome requirements, updates thresholds for publication of notices, and changes the contract affidavit requirements. It is explained that this bill complements the procurement modernization bills enacted over the last two years and furthers DAS' goal of creating a business-friendly environment in Connecticut.

[The University of Connecticut \(UConn\)](#): supports this bill as it makes necessary updates to bid thresholds for purchasing goods and services through informal and public advertisement processes, as well as prequalification of contractors. It is stated that the new thresholds proposed are \$25,000 for informal bids, \$100,000 for public advertisement, and \$1,000,000 for prequalification of contractors, and these thresholds have not been updated since 1999 and have been subject to inflation. It is explained that the current low prequalification threshold creates a burden on both contractors and the University, with more projects requiring prequalification. It is also stated that this bill would result in more efficiencies, cost reduction, and resources for serving the students and state.

NATURE AND SOURCES OF SUPPORT:

[Minority Construction Council \(MCC\), Executive Director, Jennifer Little-Greer](#): supports this bill as it aims to eliminate barriers that prevent small, minority, and women-owned businesses from bidding on contracts up to \$1 million dollars. It is stated that by increasing the threshold amount, smaller MBE and WBE contractors would be able to participate, and subcontractors would no longer have to pay the Prequalification Contractor fee for scopes of work under \$1 million. It is also stated that this change would ultimately increase the capacity of Small and MBE/WBE contractors to bid on bigger scopes of work, resulting in growth for these businesses.

[Interstate Property Solutions, LLC, Owner and Manager, Richard Garcia](#): supports this bill as it would increase the threshold amount for bidding contracts to \$1 million would benefit small, minority and women businesses by eliminating barriers that prevent them from accessing bidding contracts. It is stated that the increase in threshold amount would allow for greater participation from small MBE and WBE contractors by eliminating the requirement for subcontractors to pay the prequalification contractor fee for scopes of work under \$1 million and allowing small and MBE/WBE contractors to bid on bigger scopes of work, ultimately increasing their capacity.

NATURE AND SOURCES OF OPPOSITION:

[Anonymous](#): opposes this bill.

[International Brotherhood of Electrical Workers \(IBEW\), Director, Bill Finch](#): opposes this bill, specifically sections 7-10 of the proposed bill as they increase the contract amount that requires prequalification. It is stated that raising the prequalification threshold from \$500,000 to \$1 million could weaken oversight, water down contracting standards, increase the likelihood of bad actors receiving public contracts, and jeopardize federal aid. It was also noted that recent legislative actions strengthened prequalification criteria and that increasing the threshold would remove oversight from smaller projects.

[SMART Sheet Metal Workers' Local Union 38, President and Business Manager, Michael Colombo](#): opposes this bill, specifically sections 7-10 of the proposed bill that would increase the contract amount necessitating a contractor undergo prequalification from \$500,000 to

\$1,000,000. It is stated that that much work has been done to improve oversight and contracting standards; by adopting this new threshold the state will exclude any additional oversight for companies bidding on packages under \$1 million.

The following 10 testimonies were submitted in opposition to sections 7-10 being included in the final bill, and urge that the threshold remain at \$500,000:

[Associated Sheet Metal & Roofing Contractors of Connecticut \(ASMRCC\), Executive Director, Michael Thompson](#): opposes sections 7-10.

[Bricklayers & Allied Craftworkers Local 1 CT \(BAC Local 1\), President, Gerald Marotti](#): opposes sections 7-10.

[Connecticut Laborers' District Council, Business Manager, Keith Brothers](#): opposes sections 7-10.

[Foundation for Fair Contracting \(FFC\) of Connecticut, Director, Kimberly Glassman](#): opposes sections 7-10.

[International Association of Heat and Frost Insulators, Local 33, Business Manager, Don Scoopo](#): opposes sections 7-10.

[International Union of Painters and Allied Trades \(IUPAT\), District Council 11, Political Director, Justin Kelley](#): opposes sections 7-10.

[Mason Contractors Association of Connecticut \(MCAC\), Executive Director, Michael Thompson](#): opposes sections 7-10.

[Mechanical Contractors Association of Connecticut \(MCAC\), Executive Vice President, Kristen B. Abrahamson](#) opposes sections 7-10.

[Roofers Local Union No. 9, Business Manager, Mark Canino](#): opposes sections 7-10.

[United Union of Roofers, Water proofers and Allied Workers No. 12, Business Manager, Kevin Guertin](#): opposes sections 7-10.

Reported by: Lukas Houle

Date: 03-27-2023