

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-1223

**Title:** AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD.

**Vote Date:** 3/24/2023

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/20/2023

**File No.:**

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### SPONSORS OF BILL:

Government Administration and Election Committee

### REASONS FOR BILL:

This bill seeks to revise provisions concerning the State Contracting Standards Board, by giving the board authority over quasipublic agency procurement. This bill would also require the hiring of a full-time staff for the board and would prohibit the Governor from reducing allotments to the board and limiting the selection of contractors from a list without a competitive process to emergency procurements. This will be done in order to ensure the proper use and oversight of state funds sent to quasipublic agencies and ensure the adequate capabilities of the State Contracting Standards Board.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**Lawrence S. Fox, Chair State Contracting Standards Board:** Mr. Fox, as chair of the state contracting standard Board, notes his support for SB-1223, citing. "When the Board was constituted, it was to provide this extensive oversight, guidance, and training to the entire State Government, excluding the judicial and legislative branches, Secretary of State, Comptroller, Attorney General, and State Treasurer. This bill makes tremendous headway in enabling the Board to perform those functions by effectively closing several deficiencies in the current law and incorporating industry best practices into state procurements". Mr. Fox concludes his testimony by urging favorable support for SB-1223 and offers clarification on any questions or comments on the bill be directed to him or SCSB staff.

**Nancy Navarta, Commissioner Department of Mental Health and Addiction Services:**

Ms. Navarta and the Department of Mental Health and Addiction Services oppose SB-1223, noting that "State agencies are not equipped, resourced or staffed to follow requirements of this bill".

**Jordan Scheff, Commissioner, Dept of Developmental Services:** Commissioner Scheff, and the Department of Developmental Services notes their serious concerns for sections of SB-1223 that pertain to the "emergency contract procurement process". They note that this bill would disrupt their ability to respond to emergency services in a timely manner and could put vulnerable individuals at risk.

**Cathy Osten State Senator, 19th Senate District, Connecticut General Assembly:** Sen. Osten, notes her support for SB-1223, but asks that "section 4e-16 should be amended so that the filing of Cost Effectiveness Evaluations should no longer be filed with the Office of Policy and Management but filed with the State Contracting Standards Board section 4e-16 should be amended so that the filing of Cost Effectiveness Evaluations should no longer be filed with the Office of Policy and Management but filed with the State Contracting Standards Board".

**Kevin A. Dillon, A.A.E. Executive Director, Connecticut Airport Authority:** Director Dillon of the CAA, notes his opposition to SB-1223. Citing the extensive procurement process already in place at the CAA, and the flexibility currently in place which assists in the dealings with vendors and business partners. Director Dillon then notes how SB-1223 would make the current business model for the CAA untenable by adding all their agencies under the definition of "State Contracting Agencies". Director Dillon and the CAA also believe that the SCSB will be unable to manage all added responsibilities under this bill. Director Dillon and the CAA then conclude their testimony noting how they understand missteps have been taken by Quasi Public Agencies, but do not believe this bill is the right answer.

**Commissioner Manisha Juthani, MD, Connecticut Department of Public Health:** Commissioner Junthani and the department of Public Health Oppose SB-1223, noting that it makes changes relating to the state contracting standards board. Commissioner Juthani then notes how the state relied upon the DPH to take swift action during the Covid-19 Pandemic, and notes how much of this work was done through emergency contracting. Commissioner Juthani then says that her department learned a great deal from the Covid-19 pandemic, and then concludes her testimony by commenting that "Complicating the process by which we respond to emergencies will challenge our ability to communicate with the people of Connecticut effectively and provide them with the resources they need. We strongly oppose any changes to emergency contracting that would hinder our ability to act in a crisis".

**Jeffrey Beckham, Secretary, Office of Policy, and Management:** Mr. Beckham notes his opposition to this bill, citing that "this bill would create additional obstacles to the timely procurement of goods and services that are needed to address emergency situations". Mr. Beckham notes that the additional procedures this bill would include would delay the response to state emergencies and curtail the flexibility of the state and deter it ability to mitigate risks. Mr. Beckham further notes that this bill would also allow state contracting standard board (SCSB) to circumvent the budgetary process and allow them to set their own budget and hiring need without oversight from the executive branch Mr. Beckham notes that OPM (Office of Policy and Management) opposes the expansion of SCSB, calling it "Premature".

**Garrett Eucalitto, Commissioner, DOT:** Mr. Eucalitto States his Opposition to SB-1223, noting that it will negatively impact CTDOT, "(1) hindering the agencies well-established procurement and contracting process for construction, and (2) slow down the agency response time to emergencies affecting the safety of the traveling public". Mr. Eucakitto and the CTDOT, note the necessity for transparency in this process, but cannot support the changes outlined in this bill and urge opposition to SB-1123.

#### **NATURE AND SOURCES OF SUPPORT:**

**Travis Woodward, President, CSEA SEIU Local 2001:** Mr. Woodward notes his support for SB-1223, noting that "we need the State Contracting Standards Board more than ever". Mr. Woodward goes into further detail on the importance of SCSB, commenting on the I-84 storm drain incident, and the recent influx of infrastructure money brought into the state due to the Covid-19 Pandemic. Mr. Woodward believes that the necessity of the SCSB in required now more than ever. While they do support SB-1223, they ask that an addition be made "Sec. 4e-16 of the general statutes: Now that the State Contracting Standards Board is fully staffed thanks to the bipartisan efforts of the General Assembly, we believe that Cost Effectiveness Evaluations should no longer be filed with the Office of Policy and Management, but rather, with the Board. Cost Effectiveness Evaluations under C.G.S 4e-16(p)".

**Logan Place, AFTCT Field Representative:** Mr. Place and the AFTCT, issue their support for SB-1223, noting how "This bill will strengthen the Contracting Standards Board, which in turn, will protect taxpayer money". They do note however how they wish to comment on a loophole that is closed by this bill regarding UConn health to privatize sectors without submitting a cost benefit analysis. Mr., Place notes how this bill makes it so "UConn Health – the State's only public hospital – can privatize services even if such privatization costs taxpayers more money and does not otherwise benefit the state".

#### **NATURE AND SOURCES OF OPPOSITION:**

**Erin Choquette, Chief Executive Officer, CT Paid Leave Authority:** Ms. Choquette and the CT Paid Leave Authority, note their opposition to SB-1223, stating that "Senate Bill 1223 would hobble the efficiency and effectiveness of the Paid Leave Authority and other quasi-public agencies by giving the State Contracting Standards Board unlimited authority over our procurement activities, including the power to terminate our contracts and audit our purchases". Ms. Choquette then notes the importance of Quasi Public agencies and the role they play in government and concludes her testimony by noting how SB-1223 would impair their ability to function properly.

**Ben Shaiken, Director of Government Relations, Connecticut Community Nonprofit Alliance:** Mr. Shaiken and the Alliance, note their opposition to SB-1223, noting more specifically their opposition to Language in section 11, stating that this bill would "add the state's health and human services contracting system to the purview of the State Contracting Standards Board". Mr. Shaiken then notes how after decades of budget cuts, the committee should refrain from adding additional hurdles for nonprofits to maneuver.

**James Michel, CEO, Access Health CT:** Mr. Michel and access Health CT oppose SB-1223 "as it seeks to empower the State Contracting Standards Board (SCSB) to create regulations regarding procurement processes for AHCT and the other quasi-public agencies". Mr. Michel

also further notes that SB-1223 would impose Duplicative and ineffective oversight. To conclude their testimony, Mr. Michel once more states his opposition to SB-1223, noting that "it will interfere with the basic functionality of the marketplace and hinder AHCT's ability to meet legal deadlines and effectively prepare for open enrollment and special enrollment periods, and new state and federal initiatives".

**The Following individuals submitted Testimony in Opposition to SB-1223, they cited reasons similar to those stated in aforementioned Testimony**

Christopher Davis, Government Relations and Responsible Gaming Manager, Connecticut Lottery Corporation

Bruce T. Liang MD Interim CEO, UConn Health Dean, School of Medicine

Nandini Natarajan, Chief Executive Officer-Executive Director, Connecticut Housing Finance Authority

Linda Dalessio, Taxpayer

Anonymous, Concerned Citizen

James Desantos, Legislative Liaison, CT Green Bank

Anonymous

**Reported by: Thomas Togneri**

**Date: 03-24-2023**