

Senate, April 2, 1998. The Committee on Government Administration and Elections reported through SEN. LEBEAU, 3rd DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REVIEW OF CERTAIN PROPOSED CONTRACTS AND CONTRACT AMENDMENTS FOR INFORMATION OR TELECOMMUNICATION SYSTEM FACILITIES, EQUIPMENT OR SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 83 of special act 97-21,
2 as amended by section 2 of public act 97-322 and
3 section 45 of public act 97-9 of the June 18
4 special session, is repealed and the following is
5 substituted in lieu thereof:
6 (a) No contracts or amendments to contracts
7 for information system or telecommunication system
8 facilities, equipment or services, which are
9 entered into by any state agency (1) pursuant to
10 the request for proposal issued by the Department
11 of Administrative Services dated February 21,
12 1997, or (2) in the event such request for
13 proposal is withdrawn, suspended or superseded,
14 pursuant to any similar request for proposal
15 issued by the Department of Administrative
16 Services or the Department of Information
17 Technology, shall be effective except as provided
18 in this section and sections 84 and 85 of special
19 act 97-21, as amended by [this act] PUBLIC ACT
20 97-9 OF THE JUNE 18 SPECIAL SESSION.

21 (b) Upon the execution of any such contract
22 or amendment, and upon the execution of any
23 subsequent contract or amendment, the state agency
24 shall promptly file the contract or amendment, AND
25 ALL BEST AND FINAL OFFERS FOR THE CONTRACT OR
26 AMENDMENT, with the State Auditors.

27 (c) Not later than seventy-five days after
28 any such contract or amendment [is] AND BEST AND
29 FINAL OFFERS ARE filed with the State Auditors,
30 such auditors (1) shall conduct an independent
31 evaluation of the contract or amendment to
32 determine whether the provisions of the contract
33 or amendment serve the best interests of the
34 state, including, but not limited to, (A)
35 efficiency, (B) economy, (C) contractor
36 qualifications, including, but not limited to,
37 capacity for performance and accountability, and
38 (D) effective delivery of services, and (2) shall
39 submit a report on their findings and conclusions,
40 and the contract or amendment, to the General
41 Assembly, through the clerks of the House of
42 Representatives and the Senate. The State Auditors
43 may, at any time before or after receipt of any
44 such contract or amendment AND SUCH OFFERS,
45 execute contracts with independent consultants for
46 assistance in conducting such evaluation and
47 preparing such report.

48 (d) Upon receipt of a report and a contract
49 or amendment from the State Auditors under
50 subsection (c) of this section, the speaker of the
51 House of Representatives and the president pro
52 tempore of the Senate shall refer the report and
53 contract or amendment to the joint standing
54 committees of the General Assembly having
55 cognizance of matters relating to appropriations
56 and the budgets of state agencies and government
57 administration, for their review. Such contract or
58 amendment shall take effect forty-five days after
59 the State Auditors submit the report and contract
60 or amendment to the General Assembly unless the
61 General Assembly rejects such contract or
62 amendment as a whole by a three-fifths vote of
63 either house. IF THE GENERAL ASSEMBLY IS NOT IN
64 REGULAR SESSION WHEN THE AUDITORS SUBMIT A REPORT
65 AND CONTRACT OR AMENDMENT TO THE GENERAL ASSEMBLY
66 UNDER SUBSECTION (c) OF THIS SECTION, THE CONTRACT
67 OR AMENDMENT SHALL TAKE EFFECT FORTY-FIVE DAYS
68 AFTER THE FIRST DAY OF (1) THE NEXT REGULAR

69 SESSION OF THE GENERAL ASSEMBLY OR (2) A SPECIAL
70 SESSION OF THE GENERAL ASSEMBLY CALLED FOR SUCH
71 PURPOSE, UNLESS THE GENERAL ASSEMBLY REJECTS SUCH
72 CONTRACT OR AMENDMENT AS A WHOLE BY A THREE-FIFTHS
73 VOTE OF EITHER HOUSE.

74 Sec. 2. This act shall take effect from its
75 passage.

76 GAE COMMITTEE VOTE: YEA 11 NAY 6 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 72

STATE IMPACT	Potential Significant Cost and Potential Savings, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Auditors of Public Accounts, Legislative Management, Department of Information and Technology, Various State Agencies

EXPLANATION OF ESTIMATES:

STATE IMPACT: The passage of this bill could result in significant costs to the State and could also result in savings to Legislative Management. The bill clarifies that the contract review to be conducted by the Auditors of Public Accounts for the outsourcing/privatization of the State's information technology (IT) operations (created by PA 97-9 (JSS)) shall include all the best and final offers for the contract. There are four bidders competing for this contract. sHB 5021, the FY '99 Adjusted Appropriations Act as favorably reported by the Appropriations Committee, includes \$70,000 for the Auditors of Public Accounts for services related to their review of the proposed IT contract(s). A provision is also included to allow the carry forward of \$70,000 provided in FY '98 for this purpose, into FY '99. It is anticipated that this funding (a total of \$140,000) will be sufficient to cover their costs for a consultant to assist in the review.

The bill also allows the Legislature to wait until the next regular session of the General Assembly to take

action on the IT contract(s) before they would take effect. This could avoid the necessity of a special session, which costs from \$8,000 to \$10,000 per day, including mileage reimbursement and compensation for sessional employees.

However, this delay could result in significant costs, (i.e., the avoidance of significant savings) in FY '99. The FY '99 General Fund Adjusted Appropriations Act includes \$50 million in savings from "Statewide Agency Functional Consolidation", which is actually the anticipated savings resulting from the privatization of the State's IT business. These savings were first calculated in 1997, and represented a full year of savings from IT privatization, that was initially planned to occur by January 1998. The Department of Information Technology (DoIT) and the Office of Policy and Management (OPM) now indicate that the awarding of the IT contract should be made by May, 1998, with the contract taking effect no later than January 1, 1999. Even though only six months would remain in FY '99, both DoIT and OPM have indicated that the full \$50 million savings can still be achieved.

If the General Assembly waits to review the outsourcing proposal until the next regular session, then the contract(s) could not take effect until February 20, 1999, 45 days after the first day of the 1999 regular session. This would leave only about 4 months for the State to achieve this \$50 million budgetary saving. This could significantly reduce these FY '99 budgeted savings.

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OLR BILL ANALYSIS

sSB 72

AN ACT CONCERNING REVIEW OF CERTAIN PROPOSED CONTRACTS AND CONTRACT AMENDMENTS FOR INFORMATION OR TELECOMMUNICATION SYSTEM FACILITIES, EQUIPMENT OR SERVICES

SUMMARY: This bill (1) requires state agencies to file with the state auditors all best and final offers for contracts or contract amendments for information system or telecommunication system facilities, equipment, or

services and (2) extends the length of time the legislature has to act on contracts or amendments the auditors refer to it during the interim.

Under current law the auditors must, on their own or by contracting with independent consultants, evaluate whether the contracts or amendments serve the best interests of the state and report their findings and recommendations to the legislature.

EFFECTIVE DATE: Upon passage

FURTHER EXPLANATION

Legislative Action on Information and Telecommunication System Contracts

By law the auditors must submit the contracts or amendments plus a report of their findings and recommendations to the legislature within 75 days after the file date. They take effect 45 days later unless the legislature rejects them. If the legislature is not in session when the auditors submit the amendments or contracts, the bill prohibits them from taking effect, if at all, until 45 days after the first day of (1) the next regular legislative session or (2) a special session called for legislative action on such contracts or amendments. By law legislators may reject any amendment or contract by three-fifths vote of either house.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 11 Nay 6