

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6194

AN ACT CONCERNING THE COMPETITIVE BIDDING AND OVERSIGHT OF

**Title:** QUASI-PUBLIC AGENCY CONTRACTS.

**Vote Date:** 3/31/2021

**Vote Action:** Joint Favorable

**PH Date:** 3/26/2021

**File No.:** 498

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### SPONSORS OF BILL:

The Government Administration and Elections Committee

### REASONS FOR BILL:

This bill would increase transparency in the process by which quasi-public agencies award contracts. Enforcing quasi-public agencies to engage in competitive bidding and subjecting them to oversight by the State Contracting Standards Board are two of the measures that this bill seeks to implement in order to increase transparency.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**Connecticut House Republican Caucus:** Emphasizing the importance of public accountability, transparency and open government, House Republicans testimony was supportive of the bill. Citing wasteful spending, fraud and abuse across Connecticut's quasi-public agencies, House Republicans highlighted the need for fiscal discipline in areas where public funds are spent, and public functions are performed.

### NATURE AND SOURCES OF SUPPORT:

**Christopher Fryxell, President, Associated Builders and Contractors of Connecticut (CT ABC):** On behalf of CT ABC, Mr. Fryxell expressed support for this bill, as it would promote fair and open competition by forcing quasi-public agencies to competitive bidding and proper oversight. Particularly, CT ABC references Section 11, which would mandate that the Connecticut Port Authority be subject to oversight by the State Contracting Standards

Board. CT ABC made note of the Connecticut Port Authority's past financial decisions that may have not been in the best interest of the state. Additionally, CT ABC urged the committee to incorporate language that would require quasi-public agencies to adhere to Connecticut General Statute 31-56b, statutes that regulate the use of Project Labor Agreements.

**David Glidden, Executive Director, CSEA SEIU Local 2001:** CSEA SEIU Local 2001 expressed support for the bill, believing that it would bring much needed transparency in regards to the dealings of quasi-public agencies. This bill would help to project taxpayer dollars and ensure that the public services provided by the quasi-public agencies are adequate in nature. Contrary to arguments made against proposed oversight from the State Contracting Standards Board, CSEA SEIU Local 2001 emphasized the need for an entity to oversee the awarding and distribution of taxpayer dollars.

**MetroHartford Alliance (MHA):** MHA highlighted the positive economic impact that Bradley International Airport has had on the Greater Hartford region. With the Connecticut Airport Authority at the helm of leading this positive growth, MHA believes that this bill would hamper CAA's ability to continue improving the airport and ensuring the airport's competitiveness. In particular, MHA cited the \$10,000 threshold for competitive bidding on contracts, as well as the power delegated to the State Contracting Standards Board. MHA believes these measures limit CAA's competitiveness, create unnecessary delays and will ultimately result in lower economic activity and revenues for the state.

**Sal Luciano, President, AFL-CIO of Connecticut:** Mr. Luciano testified in support of the bill based on his view that quasi-public agencies should be subject to oversight of the State Contracting Standards Board. After misuse of funds and mismanagement at the Connecticut Port Authority, a quasi-public agency, Mr. Luciano contends that the need for oversight has never been more present. Had the Connecticut Port Authority been subject to oversight, Mr. Luciano believes that much of the controversy over their contracting procedures would have been avoided.

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

**Connecticut Green Bank:** While both bills might have good intentions, Connecticut Green Bank believes that the proposals would negatively affect the public service goals of state-established entities. One provision that Connecticut Green Bank expressed concerns with was the uniform bidding threshold set at \$10,000. Connecticut Green Bank contends that the bill's provisions would imperil the mission of quasi-agencies like Connecticut Green Bank.

**Kevin Dillon, Executive Director, Connecticut Airport Authority (CAA):** The Connecticut Airport Authority, a quasi-public agency, expressed opposition to this bill. Making note of the one-size-fits-all approach of this bill, CAA believes that the bill would have a deleterious effect on CAA's independence. Citing the waiver for competitive bidding set at a \$10,000 threshold, CAA contends that this threshold is inadequate and insufficient to meet the needs of any meaningful purchase in an airport setting. CAA believes that Section 1 of the bill would have many unintended consequences that would disrupt the operational needs of CAA.

**Connecticut Paid Leave Authority:** A quasi-public agency, the Connecticut paid Leave Authority stands opposed to HB 6194, finding that the restrictive procedures and requirements are unnecessary and undermine the purpose of a quasi-public agency. For example, Connecticut paid Leave Authority sees the delegation of authority to the State Contracting Standards Board as another layer of bureaucracy that would only increase costs, delay operations and undercut their mission. In order to uphold the unique purpose of quasi-public agencies, Connecticut Paid Leave Authority believes that this bill must be opposed.

**Nandini Natarajan, Chief Executive Officer and Executive Director, Connecticut Housing Finance Authority (CHFA):** CHFA is another quasi-public agency that stands opposed to the proposed legislation. Making note of the new requirement for competitive bidding with quasi-public agency contracts and the \$10,000 bidding threshold, CHFA believes that these provisions would detrimentally impact their ability to carry out their mission. These strict procurement requirements would ultimately impact CHFA's ability to address housing needs for people in Connecticut. Additionally, CHFA mentioned their reliance on third party consultants to help expand housing options. The competitive bidding requirement in the bill would hinder CHFA's efficiency, by delaying and complicating the financing and production of housing. Denying CHFA their own autonomy and subjecting them to oversight of the State Contracting Standards Board would diminish CHFA's flexibility and efficiency as a quasi-public agency.

**Connecticut Health & Educational Facilities Authority (CHEFA):** CHEFA was supportive of efforts to increase transparency and openness of government, but maintained opposition to the bill. Particularly, CHEFA expressed concern over the requirement for competitive bidding with contracts exceeding \$10,000. CHEFA believes that each quasi-public agency should be able to set their own thresholds based on their mission and their needs. For example, CHEFA cited their own threshold, which is currently set at \$25,000.

**Connecticut Lottery Corporation (CLC):** The Connecticut Lottery Corporation expressed opposition to HB 6194. While CLC was receptive to the intention of the bill to enhance transparency and oversight, CLC believes that there will be unintended consequences as a result of the one-size-fits-all approach taken by this bill. Citing Section 1(f) of the bill, CLC expressed concern over the removal of current provisions that give CLC the power to reject bids if they believe that they are not in the best interest of the state. As a result of this change, the new provisions might force the Connecticut Lottery to accept a bid that is higher than necessary. Additionally, CLC believes that the State Contracting Review board lacks the expertise to vet industry-specific vendors related to lottery services, therefore creating delays in the CLC's ability to generate revenue.

**Reported by: Trevor Hoffman**

**Date: 3-31-21**