

Appropriations Committee
Friday, February 26

House Bill 6439: AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2023, AND MAKING APPROPRIATIONS THEREFOR

Senator Osten, Representative Walker, Senator Miner, Representative Franco, and members of the Appropriations:

My name is Travis Woodward, I am an engineer with the Department of Transportation and the president of the CSEA P-4 bargaining unit. I am testifying today to raise your awareness of the amount of money the State of Connecticut spends every year for work that should be done in-house. Connecticut wastes over \$100 million every year on outsourcing engineering and construction inspection services alone.

In the fall of 2016, the department of transportation performed a number of cost-effectiveness evaluations for outsourcing project inspection, project design, and bridge safety inspections. Those evaluations showed that project inspections completed by in-house state employees could be completed in many instances at half the cost of outside consultants. The department's reports did an apples to apples comparison including benefits, fringes and overhead. Outsourced consultants bear a large additional cost from profits that are built into each contract. This built in profit is not capped.

According to the documents, "Since the Department [of Transportation] routinely enters into many Consultant Construction Engineering and Inspection contracts impacting a significant amount of funding, it was decided to complete three Cost Evaluations for this type of service." The State performed those evaluations using recent historical data from inspection contracts in the small, medium, and large ranges. If state employees were used on more projects large and small, this cost-effectiveness evaluation showed massive savings from 46% to 63% could be achieved. For large projects, utilizing in-house state employees would save an estimated \$4.7 million dollars per contract according to the evaluation.

CSEA has been saying for years that privatization is a gigantic waste of resources, and the Department's own evaluations prove our point. Connecticut could save millions by performing more work in-house if only the Department of Transportation wasn't so short staffed. CSEA estimates that if all construction projects had been performed by in-house state employees and all construction projects were designed in-house, Connecticut would have saved an average of \$100 million annually.

Before you consider raising the gas tax or imparting tolls that affect the working people of Connecticut, stop wasting our hard earned dollars on expensive consultants.

Sincerely,

Travis Woodward, P.E.
President, P-4 Council
CSEA SEIU Local 2001