

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6903

Title: AN ACT CONCERNING QUASI-PUBLIC AGENCIES.

Vote Date: 03/27/2023

Vote Action: Joint Favorable

PH Date: 3/20/2023

File No.:

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SPONSORS OF BILL:

Government Administration and Elections Committee

REASONS FOR BILL:

This bill proposes changes to the regulations governing quasi-public agencies in Connecticut. The bill defines the term "quasi-public agency" and "procedure" for the purposes of the sections included in the bill. It also introduces new sections relating to construction management and success fees.

The new section relating to construction management requires that any project of a quasi-public agency that is overseen by a construction manager must be subject to the provisions of the bill. The construction manager must invite bids and give notice of opportunities to bid on project elements on the State Contracting Portal. The construction manager shall, after consultation with and approval by the agency, award any related contracts for project elements to the responsible qualified contractor submitting the lowest bid in compliance with the bid requirements.

The new section relating to success fees prohibits quasi-public agencies from entering into contracts or agreements for the payment of a success fee to any person or business entity. The bill aims to ensure transparency, fairness, and efficiency in the operations of quasi-public agencies and to protect public funds from abuse or misuse. If passed, this bill would take effect on July 1, 2023.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Lawrence S. Fox, Chair, State Contracting Standards Board:](#) Supports this bill

This bill addresses two major concerns for the SCSB: prohibiting construction managers on a quasi-public agency project from awarding contracts to themselves and prohibiting quasi-public agencies from entering into contracts or agreements with success fees. As the overseer of state procurement and contracting policy and guidance, I support this bill and any measures taken to improve the ethical processes with which the state does business. I appreciate the opportunity to address you today and urge your favorable consideration of our support.

NATURE AND SOURCES OF SUPPORT:

None expressed

NATURE AND SOURCES OF OPPOSITION:

[Kevin Dillon, Executive Director, Connecticut Airport Authority \(CAA\):](#)

The CAA opposes this bill as written but would support it with amended language that is detailed in Mr. Dillon's written testimony. See comments from Mr. Dillon below: The CAA is supportive of the intent behind HB-6903, and the Authority feels that the language for these targeted reforms can be further refined to make meaningful change without creating unintended consequences. The CAA recently selected Construction Managers at Risk for two major projects at Bradley International Airport, and it was made clear to both contractors at the outset that self-bidding would be prohibited. The CAA also does not utilize "success fees" in its operations. While it is very possible that this legislation would create hardship for other quasi-public agencies due to their specific processes, the CAA is comfortable with the intent behind the legislation and would offer the following suggestions to ensure no complications with CAA operations:

[James Desantos, Legislative Liaison and Associate Director of Regulatory Policy, CT Green Bank:](#)

Section 2 would prohibit construction managers on quasi-public agency projects from self-performing work on such projects and require them to give notice of opportunities to submit bids on project elements on the State Contracting Portal. This would interfere with a portion of the solar market, particularly in the Green Bank's work with affordable multifamily properties.

Section 3 would prohibit the Green Bank from working with outside partners through a "success fee" structure. The Green Bank interprets a success fee as paying these partners when a transaction that they have facilitated is finalized. We believe that the success fee model is a prudent and ideal model for developing the clean energy transactions that the Green Bank finances.

See written testimony for more details regarding comments above, and for addition points of view that are pertinent to Green Bank's opposition of this bill.

[Anonymous #1:](#)

I oppose all these bills because they are all bad. The election was fraudulent, and we the people of CT are NOT being represented by our "elected" officials. We live in a banana

republic and in a communist state that's run by a corrupt supermajority who doesn't care about its constituents or their rights.

Anonymous #2:

I oppose these bills. It's nonsense and need to back to common sense!!

Reported by: Robert Mayne

Date: 03-27-2023