

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: SB-391

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE

Title: CONTRACTING STANDARDS BOARD.

Vote Date: 3/22/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/13/2024

File No.:

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SPONSORS OF BILL:

Government Administration and Elections Committee

REASONS FOR BILL:

The legislation, as amended, aims to implement recommendations to by the State Contracting Standards Board in revising certain provisions that concern the board. This includes granting the board authority over quasi-public agency procurement which increases transparency within such agencies, prohibiting the Governor from reducing allotments given to the board and therefore securing funding, requiring the online posting of emergency procurements, revising requirements regarding proposed privatization contracts, and providing that certain provisions in title 4e supersede certain other provisions.

RESPONSE FROM ADMINISTRATION/AGENCY:

Jeffrey Beckham, Office of Policy and Management Secretary:

Offers opposition. OPM has many concerns with these proposals. States the bill would create additional obstacles to the timely procurement of goods and services needed to address emergency situations and allow the SCSB to circumvent important steps in the statewide budgetary process. OPM recommends maintaining the SCSB's roles and responsibilities rather than expanding. The bill would also have agencies submit cost effectiveness evaluation required for renewal of privatization agreements transmitted to the SCSB without clarity as to what role they would serve, pushing SCSB beyond their scope. Lastly, the proposed effective date of July 1, 2024, for most provisions would not provide sufficient implementation time for agencies.

Gregory Daniels, Esq., OGA-SCSB:

Offers support. It is vital to the success of the agency that the Executive Director's budget recommendation be the basis for future budget allocations, as in the bill, SCS board members have recommended the budget be based on the requests submitted by the Executive Director to the Secretary of the Office of Policy and Management.

Stuart Mahler, SCSB:

Addresses proposals from the Board, including the financial condition of any private entity in dealing with public funds where the state has a responsibility to be aware of past transgressions of the principals of that entity, issues relating to complaints filed with SCSB, privatization measures, and emergency procurement.

NATURE AND SOURCES OF SUPPORT:

Ed Hawthorne, CT AFL-CIO President, Supports:

The bill protects the funding of the State Contracting Standards Board from efforts of the Executive Branch to reduce or eliminate it. However, it does not require the Board to hire at least five full-time employees, which the AFL-CIO believes is essential for the Board to fulfill its mission.

Cara Sullivan, CT Employees Union Independent, Supports:

The bill would provide protection for members who may be faced with the idea of outsourcing to contractors to reduce cost, provisions which probably would have resulted in a ruling against UCONN in CEUI's case against them regarding the outsourcing of the work of custodial services.

Travis Woodward, CSEA, Supports:

The bill protects the Board's funding and gives needed oversight over the contracting of quasi-public agencies. It will put into protection statutes which will ensure it has the funding and staff it needs, while giving it the authority to review the contracting practices of the full scope of state contracting agencies. Section 11 of the bill includes a protection against wasteful outsourcing.

NATURE AND SOURCES OF OPPOSITION:

Erin Choquette, CT Paid Leave Authority, Opposes:

Opposes SB 389 and SB 391, stating they significantly undermine the ability of quasi-public agencies to fulfill their legislatively established missions, create an untenable conflict by divorcing the authority to make decisions from the responsibility for the outcome of those decisions, and are unnecessary.

Zak Levy, AFSCME Council 4, Supports:

The bill would lower the threshold for submitting a bid from state employees in response to a potential privatization contract from 100 to 25 workers. Believes the lower threshold would allow work to be done by state employees rather than privatized at a better cost to taxpayers.

James DeSantos, CT Green Bank, Opposes:

CT Green Bank agrees with comments submitted by Stuart Mahler on this bill and welcomes the opportunity to meet with SCSB to seek a solution to concerns related to the bill.

Kevin Dillon, CT Airport Authority Executive Director, Opposes:

Concerns that the bill would undo characteristics that enable the CAA to effectively grow the airports, as the bill seek to override the CAA's time-tested procurement policy with SCSB regulations. The bills would over-regulate the procurement procedures of quasi-public agencies in many untenable ways for the CAA's business model, and the CAA is also concerned that the SCSB will be unable to manage the volume of work that will result from added responsibilities over quasi-public agencies, resulting in delays which may stifle competition in CAA contracting processes.

Matthew McCooe, Connecticut Innovations CEO, Opposes:

Concerns the bill would hamper CI's ability to operate effectively. Quasi-public agencies are established to provide them with greater autonomy and flexibility outside of the state bureaucracy and carry out their missions more effectively.

James Michel, Access Health CT CEO, Opposes:

Opposes the bill, as it seeks to include quasi-public agencies as "state contracting agencies" and change agencies' procurement policies and procedures which have been established pursuant to the agencies' enabling legislation and required procurement processes. States it would impose duplicative and inefficient regulatory oversight of AHCT's procurement actions by the SCSB and could result in an extreme workload for the SCSB. It would hinder AHCT's ability to meet legal deadlines and effectively prepare for open enrollment and special enrollment periods, and new state and federal initiatives.

Nandini Natarajan, CHFA CEO, Opposes:

The bill would subject CHFA's contracting procedures to oversight from the SCSB, creating an anomalous situation where a state entity (SCSB) has control over an entity (CHFA) that is not a state agency and does not receive state funding for its operations. This would inhibit CHFA's ability to operate effectively, as it needs autonomy to finance affordable housing for CT residents.

Ben Shaiken, CT Community Nonprofit Alliance, Opposes:

Language in section 11 lines 569-571 would unduly burden nonprofits that contract with the state to provide human services to CT's most vulnerable people. Has concerns that the bill will slow the contracting process for community services to a near halt, an unnecessary blow to the nonprofit sector at a time when CT residents' needs are growing.

Greg Smith, CT Lottery Corp., Opposes:

CLC has concerns regarding the unintended consequences of the duplicative approach of the bill. Section 15 would require the CLC to disregard current stature-driven purchasing policy and comply with undetermined procedures and regulations for procurement set forth by SCSB. Section 17 would require contracting agencies to seek a waiver of competitive bidding requirements from SCSB for all expenses under \$10,000, which would mean the CLC would no longer be able to source materials for timely promotions or purchase additional advertising that enhances revenues to the state.

Jeanette Weldon, CHEFA, Opposes:

Believes the proposed reporting requirements, review and approval procedures outlined in the bill are unnecessary and burdensome, as CHEFA already has policies and procedures

that ensure transparency and ethical operations. The mandates imposed would subject CHEFA's business operations to an entity for review that may lack required expertise, encumbering and impairing the financing process.

Also Opposes:

Jermaine Cruz

Glenn Fuoco

Kristyn D'Amato

Nicholas D'Amato

Reported by: Lindsay de Brito

Date: 4/3/24