

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: SB-525

AN ACT CONCERNING THE SELECTION OF CONTRACTORS FOR PUBLIC

Title: WORKS PROJECTS.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/4/2025

File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

The reason for this bill is to encourage the state, agencies, and municipalities to invest in Connecticut-based contractors when selecting for publicly funded projects. This would thus seek to encourage businesses to develop in the state and utilize state projects to strengthen economic development and pay more Connecticut workers.

The substitute language: specifies that the bill's requirement applies regardless of the state contracting laws on competitive bidding and the lowest responsible qualified bidders.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michelle Gilman, Commissioner, Department of Administrative Services: States the bill would require that a preference be given to state-based businesses when awarding a contract for work done to any public building or other public work projects administered by the state. Adding the bill is well intended, but the department has concerns with the implementation of the bill as drafted. Stating there is no indication of the form the preference, stating consultants are already given preference by allowing familiarity with building codes and proximity to the project location. Adding there a statutory mandate to award to the lowest responsible qualified bidder, which requires that some awards be given to out-of-state bidders, for efficiency and cost reasons, adding it is unclear what would be considered "located in the state." as other statutes distinguish resident and non-resident businesses; many non-resident businesses are in the state because of offices, warehouses, and other types of presence. States DAS understands the intent of this legislation, but establishing this would require additional responsibilities and oversight from the department.

Jeffrey R. Beckham, Secretary, OPM: Opposes the bill as part of the bill duplicates existing law Section 4a-59 (c), C.G.S. Adding that the extent that this bill requires a preference, notwithstanding pricing or quality, for in-state vendors, then the bill contradicts the role of government procurement rules generally. States OPM Procurement Standards set guidelines for PSA and POS solicitations to produce a result driven Request for Proposal (RFP) to obtain as many qualified proposers as possible and to maintain the most open, fair, ethical, and competitive submission process and award, based on the best overall cost, quality and services to the state. Adding request for proposals are not targeted to use a proposer's state of domicile as a deciding factor in awarding a contract. The point of procurement laws is to assure value for taxpayers and to generally get the best service that can be procured, the domicile of the firms employed is not relevant to these goals, adding any preference given to in-state firms may lead to retaliation by other states against our in-state firms seeking business in those states.

NATURE AND SOURCES OF SUPPORT:

Senator Bob Duff, Senate Majority Leader: Supports the bill. States this bill protects Connecticut companies and consumers while growing our economy by requiring that all publicly funded projects within our state prioritize using manufacturers, fabricators, and erectors located in Connecticut, or if no Connecticut manufacturer, fabricator, and erector is available, prioritize using manufacturers, fabricators, and erectors located in the United States. And by prioritizing Connecticut and American businesses we will incentivize businesses to move to Connecticut, and America. Adding this would generate job growth and economic development. Stating that overseas manufacturers are significantly cheaper at times, and the high upfront cost of this bill could potentially increase the cost expenditures for projects and cause a strain on the state budget but in the long run, this bill will allow our economy to grow and thrive by prioritizing the use of Connecticut companies with Connecticut employees.

NATURE AND SOURCES OF OPPOSITION:

Zachary McKeown, Advocacy Manager for CCM: Opposes the bill. States the intent of the bill. Adding they have concerns that this bill would increase costs to municipalities and taxpayer regardless of considering quality.

Reported by: Ian Graves

Date: 3/31/2025