



OLR RESEARCH REPORT

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VETO PACKAGE OCTOBER 25 SPECIAL SESSION

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The governor vetoed one bill during the October 25 Special Session. It may be considered during the veto session (scheduled for December 19).

AN ACT CONCERNING REFORM OF THE STATE CONTRACTING PROCESS

PA 05-1, October 25 Special Session—SB 2101

Emergency Certification

This act establishes a State Contracting Standards Board (SCSB) as an independent state agency and the successor agency to the State Properties Review Board (SPRB). It dissolves the SPRB on October 1, 2007 and transfers its duties and responsibilities to the SCSB on that date. The new board is also charged with various other responsibilities that reform state contracting processes. It must establish uniform procurement standards, audit state contracting agencies, and discipline them for failure to comply with the bill or the uniform procurement code.

The act:

1. establishes grounds for suspending and disqualifying contractors and subcontractors from bidding on or participating in state contracts;

2. establishes a procedure for the legislature to exempt construction contracts from the competitive bidding process;
3. establishes procedures for state agencies to use when entering purchase of service agreements;
4. eliminates certain requirements from the contractor prequalification process and generally bans state and municipal agencies from receiving state funds for construction if they accept bids from a contractor without proof of his prequalification;
5. conforms the Department of Public Works' contractor selection law to practice and increases the time it and constituent units of higher education have to award contracts;
6. prohibits the state from contracting with corporations that receive a tax benefit as a result of reincorporating outside of the United States;
7. bans, with some exceptions, the use of state bond revenues or appropriated or allocated state funds for outdoor lighting that is not energy efficient or that exceeds the brilliance required to achieve its purpose;
8. establishes a schedule for floodlight violators to comply with the law;
9. permits documents public agencies receive in response, and related, to a procurement request for proposal (RFP) to be exempt from disclosure under the Freedom of Information Act (FOIA) for a limited time;
10. changes the definition of small contractor under the set-aside program; and
11. requires state agencies to obtain from certain contractors an affidavit identifying consultants who work with them on that contract.

EFFECTIVE DATE: Upon passage, except for the provisions:

1. requiring the SCSB and the Judicial Branch to each prepare a procurement code; transferring the duties of the SPRB to SCSB; and on personal service agreements, prequalified contractors, reincorporated companies, set-aside, and affidavits in state contracts; which are effective on January 1, 2006;
2. on light pollution, which are effective on July 1, 2006;
3. requiring SCSB to perform other duties, which are effective on July 1, 2007; and
4. on the SCSB's authority to audit state contracting agencies, terminate contracts or procurement agreements, and disqualify contractors; on state contracting agencies power to suspend contractor; on bidders' rights to contest contract solicitations or awards and appeal state contracting agencies' decisions; establishing a contracting standards advisory council; and terminating the SPRB, which are effective October 1, 2007.

Senate Vote: 26-9 (October 26)

House Vote: 85-51 (October 27)

EXCERPT FROM THE GOVERNOR'S VETO MESSAGE

"The provisions of Senate Bill 2101 are far too harmful to the most vulnerable people of our state—the mentally and physically disabled, the elderly, the victims of domestic violence and those who struggle with addiction, among others—and to those who provide them with critical services for me to permit the bill to become law.

"The provisions of Senate Bill 2101 would force [non-profit and private] providers, who receive relatively small state contracts and most of whom rely on state business to survive, to offer their employees wages and benefits that far outstrip the providers' ability to pay. Specifically, the bill requires that private businesses pay wages comparable to the lesser of 'regular [state] agency employees' or standard private sector wages, including 'a percentage representing the normal costs of health care and pension benefits for comparable state employees.'

"My belief that contracting reform is necessary for our state is so strong that it led me to create a Contracting Standards Board through Executive Order No. 7 after I vetoed Senate Bill 94 on June 30, 2005. Executive Order No. 7 remains in effect, and through that order Connecticut will have a clean contracting system.

“I continue to hope that the board will be confirmed through legislation in the future, and I look forward to working with the General Assembly on a compromise to that effect. But I cannot sign legislation creating such a board at the risk of interfering with essential state services for so many people or the loss of hundreds of thousands of jobs.”

JH:ts