

Legislative History for Connecticut Act

SB. 984

P.A. 409

1993

+ Need ..

Sen: 1484-1485, 2667-2671  
2826-2832, 2900, 5132-5134  
5172-5173 (20)

House: 12916-12924, 13314-13326 (22)

P + D: 841

(1)

See also: ConnDoc EC55rep/sa  
Report to the Conn. G. A. on the implementation  
of PA 93-409, An Act Awarding of Contracts to...

43p.

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
and House of Representatives Proceedings

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S-347

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1993

VOL. 36

PART 5

1465-1848

WEDNESDAY  
April 28, 1993

36  
tcc

THE CHAIR:

Is there any objection to placing Senate Calendar No. 288, House Bill No. 5642 on the Consent Calendar?  
Is there any objection? Hearing none, it is so ordered.

SENATOR DIBELLA:

On Page 21, Calendar Item No. 289 is a Go. Calendar Item 290 is a Go. Calendar No. 291 is Pass Retained. Calendar No. 292 is a Go. Calendar No. 293 is Passed Temporarily. Calendar No. 294, Substitute for House Bill No. 5602, I move this to the Consent Calendar.

THE CHAIR:

Is there any objection to moving Senate Calendar No. 294, Substitute for House Bill No. 5602 to the Consent Calendar? Is there any objection? Hearing none, so ordered.

SENATOR DIBELLA:

On Page 22, Calendar Item No. 295 is Passed Temporarily. Calendar Item No. 296, Substitute for Senate Bill No. 984, I move this be referred to the Committee on Commerce.

THE CHAIR:

Is there any objection to referring Senate Calendar No. 296, Substitute for Senate Bill No. 984 to the

WEDNESDAY  
April 28, 1993

37  
tcc

Committee on Commerce? Any objection? Hearing none,  
so ordered.

SENATOR DIBELLA:

Calendar Item No. 300 is Pass Retained. Calendar  
No. 301 is Pass Retained. Calendar Item No. 302 is  
Pass Retained.

On Page 23, Calendar Item No. 303, Substitute for  
Senate Bill No. 875, I'd move this to the Consent  
Calendar.

THE CHAIR:

Is there any objection to moving Senate Calendar  
No. 303, Substitute for Senate Bill 875 to the Consent  
Calendar? Is there any objection? Hearing none, so  
ordered.

SENATOR DIBELLA:

Calendar Item No. 304, Substitute for Senate Bill  
No. 669, I'd move this to the Consent Calendar.

THE CHAIR:

Is there any objection to placing Senate Calendar  
No. 304, Substitute for Senate Bill No. 669 on the  
Consent Calendar? Any objection? Any objection?  
Hearing none, so ordered.

SENATOR DIBELLA:

Calendar Item No. 305, Senate Bill No. 1051, I'd  
move this to the Consent Calendar.

S-350

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1993

VOL. 36  
PART 8  
2601-2947

WEDNESDAY  
May 26, 1993

002667  
150  
tcc

education for the future.

THE CHAIR:

Thank you very much, Senator Sullivan. Would anyone else wish to remark on Senate Calendar No. 259? Are there any further remarks? Any remarks? If not, Senator Sullivan, if there is no objection, would you make --?

SENATOR SULLIVAN:

If there is no objection, I'd be very pleased to have this moved to the Consent Calendar.

THE CHAIR:

Thank you very much. Is there any objection to placing Senate Calendar No. 259, Substitute for Senate Bill No. 1006 on the Consent Calendar? Any objection? Any objection? Hearing none, bingo, so ordered.

THE CLERK:

Calendar No. 296, Files No. 446 and 872, Senate Bill No. 984, AN ACT CONCERNING AWARDING OF CONTRACTS TO SMALL CONTRACTORS AND MINORITY BUSINESSES UNDER THE SET-ASIDE PROGRAM.

Favorable Report of the Committee on Appropriations.

The Clerk is in possession of one amendment.

THE CHAIR:

The Chair would recognize Senator Milner.

WEDNESDAY  
May 26, 1993

002668  
151  
tcc

SENATOR MILNER:

Madam President, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

Thank you very much. Mr. Clerk.

THE CLERK:

LC08758, which will be designated Senate Amendment Schedule "A". It's offered by Senator Milner of the 2nd District.

THE CHAIR:

The Chair would recognize Senator Milner.

SENATOR MILNER:

Madam President, I move adoption of the amendment.

THE CHAIR:

Thank you very much, sir. Do you wish to remark further on the amendment?

SENATOR MILNER:

Yes, I wish, Madam President, to summarize the amendment.

THE CHAIR:

Please proceed.

SENATOR MILNER:

Basically the amendment is actually part of the original bill. In an effort to move this along, there was a fiscal analysis on this that came back with a

WEDNESDAY  
May 26, 1993

002669  
192  
tcc

fiscal impact and it came back with a fiscal impact because the amendment simply establishes two reports. One is a quarterly report and one is an annual report, but what it doesn't say is that this replaces about a dozen reports that the department is presently doing, so actually as a cost saving and not an added cost.

After speaking to the Senate Chair of Appropriations, he basically agreed with that and so we just amended this section of the bill back in.

THE CHAIR:

Thank you very much. Would anybody else wish to remark on Senate Amendment "A", LCO No. 8758? Are there any further remarks? Any further remarks on Senate Amendment "A"? If not, then please let me know your mind. All those in favor of Senate Amendment "A", LCO No. 8758, please signify by saying aye.

SENATORS:

Aye.

THE CHAIR:

Those opposed.

The ayes have it.

The amendment is adopted.

Senator Milner, you now have before you Substitute for Senate Bill 984, as amended by Senate Amendment "A"?

WEDNESDAY  
May 26, 1993

002670  
153  
tcc

SENATOR MILNER:

I believe there is another amendment.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, that is the only amendment filed on this bill.

SENATOR MILNER:

984, LCO8757?

THE CHAIR:

The Senate stand at ease for a minute and see if we can locate an amendment.

SENATOR DIBELLA:

Could we P-T this item until --? Yes, could we P-T that? We don't have an amendment filed, but --?

THE CHAIR:

Yes, is that agreeable with you, Senator Milner? We'll pass that temporarily.

Senator, you're still waiting for a second amendment. Oh, you have it. Okay.

SENATOR MILNER:

Madam President, there was a mixup. We want to hopefully P-R this?

THE CHAIR:

Why don't we pass it temporarily, Senator. Maybe

WEDNESDAY  
May 26, 1993

002671  
154  
tcc

we can get the amendment straightened out?

SENATOR MILNER:

That's fine. Thank you very much, Madam President.

THE CHAIR:

Thank you very much.

THE CLERK:

Calendar Page 32, Calendar No. 310, File No. 490,  
Substitute for Senate Bill 638, AN ACT CONCERNING THE  
GENDER AND RACIAL COMPOSITION OF THE MEMBERSHIP OF THE  
STATE APPOINTIVE BOARDS, COMMISSIONS, COMMITTEES AND  
COUNCILS.

Favorable Report of the Committee on Judiciary.

The Clerk is in possession of three amendments.

THE CHAIR:

Thank you very much. The Chair would recognize  
Senator Peters.

SENATOR PETERS:

Thank you, Madam President. I move acceptance of  
the Joint Committee's Favorable Report and passage of  
the bill.

THE CHAIR:

Thank you very much, Senator. Mr. Clerk.

THE CLERK:

Madam President, the Clerk is in possession of  
three amendments, all of which have been sponsored by

THURSDAY  
May 27, 1993

002826  
85  
tcc

25, as amended by LCO No. 5724 on the Consent Calendar?

Is there any objection? Hearing none, so ordered.

THE CLERK:

Calendar No. 296, File No. 446 and 872, Substitute  
for Senate Bill 984, AN ACT CONCERNING AWARDING OF  
CONTRACTS TO SMALL CONTRACTORS AND MINORITY BUSINESSES  
UNDER THE SET-ASIDE PROGRAM. (As amended by Senate  
Amendment Schedule "A").

Favorable Report of the Committee on  
Appropriations.

The Clerk is in possession of one amendment.

THE CHAIR:

Thank you very much. The Chair would recognize  
Senator Milner.

SENATOR MILNER:

Madam President, I move acceptance of the Joint  
Committee's Favorable Report and passage of the bill.

THE CHAIR:

Thank you very much. In accordance with the  
previous action of the Senate, I would --.

SENATOR MILNER:

As amended with Senate "A".

THE CHAIR:

Thank you. Mr. Clerk.

THE CLERK:

THURSDAY  
May 27, 1993

002827  
86  
tcc

LCO8825, which will be designated Senate Amendment  
Schedule "B". It's offered by Senator Milner of the  
2nd District.

THE CHAIR:

Senator Milner.

SENATOR MILNER:

Madam President, I move adoption of the amendment.

THE CHAIR:

Do you seek leave of the Chamber.

SENATOR MILNER:

I seek leave of the Chamber to briefly address it.

THE CHAIR:

Thank you very much. The amendment is the  
amendment that was delayed on yesterday and simply it's  
-- it simply adds into the bill that we took up on  
yesterday, the ten percent Letter of Credit. The ten  
percent Letter of Credit has been used by the  
Department of Housing, and in talking with the  
Governor's office and talking to Commissioners, the  
Governor's office thought it was a good idea for those  
very, very small businesses who cannot get bonding to  
have this Letter of Credit.

The Department of Housing discontinued it mainly  
because the rest of the departments that do small and  
minority set-aside did not have it and they wanted to

THURSDAY  
May 27, 1993

002828  
87  
tcc

conform rather than to impress on the others to use it.

This now allows all of the departments that have the set-aside and small business and minority set-aside programs to use the ten percent line of credit in areas where we have businesses. They must qualify. They must meet certain specifications, but cannot receive the bonding under the present bonding system to get a line of credit and then receive awards of the state for business development.

THE CHAIR:

Thank you very much. Would anybody else wish to remark on Senate Amendment "B"? Are there any further remarks? Yes, Senator Kissel.

SENATOR KISSEL:

Yes, Madam President, a question to the proponent. The amendment speaks of the providing of a Letter of Credit in lieu of a performance bond and I'm just wondering specifically is that because a Letter of Credit is easier to obtain or what's the purpose of that?

THE CHAIR:

Senator Milner.

SENATOR MILNER:

No, in some cases where you have small, small businesses that have good records with the state,

THURSDAY  
May 27, 1993

002829

88  
tcc

sometimes they cannot get bonding. That is something that's been going on traditionally for many, many years in the state.

The Department of Housing has been using the Letter of Credit in those cases. They have stated very clearly that in none of those cases with minority contractors have they run into any problem using the line of credit. They simply discontinue the line of credit because no other department was using it.

I then met with the Governor to discuss it with him. He said he had no problem with the line of credit.

SENATOR KISSEL:

Okay, and again, so I have this clarified, through you, Madam President, to the proponent.

THE CHAIR:

Yes, Senator Kissel.

SENATOR KISSEL:

The Letter of Credit, would that be from any financial institution? Would it have to a specific financial institution? Would it be a bank? Would it be an insurance company?

SENATOR MILNER:

That is set up through the departments. I don't know how the state does that, but it'll do the same

THURSDAY  
May 27, 1993

89  
tcc

procedures they've been using in the past. I'm not sure what their procedures have been, but there is a procedure set down that the state presently uses that will continue to be used.

SENATOR KISSEL:

Thank you very much.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much.

THE CHAIR:

Would anybody wish to remark on Senate Amendment "B"? Are there any further remarks? If not, then please let me know your mind. All those in favor of LCO No. 8825, designated by the Senate Clerk as Senate Amendment "B", please signify by saying aye.

SENATORS:

Aye.

THE CHAIR:

Those opposed.

The ayes have it.

The amendment is adopted.

Senator Milner, now you have before you Substitute for Senate Bill 984, as amended by Senate Amendments "A" and "B".

THURSDAY  
May 27, 1993

002831  
90  
tcc

SENATOR MILNER:

Thank you, Madam President. I went over the entire bill on yesterday. Just to refresh your minds, it just simply is the bill that talks about the awarding of contracts to minority businesses under the set-aside program. It increases the amounts of awards. Again, this is not required bonding. This is only money that the state acquires for these purposes and actually it raises the threshold of the amount of money because when the set-aside program was set up many, many years ago, of course, the size of the contracts were much smaller, the amount of cost of materials is much smaller and this has raised it. This was done after meeting the various departments and again talking to the various agencies that do the set-aside of small business.

THE CHAIR:

Thank you very much, Senator Milner. Would anybody else wish to remark on Senate Calendar 296? Are there any further remarks? Are there any further remarks on Senate Calendar 296? If not, Senator Milner, would you like to make a motion to place this item on the Consent Calendar?

SENATOR MILNER:

Thank you, Madam President. So moved.

THURSDAY  
May 27, 1993

002832  
91  
tcc

THE CHAIR:

Thank you very much. Is there any objection to placing Senate Calendar 296, Substitute for Senate Bill 984, as amended by Senate Amendments "A" and "B" on the Consent Calendar? Is there any objection? Hearing none, it is so ordered. Senator DiBella.

SENATOR DIBELLA:

Thank you, Madam President. On Page 29, for the purpose of markings.

THE CHAIR:

Yes, sir. Page 29, Calendar Item No. 315, was marked Go. This has been changed to a Passed Temporarily. It is waiting an amendment.

THE CHAIR:

Thank you very much, Senator. Mr. Clerk.

THE CLERK:

Calendar No. 309, File No. 481, Senate bill no. 57,  
AN ACT ESTABLISHING A PLANNING AND EVALUATION PROCESS  
FOR ENTERPRISE ZONES.

Favorable Report of the Committee on Labor and Public Employees.

The Clerk is in possession of three amendments.

THE CHAIR:

Senator Milner.

SENATOR MILNER:

THURSDAY  
May 27, 1993

002900  
159  
tcc

Calendar Page 28, Calendar No. 283, Substitute for Senate Bill 25. Calendar 296, Substitute for Senate Bill 984.

Calendar Page 30, Calendar No. 363, Substitute for House Bill 6306.

Calendar Page 31, Calendar No. 406, Substitute for Senate Bill 820. Calendar 455, Substitute for House Bill 6776. Calendar Page 34, Calendar No. 401, Substitute for Senate Bill 54. Madam President, that completes the first Consent Calendar.

THE CHAIR:

Thank you very much. Ladies and gentlemen of the Chamber, you have heard the items that have been placed on the Consent Calendar No. 1 for today, May 27, 1993. The machine is on. You may record your vote.

Have all Senators voted and have your votes been properly recorded? Have all Senators voted and have your votes been properly recorded? The machine is closed.

The result of the vote:

36	Yea
0	Nay
0	Absent

The Consent Calendar No. 1 for today has been adopted.

S-357

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1993

VOL. 36  
PART 15  
5097-5455

WEDNESDAY  
June 9, 1993

36  
tcc

Consent Calendar.

THE CHAIR:

Brevity is the soul of wit. Thank you, Senator.  
Is there any objection to placing Senate Calendar 39,  
Substitute for Senate Bill 789 on the Consent Calendar?  
Is there any objection? Any objection? Hearing none,  
so ordered.

THE CLERK:

Calendar Page 11, Calendar No. 296, File No. 872,  
Substitute for Senate Bill 984, AN ACT CONCERNING  
AWARDING OF CONTRACTS TO SMALL CONTRACTORS AND MINORITY  
BUSINESSES UNDER THE SET-ASIDE PROGRAM. (As amended by  
Senate Amendment Schedules "A" and "B" and House  
Amendment Schedules "A", "B" and "C").

Favorable Report of the Committee on  
Appropriations.

The House rejected Senate Amendment Schedules "A"  
and "B".

THE CHAIR:

Thank you very much, Mr. Clerk. The Chair would  
recognize Senator Milner.

SENATOR MILNER:

Madam President, I move acceptance of the Joint  
Committee's Favorable Report in concurrence with the  
House and passage of the bill.

WEDNESDAY  
June 9, 1993

37  
tcc

THE CHAIR:

Thank you very much. Would you like to remark further, sir?

SENATOR MILNER:

Yes, Madam President. The bill improves upon our Small Minority Business Set-Aside Program that is presently in existence. The House rejected the two Senate Amendments and added three amendments. We have no problem with those because it merely improves upon the amendments that we sent from the Senate.

With the amendments the bill passed the House 145 to 0. The bill increases the number of firms eligible for state set-aside contracts for small minority contractors and increases the value of the contracts they've received. It does this by raising the eligibility limit on contractors. This bill was worked out in concurrence with the Governor's office, DED, DOT, DPW and the Department of Housing.

It also establishes -- reestablishes the line of credit.

THE CHAIR:

Thank you very much, Senator Milner. Would anybody else wish to remark on Senate Calendar 296? Are there any further remarks on Senate Calendar 296, Substitute for Senate Bill No. 984? Any further remarks? If not,

WEDNESDAY  
June 9, 1993

38  
tcc

Senator Milner, would you like to make a motion to place this item on the Consent Calendar?

SENATOR MILNER:

So moved, Madam President.

THE CHAIR:

Thank you very much. Is there any objection to placing Senate Calendar 296, Substitute for Senate Bill No. 984, on the Consent Calendar? Is there any objection? Hearing none, so ordered.

THE CLERK:

Calendar No. 313, File No. 497, Substitute for Senate Bill 1062, AN ACT CONCERNING RECOMMENDATIONS OF THE HOME HEALTH CARE TASK FORCE. (As amended by Senate Amendment Schedule "A" and House Amendment Schedule "A").

Favorable Report of the Committee on Human Services.

THE CHAIR:

Thank you very much, Mr. Clerk. The Chair would recognize Senator Przybysz.

SENATOR PRZYBYSZ:

Thank you, Madam President. I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the House.

THE CHAIR:

WEDNESDAY  
June 9, 1993

76  
tcc

Bill 7161.

Calendar Page 10, Calendar No. 536, Substitute for House Bill 5885. Calendar 39, Substitute for Senate Bill 789.

Calendar Page 11, Calendar No. 296, Substitute for Senate Bill 984. Calendar 313, Substitute for Senate Bill 1062. Calendar 353, Substitute for Senate Bill 1046. Calendar 421, Substitute for Senate Bill 787.

Calendar Page 12, Calendar No. 428, Substitute for Senate Bill 805. Calendar 436, Substitute for House Bill 7244. Calendar 475, Substitute for Senate Bill 1082. Calendar 541, Substitute for House Bill 7100.

Calendar Page 14, Calendar No. 655, Senate Resolution 21. Calendar 656, Senate Resolution 22. Calendar 657, Senate Resolution No. 23.

Madam President, that completes the first Consent Calendar.

THE CHAIR:

Thank you very much, Mr. Clerk. You've heard the items that have been placed on the Consent Calendar No. 1 for today, Wednesday, June 9th. The machine is open. You may record your vote.

WEDNESDAY  
June 9, 1993

77  
tcc

Senator Milner, Senator Larson. Have all Senators voted and are your votes properly recorded? Have all Senators voted and are your votes properly recorded? The machine is closed.

The result of the vote:

36	Yea
0	Nay
0	Absent

Consent Calendar No. 1 has been adopted.

Senator Milner. I mean Senator DiBella.

SENATOR DIBELLA:

Thank you, Madam President. I know you get Senator Milner and I mixed up all the time.

THE CHAIR:

I know, well, you know.

SENATOR DIBELLA:

I would like to ask that we make some changes in the Calendar.

THE CHAIR:

Thank you.

SENATOR DIBELLA:

On Page 4, Calendar Item No. 632 has been changed from Pass Retained to a Go. Calendar Item No. 635 on the same page is a Go.

On Page 5, Calendar Item No. 648 is changed from

H-685

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1993

VOL. 36

PART 36

12,717-13,074

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House of Representatives

Wednesday, June 8, 1993

Representative Wyman in the affirmative.

The Clerk will announce the tally.

CLERK:

Senate Bill 905, as amended by Senate "A" and "B"  
and House "A"

Total number Voting	143
Necessary for Passage	72
Those voting Yea	143
Those voting Nay	0
Those absent and not Voting	6

DEPUTY SPEAKER LYONS:

The bill, as amended passes.

Representative Dillon.

REP. DILLON: (92nd)

Madam Speaker, I move for immediate transmittal to the Senate for all items acted upon that require further action by the Senate.

DEPUTY SPEAKER LYONS:

The question is suspension for immediate transmittal. What? Anyway, it is going to the Senate.

CLERK:

Page 7, Calendar 699, substitute for Senate Bill 984, AN ACT CONCERNING AWARDING OF CONTRACTS TO SMALL CONTRACTORS AND MINORITY BUSINESSES UNDER THE SET-ASIDE PROGRAM, as amended by Senate "A" and "B". Favorable

tcc

201

House of Representatives

Wednesday, June 8, 1993

report of the committee of Appropriations.

DEPUTY SPEAKER LYONS:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Madam Speaker. I move acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER LYONS:

The question before the Chamber is on acceptance and passage in concurrence with the Senate. Will you remark, Sir?

REP. DAVIS: (50th)

Yes, Madam Speaker. This bill increases a number of small businesses that may qualify for state contracts, by increasing the limit on a contractor's annual gross revenues and raising the cap on annual contractors for a single contractor.

It also requires DED to implement a two-year certification for qualifying businesses on a form of less than six pages and it requires DED to establish a process to insure small and minority businesses have fair access to all contracts outside of the set-aside program.

Madam Speaker, the Clerk has LC08758, previously designated as Senate "A". Would the Clerk please call

tcc

House of Representatives

Wednesday, June 8, 1993

and I be allowed to summarize?

DEPUTY SPEAKER LYONS:

The Clerk has in his possession, LCO8758, previously designated Senate "A". Would the Clerk please call and the Representative has asked leave to summarize.

CLERK:

LCO8758, Senate "A".

DEPUTY SPEAKER LYONS:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Madam Speaker. This amendment requires each state agency to prepare a report establishing goals for its small minority set-aside programs for the following year - by July 1, 1994 and then status reports after that.

I move its adoption.

DEPUTY SPEAKER LYONS:

The question in on adoption. Will you remark? Will you remark on the amendment that is before us? If not, let me ... Representative Norton.

REP. NORTON: (48th)

Madam Speaker, a quick question. Is this to say to the proponent of the amendment, is this to say that I guess at first glance, this looks to me that it is

tcc

House of Representatives

Wednesday, June 8, 1993

quite a bit of reporting. Do you mean to say that the chairman and ranking members of the committee on Planning and Development will receive 170 quarterly reports from every political subdivision....I am sorry, more than that. Every State agency and any political subdivision of the State setting aside contracts or portions of contracts. Are there quite a few States or agencies or towns which would not be involved in set-aside? Through you, Madam Speaker.

DEPUTY SPEAKER LYONS:

Representative Davis.

REP. DAVIS: (50th)

Through you, Madam Speaker, the purpose of, I believe you are talking about subsection M is for those political subdivision. ... it is a report for the State agency. They will be receiving information on any contracts that they let out through our political subdivisions, but it is reporting the State agency and I must say that this is an issue that was worked out by Senator Milner with Commissioners of DPW, DED and DOH.

DEPUTY SPEAKER LYONS:

Representative Norton.

REP. NORTON: (48th)

Then I am confused because I thought that political subdivisions...it says...there are two nouns...state

tcc

House of Representatives

Wednesday, June 8, 1993

agency, any and each political subdivision shall prepare a status report. Was does political subdivision mean, through you, Madam Speaker?

DEPUTY SPEAKER LYONS:

Representative Davis.

REP. DAVIS: (50th)

Through you, Madam Speaker, that language to which Representative Norton alludes has to do with quasi public agencies which are seen as political subdivisions of the State.

REP. NORTON: (48th)

I guess I am..

DEPUTY SPEAKER LYONS:

Through the Chair, Sir.

REP. NORTON: (48th)

Through you, Madam Speaker, I am sorry.

DEPUTY SPEAKER LYONS:

Representative Norton.

REP. NORTON: (48th)

I guess, so am I wrong in having a memory that we have often used the term "political subdivision" to refer to the various towns and cities of the State? Through you, Madam Speaker.

DEPUTY SPEAKER LYONS:

Representative Davis.

REP. DAVIS: (50th)

Through you, Madam Speaker, I believe the more often used term is "municipalities". Through you, Madam Speaker.

DEPUTY SPEAKER LYONS:

Representative Norton.

REP. NORTON: (48th)

Okay. I will take that ... I will buy it then. Thank you, Madam Speaker. I guess I just don't recall that. My memory isn't the same, but I guess there isn't anything else for me to say. If it isn't the case....I am being told not to buy it. I am being told that my instinct is correct that political subdivision certainly does mean anything from the Town of Salem, the Burrough of Jewett City, the Burrough of Bantam, the Town of Colchester, where I am from. I will have to say that I admire both the energy and the shelter space of the Chairman and the Ranking Members of the Committee on Planning and Development. If they have both the desire to, in place, to put a quarterly report from every agency, town and sub-town in the State of Connecticut, they have got more on the ball than I ever could have imagined.

But more importantly, I can't help but wonder whether my town, which isn't doing that many contracts.

tcc

House of Representatives

Wednesday, June 8, 1993

I guess New Haven is doing lots of contracts and maybe East Hartford and Bristol are, but I represent three smaller towns and certainly, I guess, they should comply with whatever goals they want to set forward for minority set-aside, but I am not sure if the Town of Salem which I represent, which has 3,500 people should be having to file a quarterly report every three months.

With the ranking members and the chairmen of the standing committee of Planning and Development, it seems like a bit much. I don't mean to say that the cause isn't merited or that minority set-asides aren't a great thing. It just seems like a heck of a lot of paperwork and more than we need.

And I guess that is my point, Madam Speaker. Thank you.

DEPUTY SPEAKER LYONS:

Representative Farr.

REP. FARR: (19th)

Madam Speaker, I think the amendment was drafted flawed. If you read the file itself, the file on line 1, section 16, says, the "head of all state agencies and of each political subdivision of the state other than a municipality" and then the amendment apparently erroneously left that out and says "on or before July

House of Representatives

Wednesday, June 8, 1993

1st and annually thereafter. Each state agency and political subdivision of the State. And it neglected to exempt a municipality.

So, I think what the amendment has done is inadvertently required every municipality in this state to start filing reports under this law. I would suggest that we and I know that the hour is late and everything, but maybe we ought to reject this amendment, if there is not a correcting one, PT and just do a correcting one. But I do think this is flawed.

You are going to require every municipality in the State under this to do these reports. I think you should correct it.

Thank you.

DEPUTY SPEAKER LYONS:

Representative Belden.

REP. BELDEN: (113th)

Madam Speaker, I would bring to the Chamber's attention section 2-32a of our statutes regarding effective date of public acts imposing municipal duty. And I would indicate that unfortunately this amendment is drafted in such a way that it would not comply with this section of our statutes.

Thank you.

tcc

House of Representatives

Wednesday, June 8, 1993

DEPUTY SPEAKER LYONS:

Thank you, Representative Belden.

REP. DAVIS: (50th)

Madam Speaker, I think those comments are well taken and we would like to PT the bill so that we can take those comments into consideration. Thank you.

DEPUTY SPEAKER LYONS:

The question before the chamber is on passing the bill temporarily. Hearing no objection, it will be so ordered.

CLERK:

Calendar 673, on page 5, substitute for Senate Bill 805, AN ACT ESTABLISHING A PILOT PROGRAM FOR THE ACQUISITION AND REHABILITATION OF ABANDONED PROPERTY IN TARGETED INVESTMENT COMMUNITIES. Favorable report on Appropriations.

DEPUTY SPEAKER LYONS:

Representative Caruso.

REP. CARUSO: (126th)

Good afternoon, Madam Speaker.

DEPUTY SPEAKER LYONS:

Good afternoon, Sir.

REP. CARUSO: (126th)

Madam Speaker, I move for acceptance of the Joint Committee's favorable report and passage of the bill in

H-686

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1993

VOL. 36

PART 37

13,075-13,403

tcc

House of Representatives

Wednesday, June 8, 1993

SPEAKER RITTER:

Bill, as amended passes.

Clerk, please continue with 699.

THE CLERK:

Calendar 699.

SPEAKER RITTER:

Representative Poss, for reason do you rise?

REP. POSS: (98TH)

For an affirmative vote. I was standing.

SPEAKER RITTER:

I apologize. For the previous vote, if the Clerk could arrange to have Representative Poss recorded in the last vote in the positive. Thank you.

Clerk, please continue with the call of the Calendar.

THE CLERK:

Calendar 699, page 7, substitute for Senate Bill 984, AN ACT CONCERNING AWARDING OF CONTRACTS TO SMALL CONTRACTORS AND MINORITY BUSINESSES UNDER THE SET-ASIDE PROGRAM, as amended by Senate "A" and "B". Favorable report of the committee on Appropriations.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Mr. Speaker.

tcc

601

House of Representatives

Wednesday, June 8, 1993

SPEAKER RITTER:

I am sorry. I apologize. I called you before it was up there. Representative Davis.

REP. DAVIS: (50th)

I move acceptance of the Joint Committee's favorable report and passage of the bill, Mr. Speaker.

SPEAKER RITTER:

Representative Davis, you have the floor.

REP. DAVIS: (50th)

Where we were with this one last time, we had before us LCO8758, which was adopted as Senate "A". If the Clerk would please call and I be allowed to summarize.

SPEAKER RITTER:

The Clerk has amendment LCO8758, previously designated Senate "A". May he call and Representative Davis would like to summarize.

THE CLERK:

LCO8758, Senate "A".

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Mr. Speaker. When we were in the middle of discussion on this, it was shown that it had a technical flaw in the way it was written, so I will

tcc

House of Representatives

Wednesday, June 8, 1993

urge rejection of Senate "A", please.

SPEAKER RITTER:

The question is on rejection of Senate "A". Will you remark further? If not, I will try your minds. All in favor of rejection, signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, nay. Senate "A" is rejected. Will you remark further? Representative Davis.

REP. DAVIS: (50th)

Thank you, Mr. Speaker. In continuing in our spirit of cooperation, if the Clerk would please call LCO7051 and I be allowed to summarize.

SPEAKER RITTER:

The Clerk has in his possession LCO7051. If he may call and Representative Davis would like to summarize. 7051.

REP. DAVIS: (50th)

Previously designated, Senate "B".

SPEAKER RITTER:

LCO7051, Senate "B". Is this Senate "B"? Representative Ward.

REP. WARD: (86th)

Previously designated Senate "B". I have 8825 as

tcc

603

House of Representatives

Wednesday, June 8, 1993

previously designated Senate "B".

THE CLERK:

That is what I have also.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Why don't we try, Clerk has LCO8825, please.

Previously designated Senate "B". If he would please call and I be allowed to summarize.

SPEAKER RITTER:

Clerk, please call LCO8825.

THE CLERK:

LCO8825, Senate "B".

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you very much. This bill was to set some new criteria for letters of credit in lieu of performance bonds and with Senate "A", I would urge rejection of Senate "B".

SPEAKER RITTER:

The question is on rejection of Senate "B". Anyone care to remark? If not, I will try your minds. All in favor, signify by saying Aye.

REPRESENTATIVES:

House of Representatives

Wednesday, June 8, 1993

Aye.

SPEAKER RITTER:

Opposed nay. The ayes have it. Senate "B" is rejected. Representative Davis.

REP. DAVIS: (50th)

Now we make it into a good bill, Mr. Speaker. If the Clerk would please call LC08529 and I be allowed to summarize.

SPEAKER RITTER:

Clerk has amendment LC08529. If he may call and Representative Davis would like to summarize.

THE CLERK:

LC08529, House "A" offered by Representative Davis.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Thank you, Mr. Speaker. This allows contracts awarded under the small business minority set-aside contracts to be able to have letters of credit in lieu of performance bonds and I move adoption.

SPEAKER RITTER:

The question is on adoption. Will you remark further? If not, I will try your minds. All in favor of House "A", signify by saying Aye.

REPRESENTATIVES:

tcc

House of Representatives

Wednesday, June 8, 1993

Aye.

SPEAKER RITTER:

Opposed, nay. House "A" is adopted. Will you  
remark further?

REP. DAVIS: (50th)

Yes, thank you Mr. Speaker. I would like to yield  
to Representative Chase for the purpose of a friendly  
amendment, please.

SPEAKER RITTER:

Representative Chase, do you accept the yield, Sir?

REP. CHASE: (120th)

Yes, Mr. Speaker.

SPEAKER RITTER:

Please proceed.

REP. CHASE: (120th)

Mr. Speaker, the Clerk has LCO8867. Would the  
Clerk please call and I be allowed to summarize?

SPEAKER RITTER:

Clerk has amendment LCO8867, designated House "B".  
If you would call and Representative Chase wants to  
summarize.

REP. CHASE: (120th)

Mr. Speaker, the language of this amendment  
requires..

SPEAKER RITTER:

House of Representatives

Wednesday, June 8, 1993

One second. Let the Clerk call, Sir. 8867

THE CLERK:

LCO8867, House "B" offered by Representative Chase,  
et al.

SPEAKER RITTER:

Please proceed, Representative Chase.

REP. CHASE: (120th)

Thank you, Mr. Speaker. Mr. Speaker, section 2, sub b of the bill has some convoluted language as it relates to the adoption of regulations. This is a technical amendment. It just makes it clear that the regulations will be adopted pursuant to Chapter 54 of the General Statutes and I move its adoption.

SPEAKER RITTER:

Will you remark further? If not, I will try your minds. All in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, nay. House "B" is adopted and ruled technical.

Representative Davis.

REP. DAVIS: (50th)

This is it, Mr. Speaker. The last piece of this masterpiece. If the Clerk would please call LCO7918 and

tcc

House of Representatives

Wednesday, June 8, 1993

I be allowed to summarize.

SPEAKER RITTER:

The Clerk has amendment LCO7918, which will be designated House "C". If he may call it and Representative Davis would like to summarize.

THE CLERK:

LCO7918, House "C" offered by Representative Davis.

SPEAKER RITTER:

Representative Davis.

REP. DAVIS: (50th)

Yes. Thank you. Due to the thoughtful comments on this which was originally Senate "A", this now says that the Commissioner shall prepare a report and a status report on the effectiveness of the awarding of contracts under the small contract minority set-aside. I move adoption of the amendment.

SPEAKER RITTER:

The question is on adoption. Will you remark, further? If not, I will try your minds. All in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, nay. House "C" is adopted. Will you remark further on this bill, as amended?

tcc

House of Representatives

Wednesday, June 8, 1993

Representative Prelli.

REP. PRELLI: (63rd)

Thank you, Mr. Speaker. Mr. Speaker, with the approval of House "A", I think we have done a much better job than the Senate, but as we look at that, I think we have to be very careful of what we are getting ourselves into.

For every contract less than \$100,000 we are allowing a 10% credit line instead of a bond. That is not a problem. But we are saying for every contract over \$100,000, we will accept the 25% line of credit. If we have a million dollar contract, we are only going to cover that with \$250,000 line of credit. And for some reason it is not fulfilled, rest assured I think we can have the opportunity of taking a large loss in that account.

I think this is just something we should be very careful about. It should be very carefully watched. Only because it puts the State in a very good chance of great jeopardy.

Thank you, Mr. Speaker.

SPEAKER RITTER:

Will you remark further? Representative DiMeo.

REP. DIMEO: (103rd)

Thank you, Mr. Speaker. Mr. Speaker, I would

tcc

House of Representatives

Wednesday, June 8, 1993

caution on this amendment. If we are talking about minority small contractors, letters of credit are as difficult to get today as a loan. They are treated as a loan.

I would look at this more carefully because you are not doing them a favor. You are not going to help them by this. We should look at this more carefully and maybe take another 10 minutes and discuss it.

Performance bonds are also difficult to get. The letter of credit doesn't help.

SPEAKER RITTER:

Will you remark further? Representative Coleman.

REP. COLEMAN: (1st)

Thank you, Mr. Speaker. I rise in support of the bill, as amended. In the work that has been done by the Minority Business Enterprise Review Committee, which is a subcommittee of Legislative Management, it has been clear, over the past two years that bonding has been an obstacle to the participation of minority contractors and female owned business contractors with respect to state contracts.

The Department of Housing is one department I can cite as an example that has used letters of credit in order to facilitate the participation of minority and female contractors with respect to State contracts.

tcc

House of Representatives

Wednesday, June 8, 1993

Letters of credit may be difficult to get, but bonds, performance bonds, in particular, have proven to be much more difficult to get. The reason being, most of the insurance companies that issue bonds feel that they have to do the same amount of underwriting for a bond that is worth \$2 million that they would have to do for a bond that is worth \$50 million.

Obviously, the commission that they earn on the \$50 million bond is much more lucrative to them, so they prefer to spend all of their time doing bonds of that nature rather than to spend time doing the underwriting work on the smaller bonds.

So, this has been a great obstacle to many of the minority contractors and letters of credit have proven to be an easy and an efficient alternative. Many of the minority contractors who participated in the Letter of Credit Program have done quality work and have in all respects been worthy participants in the minority business and small contractors set aside programs.

The same with respect to female contractors. So, Mr. Speaker, I would support the letter of credit alternative as outlined in this bill as amended and I think the participation of both minority businesses and female owned businesses will be facilitated.

Secondly, with respect to the comments made by

tcc

House of Representatives

Wednesday, June 8, 1993

Representative Prelli, the general practice has been to divide up any project into five phases. And the letter of credit carries from each phase to another phase. So, by way of example, for purposes of easy illustration, if a contract was worth \$100,000, that contract to work under that contract would be divided up into five phases. A letter of credit might be required to the extent of 20% or 25%. So, that would either be \$25,000 or \$20,000.

So, that letter of credit would carry over to each phase of the project. And the entire cost of the project would be covered. For these reasons, Mr. Speaker, I would support the bill, as amended.

SPEAKER RITTER:

Thank you, very much, Sir. Staff and guests come to the well of the House. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber, please. The House of Representatives is voting by roll. Members to the Chamber.

SPEAKER RITTER:

Have all members voted? Please check the roll call

tcc

House of Representatives

Wednesday, June 8, 1993

machine. If all members have voted, the machine will be locked. Clerk, please take the tally.

Clerk, please announce the tally.

Senate Bill 984, as amended by House "A", "B" and "C".

Total number Voting	145
Necessary for Passage	73
Those voting Yea	145
Those voting Nay	0
Those absent and not Voting	6

SPEAKER RITTER:

Bill, as amended passes.

Clerk please continue with Calendar 260.

THE CLERK:

Calendar 260, page 21, substitute for House Bill 7002, AN ACT CONCERNING NOMINATIONS PROCEDURES FOR STATE-WIDE AND DISTRICT OFFICES, as amended by House "A" and "B" and Senate "A". Favorable report on the Committee of Appropriations.

SPEAKER RITTER:

Representative Rapoport.

REP. RAPOPORT: (18th)

Mr. Speaker, I move acceptance of the Joint Committee's favorable report and passage of the bill inc concurrence with the Senate.

JOINT  
STANDING  
COMMITTEE  
HEARINGS

PLANNING  
AND  
DEVELOPMENT  
PART 3

636-888

1993

000841

Department of Transportation Testimony

Bill No: 984 Committee: Planning and Development

Bill Title: An Act Concerning the Set Aside Program for Small Contractors  
and Minority Business Enterprises

Department Position: Support

We support the intent of this bill, which is to make the small business set aside program more accessible. The change in the dollar amount of gross annual sales from five to ten million dollars under Section 4-168a(2) and from three to ten million dollars under Section 32-9e(1) makes the statute definitions of "small business" and "small contractor" consistent and we support this. The five million dollar limit has been recognized as being too restrictive and this will allow additional small businesses access to the program.

We do have a real concern in the change in the definition of small business under Section 4-168a(2) as it relates to the number of employees the business has. The reduction in the number of employees from fifty to twenty does not seem consistent with the intent of this bill. The addition of consultant groups under the number of employees may allow for fronts or pass through firms. There would be a question of the amount of work the small business was actually doing in this program.

The Department agrees with the addition of written consistent regulations concerning small business contracts and supports this.

Please refer questions to DOT Legislative Liaison David Gilbert at 566-5302.