

***Construction Contracting & Bidding Transparency (CCBT)  
Working Group***

Meeting Minutes

October 23rd Legislative Office Building Room 1D

The meeting was called to order at 1:12 p.m. by Chairman DeFronzo.

The following Working Group members were present:

***October 23, 2014 CCBT Working Group Attendance***

Agency/Association	Appointment(s) Name	Appointing Authority
Office of Policy & Management (OPM)	Patrick O'Brien	Secretary Barnes
Department of Labor	Gary Pechie	Commissioner Palmer
Department of Labor (DOL)	Sandra Barrachina	Commissioner Palmer
Commission On Human Rights & Opportunities (CHRO)	Alix Simonetti	Executive Director Tanya Hughes
Commission On Human Rights & Opportunities (CHRO)	James O'Neill	Executive Director Tanya Hughes
Department of Administrative Services (DAS)	Donald DeFronzo	Assigned Chairman
Department of Administrative Services (DAS)	Peter Babey	Commissioner DeFronzo
University of Connecticut	Matthew Larson	President Herbst
CT Building Trades Association	Dave Roche	Governor Malloy



The Chairman thanked Cindy Dubuque for agreeing to give CCBT members an overview of the Proposal and yielded the floor to her.

Cindy Dubuque proceeded to present the proposal from the FFCCT. Jeremy Zeedyk also participated in the presentation

A copy of the entire proposal is located on the DAS website at <http://das.ct.gov/images/5510/FFC-CT.TradesProposal.10.23.14.Presentation.pdf>

Major Points of the FFCCT proposal:

- 1) Amend C.G.S. § 4b-95 and increase the listed classifications to nineteen categories of work
- 2) Amend C.G.S. §4b-95(b)(1) and §4b-103 to require the names of sub-subcontractors with contracts in excess of twenty-five thousand dollars
- 3) Amend C.G.S. §4b-93 and §4b-103 GC/CMR designation of “Clerk of the Works”
- 4) Amend §4b-95 definition of “Awarding Authority” for FOIA purposes

Chairman DeFronzo thanked Cindy for the presentation. He also mentioned that each member’s packet contained information regarding DAS fiscal impacts that had been submitted during the previous legislative session. A copy may be found at:

[http://das.ct.gov/images/5510/Office%20of%20Fiscal%20Analysis%20and%20DAS%20fiscal%20impact%20statementsSB%20454%20\(2\).pdf](http://das.ct.gov/images/5510/Office%20of%20Fiscal%20Analysis%20and%20DAS%20fiscal%20impact%20statementsSB%20454%20(2).pdf)

As to the process impacts resulting from increasing the number of listed bids in accordance with the proposal, the Chairman asked Peter Babey of DAS to summarize the impacts for the members.

Peter Babey provided CCBT members with an overview of the agency impacts. Mr. Babey addressed the various impacts to DAS during the design, bidding and construction phases of a project. The impacts

generally entailed increased design costs, additional DAS staff to develop and administer the bid process, longer time periods for the bidding and contract award phases, and higher level of quality assurance/inspection reviews due to an increased risk of missed scope in the plans and specification

The full presentation is located on the DAS website at:

[http://das.ct.gov/images/5510/DAS%20Impacts%20of%20Proposal%20to%20ChangeCG%20S%204b\\_93.pdf](http://das.ct.gov/images/5510/DAS%20Impacts%20of%20Proposal%20to%20ChangeCG%20S%204b_93.pdf)

Dave Roche responded positively to the changes that would be required, believing that the costs being outlined by the agency would be offset by the benefits and savings of their proposal. Certain aspects of the quality assurance reviews and inspections are already being done and should not increase work or costs.

John Butts asked for clarification on the 2.2. bidding changes.

Peter Babey offered that there would be some additional steps needed. We would have to create new bidding documents to reflect the proposed nineteen listed classifications, develop subcontractor bid proposal form, and institute a two-step bidding process on design-bid build, all of which would require increased staffing.

John Butts asked whether the same issues apply to CMR projects and, if so, how does Peter see this proposal being used?

Peter Babey offered that it could be used on CMR projects with some, but not all, of the same issues. It would provide another set of checks and balance and assists in addressing the mentioned transparency in that there is a time certain that all prime subcontractors are disclosed - when the GMP is submitted.

The Chairman followed up with a question for Mr. Butts concerning the time required to submit subcontractor information. The Chairman initially noted that currently on design-bid-build projects there is no set

time period for a General Contractor to disclose subcontractor names and subcontracts except for the named subcontractors and set aside contractors. The Chairman inquired of Mr. Butts whether his organization had suggested a timeframe for providing this information to DAS.

John Butts offered that he could not say for certain without first surveying his members, but he did agree that some reasonable time for prime's submission of those subcontracts may be acceptable.

Peter Babey added that DAS would know early on—during design—what elements and packages are needed. On smaller projects most of these (19) listed would not be used.

Matt Larson asked Jeremy Zeedyk the reason for extending the listed subcontracts from the present four to the specific nineteen categories.

Jeremy Zeedyk replied that they focused on the nineteen sub trades most heavily bid-shopped classes of work.

Matt Larson expressed interest in knowing how this would impact the awarding authority's ability to provide opportunities to S/MBE firms. He understands that bonding is an impediment and would like consideration given, whenever possible, for the sub-sub to avoid bonding requirements.

Alix Simonetti asked DAS specifically if DAS supports the proposed (19) listed classifications.

Chairman DeFronzo responded that we have provided the fiscal and administrative impacts, staffing impacts, and the industry impacts of GC flexibility, all of which demonstrate concerns with the proposal.

Alix Simonetti asked would the listed (19) prevent additional subcontractors from being able to perform work on projects.

Peter Babey offered that under DAS' current requirements of the four listed subcontractors, we do not ask for sub-subcontractor information and would not imagine that changing.

Alix Simonetti followed up and asked does the five days for submission of subcontract information allow GC the time to perform good faith efforts on MBE utilization?

Alvin Bingham questioned whether this would prevent the Commission from having more packages much like we're doing on CMR for MBE goals.

Peter Babey replied that design-bid-build statute outlines one process, CMR s completely different and has flexibility for more packages.

Chairman DeFronzo asked CHRO representative if they saw a problem with this (19 classifications) approach.

Alvin Bingham offered that his preference is break bid packages down below the \$500K threshold for bonding.

Chairman asked whether CHRO wants smaller packages.

Alvin Bingham responded—yes.

Pat Delany offered some general contractor/CM concerns. I support transparency but this proposed list of nineteen is unique, nowhere in the country are certain items like structural steel or structural erection a separate listed subcontract.

Greg Oneglia followed up that CMR approach has no problem with multiple bid packages, including those to meet MBE goals. The problem is in the GC model. The proponents are dismissing what it is like on bid day. It is hard enough to get 4 listed bids on bid day; 19 listed bids would be impossible to assemble into a thoughtful and accurate bid on time. I have a team of estimators and it would be difficult, but it would be impossible for the smaller firms. The proposal for a Clerk of the

Works, or whatever the term we use makes a lot of sense, though there should be an allowance for cost of this work.

Peter Babey offered that some of the (19) classifications are not consistent with CSI divisions.

Jim O'Neill asked is there a lot of bid shopping on elevators. I don't understand that one.

John Mastriano provided a bid day scenario from the subcontractor's perspective to explain the educated guesses that are applied to comply with deadlines.

Jim O'Neill followed up by asking if \$25K was the appropriate threshold, not getting much construction related for \$25K---perhaps \$100K makes more sense.

Jim O'Neill asked Chairman if we were keeping our minds open about bonding.

Chairman asked for clarification.

Jim O'Neill asked if bonding being supported by the prime for the smaller MBE was being considered.

Chairman stated we haven't had a lot of MBE/bonding discussion with this group, though there are discussions going on in regards to that issue. CHRO can make that a recommendation but I caution not to delve too deep into subjects not discussed at great length. However, for the potential impact on smaller firms, if you want to develop something we would take a look at it.

Sandra Barrachina asked would the Clerk of the Works recommendation include labor/wage checks.

Chairman DeFronzo mentioned that as that was developed we would get DOL and industry input on a smaller committee to scope out the job/scope directives.

John Butts stated that he would prefer the Integrity Monitoring model and reference but as long as there is an allowance and some clear well defined duties they are supportive.

Pat Delany recommended that the Integrity Monitoring should be independent of the GC/GM.

Matt Larson asked for the costs associated with for an integrity monitor.

The Chairman noted that we have some agreement on transparency and accountability. He stated that lower tier reporting may be difficult within a 5 day time period for additional subcontractors, and we need to address time-frame that is reasonable under the circumstances of a construction project.

John Butts stated that his organization can take a look at this issue and get back to the working group on a time-frame that's workable and before subcontractors are mobilized.

Dave Roche mentioned that the bid-shopping will still occur.

Chairman mentioned that currently there are no time-frames established so this is an improvement over not getting the information.

Matt Larson emphasized the need for balance. He suggested the possibility of a pilot program, but noted that the bonding issue remains, which could preclude S/MBE inclusion on our projects.

Pat Delany responded to Matt Larson that increasing listed subcontractors may affect smaller firms who typically wait until the prime is named. He believes they will not go through the bidding

process. These proposed classifications, in his opinion, are self-serving and ill conceived.

Chairman DeFronzo briefly summarized today's discussion. Members have a DRAFT Report Outline in their packets. He asked the members to get any needed edits, or desired additions to Terrence by next week. He stated that we will begin to send out report narratives shortly and definitely in advance of our November meeting. If votes need to be taken he reminded members that there is one vote per appointment. While we have allowed for participation from individuals not appointed and so some seats have been represented at the meetings by more than the appointed person. If there is a vote, however, it will be one seat—one vote. Thanks everyone.

Meeting adjourned at 3:05 p.m.