



House Bill 7184

AN ACT CONCERNING GOVERNMENT OVERSIGHT

Testimony of the Department of Administrative Services

Government Oversight Committee

March 11, 2025

Senator Gadkar-Wilcox, Representative Dathan, Senator Sampson, Representative Carney, and distinguished members of the Government Oversight Committee, thank you for the opportunity to submit testimony on **House Bill 7184: An Act Concerning Government Oversight**. The Department of Administrative Services (DAS) has concerns about sections 5 and 9 of the proposed legislation, which would add additional reporting requirements to the department.

Section 5 of the proposal would require all state agencies to submit a report on any consulting services they have procured at a cost of \$100,000 or more that produced a study or recommendations for future actions by the agency. Agencies are required to include in such report whether the agency has already implemented any of the recommendations or whether the agency intends to implement any of the recommendations in the future (and, if so, by what date).

For some studies that fall under this proposal, DAS is acting as an agent for another agency, and therefore, we cannot predict what future action that agency will take. We would be happy to work with the bill's proponents to clarify the legislative intent for this section, specifically as it relates to the universe of consulting service agreements referred to in this proposal.

Section 9 of the proposal would require DAS to report annually on any contracts in excess of \$50,000 that were awarded to nonresident bidders during the calendar year preceding the report's due date. The report must include a description of the goods or services provided, the contract terms and cost, and the method of selecting the nonresident bidder. DAS has a statutory mandate to make awards to the lowest responsible, qualified bidder and this mandate often requires awards be given to nonresident bidders. This requirement helps ensure our contracts are as cost-effective and most advantageous to the state as possible.

Also, it is important to note that the department has some contracts with nonresident bidders where the *contractors performing the work are residents*. For example, we have contracts with nonresident heavy equipment manufacturers whose authorized dealers *are resident businesses*, and those registered businesses are the ones that fulfill the contracts. This reporting would not reflect these cases.

Typically, DAS procurement administers approximately 250 PSX master contracts, and the number of actual purchase orders issued under those master contracts can range from 1 to 100. This annual reporting requirement would create an additional administrative burden for the department, as each contract

awarded to a nonresident bidder would have to include a description of goods or services, the contract terms and cost, and the method of selecting that bidder.

Due to the administrative burden and the reporting requirement that could be misleading as to whether residents or nonresidents are performing the work, we oppose this section of the bill.

We thank you for the opportunity to submit testimony and share our thoughts with the Committee.