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HARTFORD, Conn. -- News that a private contractor installed a defective drainage system along I-84 is fueling efforts to resurrect a stalled bill that imposes new standards for privatized state contracts.

Many Democrats, who will soon hold a veto-proof majority in both the House of Representatives and Senate, hope this new session - which opens Jan. 3 - will finally be their chance to pass the legislation.

"Every time these scandals occur, it's costing millions upon millions of dollars for the taxpayers," said Rep. Christopher Caruso, D-Bridgeport, co-chairman of the Government Administration and Elections Committee. "That's taxpayer money and we've got to curb that."

Republican Gov. M. Jodi Rell vetoed three versions of the bill during the last legislative session earlier this year. She said the legislation would hamper her administration's efforts to save money by privatizing certain state services. She also said it could risk the services provided by private nonprofit social service agencies, such as group homes and services to people with AIDS.

Rell eventually used her executive powers to create a contracting standards board to oversee state contracts.

"My position on this bill has been clear from the beginning, and I reinforced that position by vetoing their legislation three times. I will not do anything that will jeopardize services needed by tens of thousands of Connecticut's most vulnerable citizens," Rell said in a written statement. "At this point, the legislation is unnecessary because I have already created a contracting standards board through an executive order. If the majority decides to bring it up again, I will deal with it at the appropriate time."

But majority Democrats claim the state must do more to ensure state contracts for services and goods are properly awarded, especially after the corruption scandal that ensnared former Gov. John G. Rowland, his former top aide and a former state contractor.

"It's a bill that we've put on the governor's desk three times," said Senate President Pro Tem Donald Williams Jr., D-Brooklyn. "We would like to reach an accommodation with the governor so it's not a fourth battle."

Federal and state investigators are currently looking into why hundreds of storm drains are defective in the \$52 million I-84 project in the Waterbury area. Many of the drains lead nowhere, some are clogged with debris and others were apparently connected with substandard, cracked and leaking pipes.

The state Department of Transportation in September fired the New Britain-based Maguire Group Inc., which had a \$6 million contract to inspect work on the project.

The contractor, L.G. DeFelice Inc. of North Haven, went out of business after last year's construction season, citing financial reasons. The president of DeFelice, Stephen Hallberg, is now president of a new company called Hallberg Contracting Corp. of West Haven, which is involved in two other highway projects in New Milford and New Haven, according to state union officials.

Caruso said the legislature will likely consider a bill in the new session, which opens Jan. 3, that would prevent a troubled contractor from creating a new company and rebidding on state projects.

Rell has ordered an independent, third-party audit of the I-84 project, the two contractors involved and the internal oversight of DOT. But state employee unions are questioning why yet another outside contractor is now getting involved in the problematic project instead of state workers.

"She's hired another consultant to investigate a consultant," said Stephen Gonzales, a DOT engineer from South Windsor. "I believe that we have more than capable people of doing something of that nature ... It seems if you can do it cheaper with state employees, it must make more financial sense."

Meanwhile, private nonprofit social service agencies that provide state services hope they'll be left out of the privatization debate this time.

Last session, they were criticized by some Democrats for opposing the proposed standards, which included wage requirements based partially on state employee wages. Terry Edelstein, president of the Connecticut Community Providers Association, financially strapped agencies feared they couldn't afford the new standards because there was no increase in state funding included.

"The bottom line for us, we want to make sure the private providers are able to continue to provide services," Edelstein said.

Edelstein said her group hopes to point out to lawmakers all the rules and guidelines the nonprofit agencies already follow, including audits and tax filings.

But Caruso said he still believes that any new standards for privatized state services must include the nonprofit agencies.

"If we're going to be fair here, then everyone who does business with the state has to be accountable," he said.

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