

RICHARD BLUMENTHAL
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06144-0120

Office of The Attorney General
State of Connecticut

October 7, 2010

Mr. Stuart Mahler
12 Plainfield Road
West Hartford, CT 06117

Dear Mr. Mahler:

Thank you for your letter dated September 9, 2010, expressing frustration over the advice Assistant Attorney General José O. Salinas provided to the State Contracting Standards Board ("SCSB") during the SCSB's June 25, 2010 meeting. Specifically, you believe that the Connecticut Department of Transportation ("DOT") must conduct a cost-benefit analysis for privatization contracts that DOT entered into prior to June 1, 2010.

I agree that a cost-benefit analysis must be conducted for privatization contracts, but the legislature imposed specific exceptions to that requirement.

You accurately quote Conn. Gen. Stat. § 4e-16(a) as requiring a cost-benefit analysis for privatization contracts. According to the statute: "Prior to entering any privatization contract for the privatization of a state service that is not currently privatized, the state contracting agency shall develop a cost-benefit analysis in accordance with the provisions of subsection (b) of this section." However Conn. Gen. Stat. § 4e-16(a) specifically exempts currently existing privatization contracts from being subject to a cost-benefit analysis: "Such requirement [, that of a cost benefit analysis,] shall not apply to a privatization contract for a service currently provided, in whole or in part, by a non-state entity." In addition, Conn. Gen. Stat. § 4e-17(a) specifically makes Section 4e-16 inapplicable to privatization contracts until after June 1, 2010: "Except as otherwise provided, the provisions of sections 4e-16 to 4e-47, inclusive, shall apply to all contracts solicited or entered into by state contracting agencies after June 1, 2010."

I agree that the SCSB should defend against waste, fraud and abuse and I support any efforts that the SCSB makes to further that goal. You may wish to seek legislation to close all statutory exemptions to the requirement of a cost benefit analysis for state privatization contracts.

Thank you for bringing this matter to my attention.

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard Blumenthal".

RICHARD BLUMENTHAL

c: G. Mattison, SCSB