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## OLR Bill Analysis

### sHB 6903

#### ***AN ACT PROHIBITING CONSTRUCTION MANAGERS FROM SELF-PERFORMING PROJECT ELEMENTS OF QUASI-PUBLIC AGENCY CONSTRUCTION CONTRACTS AND SUCCESS FEES IN QUASI-PUBLIC AGENCY CONTRACTS.***

#### **SUMMARY**

This bill requires public bidding for any quasi-public agency project to construct, renovate, or alter buildings or facilities that the quasi-public agency owns or leases that is overseen by a construction manager (e.g., general contractor). A project's construction manager must invite bids for the various project elements and post notice of them on the State Contracting Portal. The bill prohibits the construction manager from bidding on any project element. It requires that (1) bids remain sealed until the public opening (as specified in the notice) and (2) the construction manager must award contracts for project elements to the contractor submitting the lowest responsible qualified bid. The construction manager must consult with, and get the approval of, the quasi-public agency before awarding contracts.

Under the bill, any contract that a quasi-public agency enters into with a construction manager for a project must require the construction manager to keep accounting records for all state funds spent, including detailed support for cost allocations. The bill makes these accounting records subject to audit by the Auditors of Public Accounts.

Lastly, the bill prohibits quasi-public agencies from paying success fees under any contract or agreement entered into, amended, or extended on or after July 1, 2023. A "success fee" is a commission paid by the agency to a person or entity for facilitating a transaction's completion that is paid only if the transaction is completed. It is separate from any payment for services performed.

EFFECTIVE DATE: July 1, 2023

## **QUASI-PUBLIC AGENCY PROJECTS**

### ***Definitions***

Under the bill, a “project” is the construction, renovation, or alteration of buildings or facilities owned or leased by a quasi-public agency. It includes all related planning, feasibility, environmental testing and assessment, permitting, engineering, technical, and other necessary development activities, such as site acquisition, site preparation, and infrastructure improvements.

A “construction manager” is a general contractor or other construction professional with primary responsibility for the day-to-day management of all construction or engineering activities for a project pursuant to a contract or other agreement with a quasi-public agency.

“Quasi-public agency” includes the following entities: Connecticut Innovations, Incorporated; Connecticut Health and Educational Facilities Authority; Connecticut Higher Education Supplemental Loan Authority; Connecticut Student Loan Foundation; Connecticut Housing Finance Authority; Connecticut Housing Authority; Materials Innovation and Recycling Authority; Capital Region Development Authority; Connecticut Lottery Corporation; Connecticut Airport Authority; Connecticut Health Insurance Exchange (i.e., Access Health CT); Connecticut Green Bank, Connecticut Port Authority; Connecticut Municipal Redevelopment Authority; State Education Resource Center; and Paid Family and Medical Leave Insurance Authority.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 19    Nay 0    (03/27/2023)