



Senate

General Assembly

File No. 607

January Session, 2023

Substitute Senate Bill No. 1183

Senate, April 17, 2023

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING STATE CONSTRUCTION RELATED THRESHOLDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4b-51 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) The Commissioner of Administrative Services shall have charge
4 and supervision of the remodeling, alteration, repair or enlargement of
5 any real asset, except any dam, flood or erosion control system,
6 highway, bridge or any mass transit, marine or aviation transportation
7 facility, a facility of the Connecticut Marketing Authority, an asset of the
8 Department of Agriculture program established pursuant to section 26-
9 237a, or any building under the supervision and control of the Joint
10 Committee on Legislative Management, involving an expenditure in
11 excess of five hundred thousand dollars, and except that: (1) Until June
12 30, 2028, (A) the Judicial Branch may have charge and supervision of the
13 remodeling, alteration, repair, construction or enlargement of any real

14 asset involving an expenditure of not more than [two] three million
15 dollars, [(2)] (B) each constituent unit of the state system of higher
16 education may have charge and supervision of the remodeling,
17 alteration, repair, construction or enlargement of any real asset
18 involving an expenditure of not more than [two] three million dollars,
19 [(3)] (C) The University of Connecticut shall have charge and
20 supervision of the remodeling, alteration, repair, construction, or
21 enlargement of any project, as defined in subdivision (16) of section 10a-
22 109c, notwithstanding the amount of the expenditure involved, and [(4)]
23 (D) the Military Department may have charge and supervision of the
24 remodeling, alteration, repair, construction or enlargement of any real
25 asset involving an expenditure of not more than [two] three million
26 dollars; and (2) on and after July 1, 2028, the maximum dollar amounts
27 listed in subparagraphs (A) to (D), inclusive, of subdivision (1) of this
28 subsection for which the Judicial Branch, each such constituent unit, The
29 University of Connecticut and the Military Department shall have
30 charge and supervision of the remodeling, alteration, repair,
31 construction or enlargement of real assets shall be adjusted in
32 accordance with subsection (b) of this section. In any decision to
33 remodel, alter, repair or enlarge any real asset, the commissioner shall
34 consider the capability of the real asset to facilitate recycling programs.

35 (b) Not later than July 1, 2028, and annually thereafter, the
36 Commissioner of Administrative Services shall (1) adjust the maximum
37 dollar amounts listed in subparagraphs (A) to (D), inclusive, of
38 subdivision (1) of subsection (a) of this section by the percentage change
39 in the Producer Price Index by Commodity: Construction (Partial)
40 (WPU80), not seasonally adjusted, or its successor index, as calculated
41 by the United States Department of Labor, over the preceding calendar
42 year, rounded to the nearest multiple of one hundred dollars; and (2)
43 post such adjusted dollar amounts on the Internet web site of the
44 Department of Administrative Services.

45 [(b)] (c) No officer, department, institution, board, commission or
46 council of the state government, except the Commissioner of
47 Administrative Services, the Commissioner of Transportation, the

48 Connecticut Marketing Authority, the Department of Agriculture for
49 purposes of the program established pursuant to section 26-237a, the
50 Joint Committee on Legislative Management, the Judicial Branch, a
51 constituent unit of the state system of higher education or the Military
52 Department as authorized in subsection (a) of this section, shall, unless
53 otherwise specifically authorized by law, make or contract for the
54 making of any alteration, repair or addition to any real asset involving
55 an expenditure of more than five hundred thousand dollars.

56 [(c)] (d) The plans necessary for any such remodeling, alteration,
57 repair or enlargement of any state humane institution, as defined in
58 section 17b-222, shall be subject to the approval of the administrative
59 head of such humane institution.

60 [(d)] (e) (1) Notwithstanding any provision of the general statutes, the
61 Commissioner of Administrative Services may select consultants to be
62 on a list established for the purpose of providing any consultant
63 services. Such list shall be established as provided in sections 4b-56, as
64 amended by this act, and 4b-57, as amended by this act. The
65 commissioner may enter into a contract with any consultant on such list
66 to perform a range of consultant services or to perform a range of tasks
67 pursuant to a task letter detailing services to be performed under such
68 contract.

69 (2) Notwithstanding any provision of the general statutes, the
70 Commissioner of Administrative Services may (A) compile a list of
71 architects, professional engineers and construction administrators for
72 the limited purpose of providing consultant services for a particular
73 program involving various projects for the construction of new
74 buildings or renovations to existing buildings where such buildings are
75 under the operation and control of either the Military Department or the
76 Department of Energy and Environmental Protection, and (B) enter into
77 a contract with any architect, professional engineer or construction
78 administrator on such list for such limited purpose, except that the
79 Adjutant General may perform the functions described in
80 subparagraphs (A) and (B) of this subdivision for any such building

81 under the operation and control of the Military Department.

82 (3) As used in this subsection, "consultant" means "consultant" as
83 defined in section 4b-55, as amended by this act, "consultant services"
84 means "consultant services" as defined in section 4b-55, as amended by
85 this act, and "program" means multiple projects involving the planning,
86 design, construction, repair, improvement or expansion of specified
87 buildings, facilities or site improvements, wherein the work (A) will be
88 of a repetitive nature, (B) will share a common funding source that
89 imposes particular requirements, or (C) would be significantly
90 facilitated if completed by the same design professional or construction
91 administrator.

92 [(e)] (f) Costs for projects authorized under subsection [(b)] (c) of this
93 section shall be charged to the bond fund account for the project for
94 which such costs are incurred. The Department of Administrative
95 Services shall develop procedures for expediting the administration of
96 projects for alterations, repairs or additions authorized under said
97 subsection. [(b).]

98 [(f)] (g) Any state agency proposing to remodel, alter or enlarge any
99 real asset shall submit a statement to the commissioner demonstrating
100 the capability of the real asset to facilitate recycling programs.

101 Sec. 2. Subsections (a) and (b) of section 4b-52 of the general statutes
102 are repealed and the following is substituted in lieu thereof (*Effective July*
103 *1, 2023*):

104 (a) (1) No repairs, alterations or additions involving expense to the
105 state of five hundred thousand dollars or less or, in the case of repairs,
106 alterations or additions to a building rented or occupied by the Judicial
107 Branch, [one million two hundred fifty thousand] three million dollars
108 or less or, in the case of repairs, alterations or additions to a building
109 rented or occupied by a constituent unit of the state system of higher
110 education, [two] three million dollars or less, shall be made to any state
111 building or premises occupied by any state officer, department,
112 institution, board, commission or council of the state government and

113 no contract for any construction, repairs, alteration or addition shall be
114 entered into without the prior approval of the Commissioner of
115 Administrative Services, except repairs, alterations or additions to a
116 building under the supervision and control of the Joint Committee on
117 Legislative Management or the Military Department and repairs,
118 alterations or additions to a building under the supervision of The
119 University of Connecticut. Repairs, alterations or additions which are
120 made pursuant to such approval of the Commissioner of Administrative
121 Services shall conform to all guidelines and procedures established by
122 the Department of Administrative Services for agency-administered
123 projects. (2) Notwithstanding the provisions of subdivision (1) of this
124 subsection, repairs, alterations or additions involving expense to the
125 state of five hundred thousand dollars or less may be made to any state
126 building or premises under the supervision of the Office of the Chief
127 Court Administrator or a constituent unit of the state system of higher
128 education, under the terms of section 4b-11, and any contract for any
129 such construction, repairs or alteration may be entered into by the Office
130 of the Chief Court Administrator or a constituent unit of the state system
131 of higher education without the approval of the Commissioner of
132 Administrative Services.

133 (b) Except as provided in this section, no repairs, alterations or
134 additions involving an expense to the state of more than five hundred
135 thousand dollars or, in the case of any repair, alteration or addition
136 administered by the Department of Administrative Services, more than
137 one million five hundred thousand dollars, shall be made to any state
138 building or premises occupied by any state officer, department,
139 institution, board, commission or council of the state government, nor
140 shall any contract for any construction, repairs, alteration or addition be
141 entered into, until the Commissioner of Administrative Services or, in
142 the case of the construction of or repairs, alterations or additions to a
143 building under the supervision and control of the Joint Committee on
144 Legislative Management of the General Assembly, said joint committee
145 or, in the case of the construction of or repairs, alterations or additions
146 to a building involving expenditures in excess of five hundred thousand
147 dollars but not more than [one million two hundred fifty thousand]

148 three million dollars under the supervision and control of the Judicial
149 Branch, said Judicial Branch or, in the case of the construction of or
150 repairs, alterations or additions to a building involving expenditures in
151 excess of five hundred thousand dollars but not more than [two] three
152 million dollars under the supervision and control of one of the
153 constituent units of higher education, such constituent unit, or, in the
154 case of the construction of or repairs, alterations or additions to a
155 building involving expenditures in excess of five hundred thousand
156 dollars but not more than [two] three million dollars under the
157 supervision and control of the Military Department, said department,
158 has invited bids thereon and awarded a contract thereon, in accordance
159 with the provisions of sections 4b-91 to 4b-96, inclusive. The
160 Commissioner of Administrative Services, with the approval of the
161 authority having the supervision of state employees or the custody of
162 inmates of state institutions, without the necessity of bids, may employ
163 such employees or inmates and purchase or furnish the necessary
164 materials for the construction, erection, alteration, repair or enlargement
165 of any such state building or premises occupied by any state officer,
166 department, institution, board, commission or council of the state
167 government.

168 Sec. 3. Subdivision (6) of section 4b-55 of the general statutes is
169 repealed and the following is substituted in lieu thereof (*Effective July 1,*
170 *2023*):

171 (6) "Project" means any state program requiring consultant services if
172 the cost of such services is estimated to exceed [five hundred] seven
173 hundred fifty thousand dollars, adjusted annually on and after July 1,
174 2024, in accordance with the provisions of section 4 of this act;

175 Sec. 4. (NEW) (*Effective July 1, 2023*) Not later than July 1, 2024, and
176 annually thereafter, the Commissioner of Administrative Services shall
177 (1) adjust the threshold cost for consultant services for a state program
178 to be deemed a project for the purposes of sections 4b-1 and 4b-55 to 4b-
179 59, inclusive, of the general statutes, as amended by this act, by the
180 percentage change in the Producer Price Index by Commodity:

181 Construction (Partial) (WPU80), not seasonally adjusted, or its successor
182 index, as calculated by the United States Department of Labor, over the
183 preceding calendar year, rounded to the nearest multiple of one
184 hundred dollars, and (2) post such adjusted threshold cost on the
185 Internet web site of the Department of Administrative Services.

186 Sec. 5. Subsection (i) of section 4b-23 of the general statutes is repealed
187 and the following is substituted in lieu thereof (*Effective July 1, 2023*):

188 (i) As used in this subsection, (1) "project" means any state program,
189 except the downtown Hartford higher education center project, as
190 defined in section 4b-55, as amended by this act, requiring consultant
191 services if the cost of such services is estimated to exceed one hundred
192 thousand dollars or, in the case of a constituent unit of the state system
193 of higher education, the cost of such services is estimated to exceed three
194 hundred thousand dollars, or in the case of a building or premises under
195 the supervision of the Office of the Chief Court Administrator or
196 property where the Judicial Department is the primary occupant, the
197 cost of such services is estimated to exceed three hundred thousand
198 dollars; (2) "consultant" means "consultant" as defined in section 4b-55,
199 as amended by this act; and (3) "consultant services" means "consultant
200 services" as defined in section 4b-55, as amended by this act. Any
201 contracts entered into by the Commissioner of Administrative Services
202 with any consultants for employment (A) for any project under the
203 provisions of this section, (B) in connection with a list established under
204 subsection [(d)] (e) of section 4b-51, as amended by this act, or (C) by
205 task letter issued by the Commissioner of Administrative Services to any
206 consultant on such list pursuant to which the consultant will provide
207 services valued in excess of one hundred thousand dollars, shall be
208 subject to the approval of the Properties Review Board prior to the
209 employment of such consultant or consultants by the commissioner. The
210 Properties Review Board shall, not later than thirty days after receipt of
211 such selection of or contract with any consultant, approve or disapprove
212 the selection of or contract with any consultant made by the
213 Commissioner of Administrative Services pursuant to sections 4b-1 and
214 4b-55 to 4b-59, inclusive, as amended by this act. If upon the expiration

215 of the thirty-day period a decision has not been made, the Properties
216 Review Board shall be deemed to have approved such selection or
217 contract.

218 Sec. 6. Subsection (e) of section 4b-56 of the general statutes is
219 repealed and the following is substituted in lieu thereof (*Effective July 1,*
220 *2023*):

221 (e) There shall be established, within the Department of
222 Administrative Services, a State Construction Services Selection Panel
223 that shall consist of three members. Such members shall be appointed
224 by the commissioner, shall be current employees of the Department of
225 Administrative Services or any agency for which consultant services
226 may be contracted, and shall serve only for deliberations involving the
227 selection of consultants under subsection [(d)] (e) of section 4b-51, as
228 amended by this act, for which the employees are appointed.

229 Sec. 7. Section 4b-57 of the general statutes is repealed and the
230 following is substituted in lieu thereof (*Effective July 1, 2023*):

231 (a) Whenever consultant services are required by the commissioner
232 in fulfilling the responsibilities under section 4b-1, and in the case of
233 each project, the commissioner shall invite responses from such firms by
234 posting notice on the State Contracting Portal, except that the
235 commissioner may receive consultant services under a contract entered
236 into pursuant to subsection [(d)] (e) of section 4b-51, as amended by this
237 act. The commissioner shall prescribe, by regulations adopted in
238 accordance with chapter 54, the advance notice required for, the manner
239 of submission, and conditions and requirements of, such responses.

240 (b) In the case of a project, the responses received shall be considered
241 by the selection panel. The panel shall select from among those
242 responding no fewer than three firms, which such panel determines in
243 accordance with criteria established by the commissioner are most
244 qualified to perform the required consultant services. In the case of any
245 project that requires consultant services by an architect or professional
246 engineer, additional criteria to be considered by such panel in selecting

247 a list of the most qualified firms shall include: (1) Such firm's knowledge
 248 of this state's building and fire codes, and (2) the geographic location of
 249 such firm in relation to the geographic location of the proposed project.
 250 The selection panel shall submit a list of the most qualified firms to the
 251 commissioner for the commissioner's consideration unless fewer than
 252 three responses for a particular project have been received, in which case
 253 the panel shall submit the names of all firms who have submitted
 254 responses.

255 (c) In the case of consultants selected under subsection [(d)] (e) of
 256 section 4b-51, as amended by this act, the responses received shall be
 257 considered by the selection panel. The panel shall select, from among
 258 those persons responding, a list of those persons most qualified to
 259 perform the consultant services. Knowledge of the state building and
 260 fire code and whether the consultant is a micro business, as defined in
 261 subsection (c) of section 4a-59, shall be considered in determining a
 262 consultant's qualifications.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	4b-51
Sec. 2	July 1, 2023	4b-52(a) and (b)
Sec. 3	July 1, 2023	4b-55(6)
Sec. 4	July 1, 2023	New section
Sec. 5	July 1, 2023	4b-23(i)
Sec. 6	July 1, 2023	4b-56(e)
Sec. 7	July 1, 2023	4b-57

GAE Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Admin. Serv., Dept.	GF - Savings	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill would result in potential savings to the state to the extent additional construction projects are able to leverage the on-call process and start earlier. For past projects, earlier start times have resulted in savings of 2% of the project costs or more.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1183****AN ACT CONCERNING STATE CONSTRUCTION RELATED THRESHOLDS.****SUMMARY**

This bill (1) increases, from \$2 million to \$3 million, the cost of a capital project that the Connecticut State Colleges and Universities (CSCU), Military Department, and Judicial Department may administer and (2) requires that these thresholds be adjusted annually for inflation beginning July 1, 2028.

The bill also (1) increases, from \$500,000 to \$750,000, the cost of a construction consultant services contract (e.g., those provided by architects, professional engineers, or accountants) for which the Department of Administrative Services (DAS) must select the consultant using a selection panel process and (2) requires that this threshold be annually adjusted for inflation beginning July 1, 2024.

Lastly, the bill makes technical and conforming changes (§§ 5-7).

EFFECTIVE DATE: July 1, 2023

§§ 1 & 2 — CAPITAL PROJECTS

By law, DAS generally has charge and supervision of the remodeling, alteration, repair, or enlargement of any real asset if the project cost exceeds \$500,000. However, under current law, CSCU, the Military Department, and Judicial Department each have charge and supervision for projects costing up to \$2 million. The bill (1) increases each of these thresholds to \$3 million, through June 30, 2028, and (2) requires that they be annually adjusted for inflation beginning July 1, 2028.

Specifically, DAS must adjust annually the thresholds by the percentage change in the Producer Price Index by Commodity:

Construction (Partial) (WPU80), not seasonally adjusted, or its successor index, as calculated by the U.S. Department of Labor, over the preceding calendar year. DAS must round the adjustment to the nearest multiple of \$100 and post the adjusted thresholds on its website.

(The bill also requires DAS to make these annual threshold adjustments for projects UConn administers under the UConn 2000 infrastructure program. However, under existing law unchanged by the bill, UConn has charge and supervision of these projects regardless of the cost.)

The bill makes conforming changes to thresholds concerning (1) the use of competitive bidding by CSCU, the Military Department, and the Judicial Department and (2) DAS approval of CSCU and Judicial Department projects. However, it does not similarly adjust these conforming threshold changes for inflation.

§§ 3 & 4 — CONSTRUCTION CONSULTANT SERVICES

Under current law, DAS must establish a selection panel to evaluate consultant services proposals if the estimated cost of those services exceeds \$500,000 (referred to as “projects” in statute and “major projects” by DAS). The bill (1) increases this threshold to \$750,000 and (2) requires that it be annually adjusted for inflation beginning July 1, 2024. Under the bill, DAS must make the adjustment using the same index that it must use for adjusting the capital project thresholds (see above). DAS must round the adjustment to the nearest multiple of \$100 and post the adjusted threshold on its website.

By law, selection panels consist of three members for projects of less than \$5 million and five members for projects of \$5 million or more. After evaluating the proposals, the panel must submit a list of the most qualified firms to the DAS commissioner, who must negotiate a contract with the firm the panel ranks most qualified for compensation that she determines to be fair and reasonable to the state (CGS §§ 4b-56 to -58).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 12 Nay 6 (03/27/2023)