



Senate

General Assembly

File No. 429

February Session, 2024

Substitute Senate Bill No. 391

Senate, April 11, 2024

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 IMPLEMENTING THE RECOMMENDATIONS OF THE STATE CONTRACTING STANDARDS BOARD.

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

1 Section 1. (NEW) (*Effective from passage*) (a) Notwithstanding any
2 provision of the general statutes, the appropriations recommended for
3 the State Contracting Standards Board shall be the estimates of
4 expenditure requirements transmitted to the Secretary of the Office of
5 Policy and Management by the executive director of the board and the
6 recommended adjustments and revisions of such estimates shall be the
7 recommended adjustments and revisions, if any, transmitted by said
8 executive director to the Office of Policy and Management.

9 (b) Notwithstanding any provision of the general statutes, the
10 Governor shall not reduce allotment requisitions or allotments in force
11 concerning the State Contracting Standards Board.

12 Sec. 2. Section 4e-1 of the 2024 supplement to the general statutes is

13 repealed and the following is substituted in lieu thereof (*Effective July 1,*
14 *2024*):

15 For the purposes of this section and sections [4e-1] 4e-2 to 4e-47,
16 inclusive, as amended by this act:

17 (1) "Best value selection" means a contract selection process in which
18 the award of a contract is based on a combination of quality, timeliness
19 and cost factors;

20 (2) "Bid" means an offer, submitted in response to an invitation to bid,
21 to furnish supplies, materials, equipment, construction or contractual
22 services to a state contracting agency under prescribed conditions at a
23 stated price;

24 (3) "Bidder" means a business submitting a bid in response to an
25 invitation to bid by a state contracting agency;

26 (4) "Business" means any individual or sole proprietorship,
27 partnership, firm, corporation, trust, limited liability company, limited
28 liability partnership, joint stock company, joint venture, association or
29 other legal entity through which business for profit or not-for-profit is
30 conducted;

31 (5) "Competitive bidding" means the submission of prices by a
32 business competing for a contract to provide supplies, materials,
33 equipment or contractual services to a state contracting agency, under a
34 procedure in which the contracting authority does not negotiate prices,
35 as set forth in statutes and regulations concerning procurement;

36 (6) "Consultant" means (A) any architect, professional engineer,
37 landscape architect, land surveyor, accountant, interior designer,
38 environmental professional or construction administrator, who is
39 registered or licensed to practice such person's profession in accordance
40 with the applicable provisions of the general statutes, (B) any planner or
41 any environmental, management or financial specialist, or (C) any
42 person who performs professional work in areas including, but not
43 limited to, educational services, medical services, information

44 technology and real estate appraisal;

45 (7) "Consultant services" means those professional services rendered
46 by a consultant and any incidental services that a consultant and those
47 in the consultant's employ are authorized to perform;

48 (8) "Contract" [or "state contract"] means an agreement or a
49 combination or series of agreements between a state contracting agency
50 [or quasi-public agency] and a business for:

51 (A) A project for the construction, reconstruction, alteration,
52 remodeling, repair or demolition of any public building, public work,
53 mass transit, rail station, parking garage, rail track or airport;

54 (B) Services, including, but not limited to, consultant and professional
55 services;

56 (C) The acquisition or disposition of personal property;

57 (D) The provision of goods and services, including, but not limited
58 to, the use of purchase of services contracts and personal service
59 agreements;

60 (E) The provision of information technology, state contracting agency
61 information system or telecommunication system facilities, equipment
62 or services;

63 (F) A lease; or

64 (G) A licensing agreement;

65 "Contract" [or "state contract"] does not include a contract between a
66 state contracting agency [or a quasi-public agency] and a political
67 subdivision of the state;

68 [(9) "Term contract" means the agreement reached when the state
69 accepts a bid or proposal to furnish supplies, materials, equipment or
70 contractual services at a stated price for a specific period of time in
71 response to an invitation to bid;]

72 [(10)] (9) "Contract risk assessment" means (A) the identification and
73 evaluation of loss exposures and risks, including, but not limited to,
74 business and legal risks associated with the contracting process and the
75 contracted goods and services, and (B) the identification, evaluation and
76 implementation of measures available to minimize potential loss
77 exposures and risks;

78 [(11)] (10) "Contractor" means any business that is awarded, or is a
79 subcontractor under, a contract or an amendment to a contract with a
80 state contracting agency under statutes and regulations concerning
81 procurement, including, but not limited to, a small contractor, minority
82 business enterprise, an individual with a disability, as defined in section
83 4a-60, or an organization providing products and services by persons
84 with disabilities;

85 [(12)] (11) "Contractual services" means the furnishing of labor by a
86 contractor, not involving the delivery of a specific end product other
87 than reports, which are merely incidental to the required performance
88 and includes any and all laundry and cleaning service, pest control
89 service, janitorial service, security service, the rental and repair, or
90 maintenance, of equipment, machinery and other [state-owned]
91 personal property owned by a state contracting agency, advertising and
92 photostating, mimeographing, human services and other service
93 arrangements where the services are provided by persons other than
94 state employees or quasi-public agency employees. "Contractual
95 services" includes the design, development and implementation of
96 technology, communications or telecommunications systems or the
97 infrastructure pertaining thereto, including hardware and software and
98 services for which a contractor is conferred a benefit by the state,
99 whether or not compensated by the state. "Contractual services" does
100 not include employment agreements or collective bargaining
101 agreements;

102 [(13)] (12) "Data" means recorded information, regardless of form or
103 characteristic;

104 [(14)] (13) "Vote of two-thirds of the members of the board present

105 and voting" means a vote by the State Contracting Standards Board that
106 is agreed upon by two-thirds of the members of the State Contracting
107 Standards Board present and voting for a particular purpose and that
108 includes the vote of one member of the board appointed by a legislative
109 leader;

110 [(15)] (14) "Electronic" means electrical, digital, magnetic, optical,
111 electromagnetic, or any other similar technology;

112 [(16)] (15) "Emergency procurement" means procurement by a state
113 contracting agency, [quasi-public agency, as defined in section 1-120,]
114 judicial department or constituent unit of higher education that is made
115 necessary by a sudden, unexpected occurrence that poses a clear and
116 imminent danger to public safety or requires immediate action to
117 prevent or mitigate the loss or impairment of life, health, property or
118 essential public services or in response to a court order, settlement
119 agreement or other similar legal judgment;

120 [(17)] (16) "Equipment" means personal property of a durable nature
121 that retains its identity throughout its useful life;

122 [(18)] (17) "Materials" means items required to perform a function or
123 used in a manufacturing process, particularly those incorporated into
124 an end product or consumed in its manufacture;

125 [(19)] (18) "Nonprofit agency" means any organization that is not a
126 for-profit business under Section 501(c)(3) of the Internal Revenue Code
127 of 1986, or any subsequent corresponding internal revenue code of the
128 United States, as amended from time to time, [amended,] makes no
129 distribution to its members, directors or officers and provides services
130 contracted for by (A) the state or a quasi-public agency, or (B) a nonstate
131 entity;

132 [(20)] (19) "Professional services" means any type of service to the
133 public that requires that members of a profession rendering such service
134 obtain a license or other legal authorization as a condition precedent to
135 the rendition thereof, including, but not limited to, the professional

136 services of architects, professional engineers, or jointly by architects and
137 professional engineers, landscape architects, certified public
138 accountants and public accountants, land surveyors, attorneys-at-law,
139 psychologists, licensed marital and family therapists, licensed
140 professional counselors and licensed clinical social workers as well as
141 such other professional services described in section 33-182a;

142 [(21)] (20) "Privatization contract" means an agreement or series of
143 agreements between a state contracting agency and a person or entity in
144 which such person or entity agrees to provide services that are
145 substantially similar to and in lieu of services provided, in whole or in
146 part, by state employees or quasi-public agency employees, other than
147 contracts with a nonprofit agency, which are in effect as of January 1,
148 2009, and which through a renewal, modification, extension or
149 rebidding of contracts continue to be provided by a nonprofit agency;

150 [(22)] (21) "Procurement" means contracting for, buying, purchasing,
151 renting, leasing or otherwise acquiring or disposing of, any supplies,
152 services, including but not limited to, contracts for purchase of services
153 and personal service agreements, interest in real property, or
154 construction, and includes all government functions that relate to such
155 activities, including best value selection and qualification based
156 selection;

157 [(23)] (22) "Proposer" means a business submitting a proposal to a
158 state contracting agency in response to a request for proposals or other
159 competitive sealed proposal;

160 [(24)] (23) "Public record" means a public record, as defined in section
161 1-200;

162 [(25)] (24) "Qualification based selection" means a contract selection
163 process in which the award of a contract is primarily based on an
164 assessment of contractor qualifications and on the negotiation of a fair
165 and reasonable price;

166 [(26)] (25) "Regulation" means regulation, as defined in section 4-166;

167 [(27)] (26) "Request for proposals" means all documents, whether
168 attached or incorporated by reference, utilized for soliciting proposals;

169 [(28)] (27) "State contracting agency" means any executive branch
170 agency, board, commission, department, office, institution or council or
171 quasi-public agency. "State contracting agency" does not include the
172 judicial branch, the legislative branch, the offices of the Secretary of the
173 State, the State Comptroller, the Attorney General, the State Treasurer,
174 with respect to their constitutional functions [,] or any state agency with
175 respect to contracts specific to the constitutional and statutory functions
176 of the office of the State Treasurer. For [the purposes of every provision
177 of this chapter other than section 4e-16, "state contracting agency"
178 includes the Connecticut Port Authority, for] the purposes of section 4e-
179 16, as amended by this act, "state contracting agency" includes any
180 constituent unit of the state system of higher education; [and for the
181 purposes of section 4e-19, "state contracting agency" includes the State
182 Education Resource Center, established under section 10-4q;]

183 [(29)] (28) "Subcontractor" means a subcontractor of a contractor for
184 work under a contract or an amendment to a contract;

185 [(30)] (29) "Supplies" means any and all articles of personal property,
186 including, but not limited to, equipment, materials, printing, insurance
187 and leases of real property, excluding land or a permanent interest in
188 land furnished to or used by any state contracting agency;

189 [(31)] (30) "Infrastructure facility" means a building, structure or
190 network of buildings, structures, pipes, controls and equipment that
191 provide transportation, utilities, public education or public safety
192 services. [Infrastructure facility] "Infrastructure facility" includes
193 government office buildings, public schools, jails, water treatment
194 plants, distribution systems and pumping stations, wastewater
195 treatment plants, collections systems and pumping stations, solid waste
196 disposal plants, incinerators, landfills, and related facilities, public roads
197 and streets, highways, public parking facilities, public transportation
198 systems, terminals and rolling stock, rail, air and water port structures,
199 terminals and equipment; [and]

200 [(32)] ~~(31)~~ "State employee" [means state employee, as defined] has
201 the same meaning as provided in section 5-154 and, for purposes of
202 section 4e-16, as amended by this act, [state employee] includes an
203 employee of any state contracting agency that is not a quasi-public
204 agency; and

205 (32) "Quasi-public agency" has the same meaning as provided in
206 section 1-120.

207 Sec. 3. Subsections (g) and (h) of section 4e-2 of the 2024 supplement
208 to the general statutes are repealed and the following is substituted in
209 lieu thereof (*Effective July 1, 2024*):

210 (g) The board shall appoint a Chief Procurement Officer for a term
211 not to exceed six years, unless reappointed pursuant to the provisions
212 of this subsection. The Chief Procurement Officer shall report to the
213 board and annually be evaluated by, and serve at the pleasure of, the
214 board. For administrative purposes only, the Chief Procurement Officer
215 shall be supervised by the executive director.

216 (1) The Chief Procurement Officer shall be responsible for carrying
217 out the policies of the board relating to procurement including, but not
218 limited to, oversight, investigation, auditing, agency procurement
219 certification and procurement and project management training and
220 enforcement of [said] such policies as well as the application of such
221 policies to the screening and evaluation of current and prospective
222 contractors. The Chief Procurement Officer may enter into such
223 contractual agreements as may be necessary for the discharge of the
224 duties as set forth in this subsection and by the board, including, but not
225 limited to, recommending best practices and providing operational and
226 administrative assistance to state agencies determined, by the board, to
227 be in violation of sections 4e-16 to 4e-47, inclusive, as amended by this
228 act.

229 (2) In addition to the duties set forth by the board, the Chief
230 Procurement Officer shall (A) oversee state contracting agency
231 compliance with the provisions of statutes and regulations concerning

232 procurement; (B) monitor and assess the performance of the
233 procurement duties of each agency procurement officer; (C) administer
234 the certification system and monitor the level of agency compliance with
235 the requirements of statutes and regulations concerning procurement,
236 including, but not limited to, the education and training, performance
237 and qualifications of agency procurement officers; (D) review and
238 monitor the procurement processes of each state contracting agency [,
239 quasi-public agencies] and institutions of higher education; and (E)
240 serve as chairperson of the Contracting Standards Advisory Council.

241 (h) The board may contract with consultants and professionals on a
242 temporary or project by project basis and [may] shall employ, subject to
243 the provisions of chapter 67, [such] not less than five full-time
244 employees and may employ additional employees as may be necessary
245 to carry out the provisions of this section.

246 Sec. 4. Subdivision (2) of subsection (a) of section 4e-3 of the general
247 statutes is repealed and the following is substituted in lieu thereof
248 (*Effective July 1, 2024*):

249 (2) Any state contracting agency's contracting and procurement
250 processes, including, but not limited to, leasing and property transfers,
251 purchasing or leasing of supplies, materials or equipment, consultant or
252 consultant services, purchase of service agreements or privatization
253 contracts; and

254 Sec. 5. Section 4e-4 of the general statutes is repealed and the
255 following is substituted in lieu thereof (*Effective July 1, 2024*):

256 Except as otherwise provided in the general statutes, the board shall
257 have the following authority and responsibilities with respect to
258 procurements by state contracting agencies:

259 [(a) Recommend] (1) To recommend the repeal of repetitive,
260 conflicting or obsolete statutes concerning [state] procurement;

261 [(b) Review] (2) To review and make recommendations concerning
262 proposed legislation and regulations concerning procurement,

263 management, control, and disposal of any and all supplies, services, and
264 construction to be procured by [the] state contracting agencies,
265 including, but not limited to:

266 [(1)] (A) Conditions and procedures for delegation of procurement
267 authority;

268 [(2)] (B) Prequalification, suspension, debarment and reinstatement
269 of prospective bidders and contractors;

270 [(3)] (C) Small purchase procedures;

271 [(4)] (D) Conditions and procedures for the procurement of
272 perishables and items for resale;

273 [(5)] (E) Conditions and procedures for the use of source selection
274 methods authorized by statutes and regulations concerning
275 procurement;

276 [(6)] (F) Conditions and procedures for the use of emergency
277 procurements;

278 [(7)] (G) Conditions and procedures for the selection of contractors by
279 processes or methods that restrict full and open competition;

280 [(8)] (H) The opening or rejection of bids and offers, and waiver of
281 errors in bids and offers;

282 [(9)] (I) Confidentiality of technical data and trade secrets submitted
283 by actual or prospective bidders;

284 [(10)] (J) Partial, progressive and multiple awards;

285 [(11)] (K) Supervision of storerooms and inventories, including
286 determination of appropriate stock levels and the management,
287 transfer, sale or other disposal of publicly-owned supplies;

288 [(12)] (L) Definitions and classes of contractual services and
289 procedures for acquiring such services;

290 [(13)] (M) Regulations providing for conducting cost and price
291 analysis;

292 [(14)] (N) Use of payment and performance bonds;

293 [(15)] (O) Guidelines for use of cost principles in negotiations,
294 adjustments and settlements; and

295 [(16)] (P) Identification of procurement best practices;

296 [(c) Adopt] (3) To adopt regulations, pursuant to the provisions of
297 chapter 54, to carry out the provisions of statutes concerning
298 procurement, in order to facilitate consistent application of the law and
299 require the implementation of procurement best practices;

300 [(d) Make] (4) To make recommendations with regard to information
301 systems for state contracting agency procurement including, but not
302 limited to, data element and design and the State Contracting Portal;

303 [(e) Develop] (5) To develop a guide [to] of state statutes and
304 regulations concerning procurement, for use by all state contracting
305 agencies;

306 [(f) Assist] (6) To assist state contracting agencies in complying with
307 the statutes and regulations concerning procurement by providing
308 guidance, models, advice and practical assistance to state contracting
309 agency staff relating to: [(1)] (A) Buying the best service at the best price,
310 [(2)] (B) properly selecting contractors, and [(3)] (C) drafting contracts
311 that achieve state goals of accountability, transparency and results
312 based outcomes and to protect taxpayers' interest;

313 [(g) Train] (7) To train and oversee the agency procurement officer of
314 each state contracting agency and any contracting officers thereunder;

315 [(h) Review] (8) To review and certify, on or after January 1, 2009, that
316 a state contracting agency's procurement processes are in compliance
317 with statutes and regulations concerning procurement by:

318 [(1)] (A) Establishing procurement and project management

319 education and training criteria and certification procedures for agency
320 procurement officers and contracting officers. All agency procurement
321 officers and contracting officers designated under this provision shall be
322 required to maintain the certification in good standing at all times while
323 performing procurement functions;

324 [(2)] (B) Approving an ethics training course, in consultation with the
325 Office of State Ethics, including, but not limited to, state employees and
326 quasi-public agency employees involved in procurement and for state
327 contractors and substantial subcontractors who are prequalified
328 pursuant to chapter 58a. Such ethics training course may be developed
329 and provided by the Office of State Ethics or by any person, firm or
330 corporation provided such course is approved by the State Contracting
331 Standards Board;

332 [(i) Recertify] (9) To recertify each state contracting agency's
333 procurement processes, triennially, and provide agencies with notice of
334 any certification deficiency and exercise those powers authorized by
335 section 4e-34, as amended by this act, 4e-39 or 4e-40, as amended by this
336 act, as applicable, if a determination of noncompliance is made;

337 [(j) Define] (10) To define the contract data reporting requirements to
338 the board for state contracting agencies concerning information on: [(1)]
339 (A) The number and type of [state] contracts of each state contracting
340 agency currently in effect state-wide; [(2)] (B) the term and dollar value
341 of such contracts; [(3)] (C) a list of client agencies; [(4)] (D) a description
342 of services purchased under such contracts; [(5)] (E) contractor names;
343 [(6)] (F) an evaluation of contractor performance, including, but not
344 limited to records pertaining to the suspension or disqualification of
345 contractors, and assuring such information is available on the State
346 Contracting Portal; and [(7)] (G) a list of contracts and contractors
347 awarded without full and open competition stating the reasons [for]
348 therefor and identifying the approving authority; and

349 [(k) Provide] (11) To provide the Governor and the joint standing
350 committee of the General Assembly having cognizance of matters
351 relating to government administration with recommendations

352 concerning the statutes and regulations concerning procurement.

353 Sec. 6. Subsections (a) to (c), inclusive, of section 4e-5 of the general
354 statutes are repealed and the following is substituted in lieu thereof
355 (*Effective July 1, 2024*):

356 (a) (1) The head of each state contracting agency shall appoint an
357 agency procurement officer. Such officer shall serve as the liaison
358 between the agency and the Chief Procurement Officer on all matters
359 relating to the agency's procurement activity, including, but not limited
360 to, implementation and compliance with the provisions of statutes and
361 regulations concerning procurement and any policies or regulations
362 adopted by the board, coordination of the training and education of
363 agency procurement employees and any person serving on the
364 Contracting Standards Advisory Council;

365 (2) The agency procurement officer shall be responsible for [assuring]
366 (A) ensuring that any invitation to bid, request for proposals or any
367 other solicitation for goods and services issued on or after July 1, 2024,
368 contains a notice of the rights of prospective bidders, proposers or
369 prospective contractors under section 4e-36, (B) ensuring that
370 contractors are properly screened prior to the award of a contract, (C)
371 ensuring that contractors are advised of their rights under section 4e-36,
372 prior to entering into a contract on or after July 1, 2024, (D) ensuring
373 that, upon the award of such a contract, unsuccessful bidders, proposers
374 or respondents are advised of their rights under section 4e-36, (E)
375 evaluating contractor performance during and at the conclusion of a
376 contract, (F) submitting written evaluations to a central data repository
377 to be designated by the board, and (G) creating a project management
378 plan for the agency with annual reports to the board pertaining to
379 procurement projects within the agency.

380 (b) The State Contracting Standards Board, with the advice and
381 assistance of the Commissioner of Administrative Services, shall
382 develop a standardized state procurement and project management
383 education and training program. Such education and training program
384 shall develop education, training and professional development

385 opportunities for employees of state contracting agencies charged with
386 procurement responsibilities. The education and training program shall
387 educate such employees in general business acumen and on proper
388 purchasing procedures as established in statutes and regulations
389 concerning procurement with an emphasis on ethics, fairness,
390 consistency and project management. Participation in the education and
391 training program shall be required of any supervisory and
392 nonsupervisory [state] employees in state contracting agencies with
393 responsibility for buying, purchasing, renting, leasing or otherwise
394 acquiring any supplies, service or construction, including the
395 preparation of the description of requirements, selection and solicitation
396 of sources, preparation and award of contracts and all phases of contract
397 administration.

398 (c) The education and training program shall include, but shall not be
399 limited to, (1) training and education concerning federal, state and
400 municipal procurement processes, including the statutes and
401 regulations concerning procurement; (2) training and education courses
402 developed in cooperation with the Office of State Ethics, the Freedom of
403 Information Commission, the State Elections Enforcement Commission,
404 the Commission on Human Rights and Opportunities, the office of the
405 Attorney General and any other state agency the board determines is
406 necessary in carrying out statutes and regulations concerning
407 procurement; (3) providing technical assistance to state contracting
408 agencies and municipalities for implementing statutes and regulations
409 concerning procurement, regulations, policies and standards developed
410 by the board; (4) training to current and prospective contractors and
411 vendors and others seeking to do business with [the] state contracting
412 agencies; and (5) training and education of state employees and quasi-
413 public agency employees in the area of best procurement practices in
414 [state] purchasing with the goal of achieving the level of acumen
415 necessary to achieve the objectives of statutes and regulations
416 concerning procurement.

417 Sec. 7. Subsection (a) of section 4e-7 of the general statutes is repealed
418 and the following is substituted in lieu thereof (*Effective July 1, 2024*):

419 (a) For cause, the State Contracting Standards Board may review,
420 terminate or recommend to a state contracting agency the termination
421 of any contract or procurement agreement undertaken by any state
422 contracting agency after providing fifteen days' notice to the state
423 contracting agency and the applicable contractor, and consulting with
424 the Attorney General. Such termination of a contract or procurement
425 agreement by the board may occur only after (1) the board has consulted
426 with the state contracting agency to determine the impact of an
427 immediate termination of the contract, (2) a determination has been
428 made jointly by the board and the state contracting agency that an
429 immediate termination of the contract will not create imminent peril to
430 the public health, safety or welfare, (3) a vote of two-thirds of the
431 members of the board present and voting for that purpose, and (4) the
432 board has provided the state contracting agency and the contractor with
433 opportunity for a hearing conducted pursuant to the provisions of
434 chapter 54. Such action shall be accompanied by notice to the state
435 contracting agency and any other affected party. For the purpose of this
436 section, "for cause" means: (A) A violation of section 1-84 or 1-86e, as
437 determined by the Citizen's Ethics Advisory Board; (B) wanton or
438 reckless disregard of any state or quasi-public agency contracting and
439 procurement process by any person substantially involved in such
440 contract or state contracting agency; or (C) notification from the
441 Attorney General to the state contracting agency that an investigation
442 pursuant to section 4-61dd has concluded that the process by which
443 such contract was awarded was compromised by fraud, collusion or any
444 other criminal violation. Nothing in this section shall be construed to
445 limit the authority of the board as described in section 4e-6.

446 Sec. 8. Section 4e-8 of the general statutes is repealed and the
447 following is substituted in lieu thereof (*Effective July 1, 2024*):

448 There is established a Contracting Standards Advisory Council,
449 which shall consist of representatives from the Office of Policy and
450 Management, Departments of Administrative Services and
451 Transportation, [and] representatives of at least three additional state
452 contracting agencies that are not quasi-public agencies, including at

453 least one human services related state agency, to be designated by the
454 Governor, and at least four additional state contracting agencies that are
455 quasi-public agencies, two to be appointed by the speaker of the House
456 of Representatives and two to be appointed by the president pro
457 tempore of the Senate. The Chief Procurement Officer shall be a member
458 of the council and serve as chairperson. The advisory council shall meet
459 at least four times per year to discuss [state] procurement issues and to
460 make recommendations for improvement of the procurement processes
461 to the State Contracting Standards Board. The advisory council may
462 conduct studies, research and analyses and make reports and
463 recommendations with respect to subjects or matters within the
464 jurisdiction of the State Contracting Standards Board.

465 Sec. 9. Subsection (a) of section 4e-10 of the general statutes is
466 repealed and the following is substituted in lieu thereof (*Effective July 1,*
467 *2024*):

468 (a) On or before July 1, 2010, the board shall submit to the Governor
469 and the General Assembly such legislation as is necessary to permit state
470 contracting agencies, not including [quasi-publics] quasi-public
471 agencies, institutions of higher education, and municipal procurement
472 processes utilizing state funds, to carry out their functions under
473 statutes and regulations concerning procurement.

474 Sec. 10. Section 4e-14 of the general statutes is repealed and the
475 following is substituted in lieu thereof (*Effective July 1, 2024*):

476 On and after June 1, 2010, all [state] contracts of each state contracting
477 agency that is not a quasi-public agency that take effect on or after June
478 1, 2010, shall contain provisions to ensure accountability, transparency
479 and [results based] results-based outcomes, as prescribed by the State
480 Contracting Standards Board. On and after June 1, 2010, all state
481 contracts of the legislative branch and the judicial branch that take effect
482 on or after June 1, 2010, shall contain provisions to ensure
483 accountability, transparency and [results based] results-based
484 outcomes. On and after July 1, 2024, all contracts of each state
485 contracting agency that is a quasi-public agency that take effect on or

486 after July 1, 2024, shall contain provisions to ensure accountability,
487 transparency and results-based outcomes.

488 Sec. 11. Subsections (c) and (d) of section 4e-16 of the general statutes
489 are repealed and the following is substituted in lieu thereof (*Effective July*
490 *1, 2024*):

491 (c) (1) If such cost-benefit analysis identifies a cost savings to the state
492 contracting agency of ten per cent or more, and such privatization
493 contract will not diminish the quality of such service, the state
494 contracting agency shall develop a business case, in accordance with the
495 provisions of subsection (d) of this section, in order to evaluate the
496 feasibility of entering into any such contract and to identify the potential
497 results, effectiveness and efficiency of such contract.

498 (2) If such cost-benefit analysis identifies a cost savings of less than
499 ten per cent to the state contracting agency and such privatization
500 contract will not diminish the quality of such service, the state
501 contracting agency may develop a business case, in accordance with the
502 provisions of subsection (d) of this section, in order to evaluate the
503 feasibility of entering into any such contract and to identify the potential
504 results, effectiveness and efficiency of such contract, provided there is a
505 significant public policy reason to enter into such privatization contract.
506 Any such business case shall be approved in accordance with the
507 provisions of subdivision (4) of subsection (h) of this section.

508 (3) If any such proposed privatization contract would result in the
509 layoff, transfer or reassignment of [one hundred] twenty-five or more
510 state contracting agency employees, after consulting with the
511 potentially affected bargaining units, if any, the state contracting agency
512 shall notify the state employees or quasi-public agency employees of
513 such bargaining unit, as applicable, after such cost-benefit analysis is
514 completed. Such state contracting agency shall provide an opportunity
515 for [said] such employees to reduce the costs of conducting the
516 operations to be privatized and provide reasonable resources for the
517 purpose of encouraging and assisting such [state] employees to organize
518 and submit a bid to provide the services that are the subject of the

519 potential privatization contract. The state contracting agency shall retain
520 sole discretion in determining whether to proceed with the privatization
521 contract, provided the business case for such contract is approved by the
522 board.

523 (d) Any business case developed by a state contracting agency for the
524 purpose of complying with subsection (c) of this section shall include:
525 (1) The cost-benefit analysis as described in subsection (b) of this section,
526 (2) a detailed description of the service or activity that is the subject of
527 such business case, (3) a description and analysis of the state contracting
528 agency's current performance of such service or activity, (4) the goals to
529 be achieved through the proposed privatization contract and the
530 rationale for such goals, (5) a description of available options for
531 achieving such goals, (6) an analysis of the advantages and
532 disadvantages of each option, including, at a minimum, potential
533 performance improvements and risks attendant to termination of the
534 contract or rescission of such contract, (7) an analysis of the potential
535 impact of the proposed privatization contract on workers of color and
536 workers who are women, including whether such privatization contract
537 will lessen or increase historical patterns that produce inequities
538 between such workers and other workers, (8) an analysis of the
539 qualitative impact of the proposed privatization contract on the existing
540 state workforce, (9) a description of the current market for the services
541 or activities that are the subject of such business case, [(8)] (10) an
542 analysis of the quality of services as gauged by standardized measures
543 and key performance requirements including compensation, turnover,
544 and staffing ratios, [(9)] (11) a description of the specific results-based
545 performance standards that shall, at a minimum be met, to ensure
546 adequate performance by any party performing such service or activity,
547 [(10)] (12) the projected time frame for key events from the beginning of
548 the procurement process through the expiration of a contract, if
549 applicable, [(11)] (13) a specific and feasible contingency plan that
550 addresses contractor nonperformance and a description of the tasks
551 involved in and costs required for implementation of such plan, and
552 [(12)] (14) a transition plan, if appropriate, for addressing changes in the
553 number of agency personnel, affected business processes, employee

554 transition issues, and communications with affected stakeholders, such
555 as agency clients and members of the public, if applicable. Such
556 transition plan shall contain a reemployment and retraining assistance
557 plan for employees who are not retained by the state or quasi-public
558 agency or employed by the contractor. If the primary purpose of the
559 proposed privatization contract is to provide a core governmental
560 function, such business case shall also include information sufficient to
561 rebut the presumption that such core governmental function should not
562 be privatized. Such presumption shall not be construed to prohibit a
563 state contracting agency from contracting for specialized technical
564 expertise not available within such agency, provided such agency shall
565 retain responsibility for such core governmental function. For the
566 purposes of this section, "core governmental function" means a function
567 for which the primary purpose is (A) the inspection for adherence to
568 health and safety standards because public health or safety may be
569 jeopardized if such inspection is not done or is not done in a timely or
570 proper manner, (B) the establishment of statutory, regulatory or
571 contractual standards to which a regulated person, entity or state
572 contractor shall be held, (C) the enforcement of statutory, regulatory or
573 contractual requirements governing public health or safety, [or] (D)
574 criminal or civil law enforcement, or (E) the provision of essential
575 human services to residents of the state who would otherwise lack the
576 support necessary to assure basic human needs. If any part of such
577 business case is based upon evidence that the state contracting agency
578 is not sufficiently staffed to provide the core governmental function
579 required by the privatization contract, the state contracting agency shall
580 also include within such business case a plan for remediation of the
581 understaffing to allow such services to be provided directly by the state
582 contracting agency in the future.

583 Sec. 12. Subdivisions (2) to (4), inclusive, of subsection (l) of section
584 4e-16 of the general statutes are repealed and the following is
585 substituted in lieu thereof (*Effective July 1, 2024*):

586 (2) If such cost-benefit analysis identifies a ten per cent or more cost
587 savings to the state contracting agency from the use of such

588 privatization contract and such contract does not diminish the quality
589 of the service provided, such state contracting agency shall develop a
590 business case for the renewal of such privatization contract in
591 accordance with the provisions of subsections (d) and (e) of this section.
592 The board shall review such contract in accordance with the provisions
593 of subsections (f) to (h), inclusive, of this section and may approve such
594 renewal by the applicable vote of the board, provided any such renewal
595 that is estimated to cost in excess of one hundred fifty million dollars
596 annually or six hundred million dollars or more over the life of the
597 contract shall also be approved by the General Assembly prior to the
598 state contracting agency renewing such contract. If such renewal is
599 approved by the board and the General Assembly, if applicable, the
600 provisions of subsection (j) of this section shall apply to any proposed
601 amendment to such contract.

602 (3) If such cost-benefit analysis identifies a cost savings to the state
603 contracting agency of less than ten per cent, such state contracting
604 agency shall prepare a plan to have such service provided by state
605 employees, or, in the case of a state contracting agency that is a quasi-
606 public agency, by the employees of the quasi-public agency, and shall
607 begin to implement such plan, provided: (A) While such plan is
608 prepared, but prior to implementation of such plan, such state
609 contracting agency may develop a business case for such privatization
610 contract, in accordance with the provisions of subsection (d) of this
611 section, that achieves a cost savings to the state of ten per cent or more.
612 Any such business case shall be reviewed by the board in accordance
613 with the provisions of subsections (f) to (h), inclusive, of this section, and
614 may be approved by the applicable vote of the board; (B) such
615 privatization contract shall not be renewed with the vendor currently
616 providing such service unless: (i) There exists a significant public
617 interest in renewing such contract, and (ii) such renewal is approved by
618 a two-thirds vote of the board; (C) the state contracting agency may
619 enter into a contract with a term of one year or less for the provision of
620 such service until such state contracting agency implements such plan;
621 and (D) the procedure for the transfer of funds from the General Fund,
622 as described in section 4-94, may be utilized to allocate necessary

623 resources for the implementation of the provisions of this subdivision.

624 (4) Notwithstanding the provisions of subdivision (3) of this
625 subsection, the renewal of a privatization contract with a nonprofit
626 organization shall not be denied if the cost of increasing compensation
627 to employees performing the privatized service is the sole cause for such
628 contract not achieving a cost savings to the state contracting agency of
629 ten per cent or more.

630 Sec. 13. Subsection (n) of section 4e-16 of the general statutes is
631 repealed and the following is substituted in lieu thereof (*Effective July 1,*
632 *2024*):

633 (n) The State Contracting Standards Board, in consultation with the
634 Department of Administrative Services, shall: (1) Recommend and
635 implement standards and procedures for state contracting agencies to
636 develop business cases in connection with privatization contracts,
637 including templates for use by state contracting agencies when
638 submitting business cases to the board, and policies and procedures to
639 guide state contracting agencies to complete such business cases, and (2)
640 develop guidelines and procedures for assisting state employees or
641 quasi-public agency employees whose jobs are affected by a
642 privatization contract.

643 Sec. 14. Subsection (p) of section 4e-16 of the general statutes is
644 repealed and the following is substituted in lieu thereof (*Effective July 1,*
645 *2024*):

646 (p) Prior to entering into or renewing any privatization contract that
647 is not subject to the provisions of subsection (a) of this section, the state
648 contracting agency shall evaluate such contract to determine if entering
649 into or renewing such contract is the most cost-effective method of
650 delivering the service, by determining the costs, as defined in subsection
651 (b) of this section, of such service. The state contracting agency shall
652 perform such evaluation in accordance with a template prescribed by
653 the Secretary of the Office of Policy and Management, in consultation
654 with the board, pursuant to subsection (m) of this section, and such

655 evaluation shall be [subject to verification by the secretary] submitted to
656 the board. The secretary may, in consultation with the Chief
657 Procurement Officer of the board, waive the requirement for an
658 evaluation of cost-effectiveness under this subsection upon a finding by
659 the secretary that exigent or emergent circumstances necessitate such
660 waiver.

661 Sec. 15. Section 4e-17 of the general statutes is repealed and the
662 following is substituted in lieu thereof (*Effective July 1, 2024*):

663 (a) Except as otherwise provided, the provisions of sections 4e-16 to
664 4e-47, inclusive, as amended by this act, shall apply to all contracts
665 solicited or entered into by [state contracting agencies] a state
666 contracting agency that is a state agency after June 1, 2010, and all
667 contracts solicited or entered into by a state contracting agency that is a
668 quasi-public agency on or after July 1, 2024.

669 (b) Except as otherwise provided, the provisions of sections 4e-16 to
670 4e-47, inclusive, as amended by this act, shall apply to every
671 expenditure of public funds by any state contracting agency,
672 irrespective of their source, involving any state contracting agency
673 contracting and procurement processes, including, but not limited to,
674 leasing and property transfers, purchasing or leasing of supplies,
675 materials or equipment, consultant or consultant services, personal
676 service agreements, purchase of service agreements or privatization
677 contracts, as defined in section 4e-1, as amended by this act, and,
678 relating to contracts for the construction, reconstruction, alteration,
679 remodeling, repair or demolition of any public building, bridge or road.

680 (c) Nothing in sections 4e-16 to 4e-47, inclusive, as amended by this
681 act, shall be construed to require the application of procurement statutes
682 or regulations to a procurement that involves the expenditure of federal
683 assistance or federal contract funds if federal law provides procurement
684 procedures applicable to the expenditure of such funds, to the extent
685 such federal procedures are inconsistent with state procurement
686 statutes or regulations.

687 Sec. 16. Section 4e-18 of the general statutes is repealed and the
688 following is substituted in lieu thereof (*Effective July 1, 2024*):

689 For the purpose of obtaining supplies, materials, equipment or
690 contractual services, except infrastructure facilities, the Commissioner
691 of Administrative Services shall establish a requisition system to be used
692 by state contracting agencies that are not quasi-public agencies to
693 initiate and authorize the procurement process. Such system shall be
694 approved by the State Contracting Standards Board.

695 Sec. 17. Subsection (c) of section 4e-21 of the general statutes is
696 repealed and the following is substituted in lieu thereof (*Effective July 1,*
697 *2024*):

698 (c) The State Contracting Standards Board, in consultation with the
699 Commissioner of Administrative Services, may waive the requirement
700 of competitive bidding or competitive negotiation in the case of minor,
701 nonrecurring or emergency purchases of ten thousand dollars or less in
702 amount, upon application of the state contracting agency. Any state
703 contracting agency that obtains such a waiver for such an emergency
704 purchase shall post notice of such emergency purchase on the Internet
705 web site of the state contracting agency prior to making such emergency
706 purchase.

707 Sec. 18. Section 4e-24 of the general statutes is repealed and the
708 following is substituted in lieu thereof (*Effective July 1, 2024*):

709 (a) [Not later than June 1, 2010, the State Contracting Standards
710 Board, in consultation with the Commissioner of Administrative
711 Services and any other appropriate award authority, shall adopt
712 regulations, in accordance with the provisions of chapter 54, permitting]
713 If an emergency [procurements when there exists] procurement is
714 deemed necessary by a state contracting agency due to a threat to public
715 health, welfare or safety, the state contracting agency shall give notice
716 to the board of the need for such emergency procurement. Such
717 emergency [procurements] procurement shall be made with
718 competition, as is practicable under the circumstances. [Said regulations

719 shall require that] The state contracting agency shall (1) include a
720 written determination of the basis for the emergency and for the
721 selection of the particular contractor [be included] in the contract file
722 and [transmitted] transmit such determination to the Governor, the
723 president pro tempore of the Senate, the majority and minority leaders
724 of the Senate, the speaker of the House of Representatives and the
725 majority and minority leaders of the House of Representatives, and (2)
726 post such determination on the Internet web site of the state contracting
727 agency.

728 (b) The State Contracting Standards Board may adopt regulations in
729 accordance with the provisions of chapter 54 to implement the
730 provisions of this section.

731 Sec. 19. Section 4e-27 of the general statutes is repealed and the
732 following is substituted in lieu thereof (*Effective July 1, 2024*):

733 Not later than June 1, 2010, the State Contracting Standards Board, in
734 consultation with the Attorney General, shall adopt regulations, in
735 accordance with the provisions of chapter 54, specifying the types of
736 contracts that may be used by state contracting agencies. Such
737 regulations shall specify that a cost-reimbursement contract may be
738 used only when a determination is made in writing by the agency
739 procurement officer that such contract is likely to be less costly to the
740 state contracting agency than any other type or that it is impracticable
741 to obtain the supplies, services or construction required except under
742 such a contract.

743 Sec. 20. Section 4e-31 of the general statutes is repealed and the
744 following is substituted in lieu thereof (*Effective July 1, 2024*):

745 When, for any reason, collusion or other anticompetitive practices are
746 suspected among any bidders or proposers for [a state] the contract of a
747 state contracting agency, a notice of the relevant facts shall be
748 transmitted to the Attorney General by any affected party, including,
749 but not limited to, the state contracting agency, a bidder or a proposer.

750 Sec. 21. Section 4e-34 of the general statutes is repealed and the
751 following is substituted in lieu thereof (*Effective July 1, 2024*):

752 (a) After reasonable notice and hearing and consultation with the
753 relevant state contracting agency and the Attorney General, the State
754 Contracting Standards Board, acting through a subcommittee of three
755 members, appointed by the chairperson, which subcommittee shall
756 include not less than one legislative appointee, may disqualify any
757 contractor, bidder or proposer, for a period of not more than five years,
758 from bidding on, applying for or participating as a contractor or
759 subcontractor under, contracts with [the] state or quasi-public agencies.
760 Such disqualification shall be upon the vote of two-thirds of the
761 members of the subcommittee present and voting for that purpose. Such
762 hearing shall be conducted in accordance with the provisions of chapter
763 54. The subcommittee shall issue a written recommendation not later
764 than sixty days after the conclusion of such hearing, and shall state the
765 reason for the recommended action and, if the disqualification is
766 recommended, the period of time the contractor, bidder or proposer
767 shall be disqualified. In determining whether to disqualify a contractor,
768 bidder or proposer, the subcommittee shall consider the seriousness of
769 the acts or omissions of the contractor, bidder or proposer and any
770 mitigating factors. Such recommendation shall be submitted to the
771 board for action and sent to the contractor by certified mail, return
772 receipt requested. If disqualification is recommended, the contractor
773 shall have thirty days to submit comments to the board. Upon receipt of
774 the proposed recommendation by the subcommittee, the board shall
775 issue a written decision either adopting, rejecting or modifying the
776 subcommittee's recommendation. Such decision shall be issued not later
777 than thirty days after receipt by the board of the contractor's comments,
778 if any. The board shall send the decision to the contractor by certified
779 mail, return receipt requested. The written decision shall be a final
780 decision for purposes of sections 4-180 and 4-183.

781 (b) Causes for such disqualification shall include the following:

782 (1) Conviction of, or entry of a plea of guilty or nolo contendere or

783 admission to, the commission of a criminal offense as an incident to
784 obtaining or attempting to obtain a public or private contract or
785 subcontract, or in the performance of such contract or subcontract;

786 (2) Conviction of, or entry of a plea of guilty or nolo contendere or
787 admission to, the violation of any state or federal law for embezzlement,
788 theft, forgery, bribery, falsification or destruction of records, receiving
789 stolen property or any other offense indicating a lack of business
790 integrity or business honesty which affects responsibility as a [state]
791 contractor;

792 (3) Conviction of, or entry of a plea of guilty or nolo contendere or
793 admission to, a violation of any state or federal antitrust, collusion or
794 conspiracy law arising out of the submission of bids or proposals on a
795 public or private contract or subcontract;

796 (4) Accumulation of two or more suspensions pursuant to section 4e-
797 35, as amended by this act, within a twenty-four-month period;

798 (5) A wilful, negligent or reckless failure to perform in accordance
799 with the terms of one or more contracts or subcontracts, agreements or
800 transactions with state contracting agencies;

801 (6) A history of failure to perform or of unsatisfactory performance
802 on one or more public contracts, agreements or transactions with state
803 contracting agencies;

804 (7) A wilful violation of a statutory or regulatory provision or
805 requirement applicable to a contract, agreement or transaction with
806 state contracting agencies;

807 (8) A wilful or egregious violation of the ethical standards set forth in
808 sections 1-84, 1-86e and 1-101nn, as determined by the Citizen's Ethics
809 Advisory Board; or

810 (9) Any other cause or conduct the board determines to be so serious
811 and compelling as to affect responsibility as a [state] contractor,
812 including, but not limited to:

813 (A) Disqualification by another state for cause;

814 (B) The fraudulent or criminal conduct of any officer, director,
815 shareholder, partner, employee or other individual associated with a
816 contractor, bidder or proposer of such contractor, bidder or proposer; [
817 provided such conduct occurred in connection with the individual's
818 performance of duties for or on behalf of such contractor, bidder or
819 proposer and such contractor, bidder or proposer knew or had reason
820 to know of such conduct;]

821 (C) The existence of an informal or formal business relationship with
822 a contractor who has been disqualified from bidding or proposing on
823 [state] contracts of any state contracting agency.

824 (c) Upon written request by the affected [state] contractor, bidder or
825 proposer, the State Contracting Standards Board may reduce the period
826 or extent of disqualification for a contractor, bidder or proposer if
827 documentation supporting any of the following reasons for
828 modification is provided to the board by the contractor, bidder or
829 proposer:

830 (1) Newly discovered material evidence;

831 (2) Reversal of the conviction upon which the disqualification was
832 based;

833 (3) Bona fide change in ownership or management; or

834 (4) Elimination of other causes for which the disqualification was
835 imposed.

836 Sec. 22. Section 4e-35 of the general statutes is repealed and the
837 following is substituted in lieu thereof (*Effective July 1, 2024*):

838 (a) For purposes of this section and sections 4e-37, as amended by this
839 act, and 4e-38, as amended by this act, "contracting agency of the state"
840 does not include a quasi-public agency. After reasonable notice and a
841 hearing, conducted in accordance with the provisions of chapter 54, the

842 department head of any [state] contracting agency of the state may
843 suspend any contractor, bidder or proposer for a period of not more
844 than six months from bidding on, applying for or performing work as a
845 contractor or subcontractor under, contracts with the state. The
846 department head shall issue a written decision not later than ninety days
847 after the conclusion of such hearing and state in the decision the reasons
848 for the action taken and, if the contractor, bidder or proposer is being
849 suspended, the period of such suspension. In determining whether to
850 suspend a contractor, bidder or proposer, the department head shall
851 consider the seriousness of the acts or omissions of the contractor,
852 bidder or proposer and any mitigating factors. The department head
853 shall send such decision to the contractor and the State Contracting
854 Standards Board by certified mail, return receipt requested. Such
855 decision shall be a final decision for purposes of sections 4-180 and 4-
856 183.

857 (b) Causes for such suspension shall include the following:

858 (1) Failure without good cause to perform in accordance with
859 specifications or within the time limits provided in the contract;

860 (2) A record of failure to perform or of unsatisfactory performance in
861 accordance with the terms of one or more contracts, provided failure to
862 perform or unsatisfactory performance caused by acts beyond the
863 control of the contractor shall not be considered to be a basis for
864 suspension;

865 (3) Any cause the complainant [state] contracting agency of the state
866 determines to be so serious and compelling as to affect the responsibility
867 of a state contractor, including suspension by another [state] contracting
868 agency of the state for cause; or

869 (4) A violation of the ethical standards set forth in section 1-84, 1-86e
870 or 1-101nn, as determined by the Citizen's Ethics Advisory Board.

871 (c) The State Contracting Standards Board may grant an exception
872 permitting a suspended contractor to participate in a particular contract

873 or subcontract upon a written determination by the board that there is
874 good cause for such exception and that such exception is in the best
875 interest of the state.

876 (d) The department head of each [state] contracting agency of the
877 state shall conduct reviews of contractors and shall file reports
878 pertaining to any of the reasons set forth in this section that may be the
879 basis for disqualification.

880 Sec. 23. Subsections (g) to (i), inclusive, of section 4e-37 of the general
881 statutes are repealed and the following is substituted in lieu thereof
882 (*Effective July 1, 2024*):

883 (g) In the event that the appeals review subcommittee or the board
884 determines that a procedural violation occurred, or that allegations of
885 an unauthorized or unwarranted, noncompetitive selection process
886 have been substantiated, the board shall direct the [state] contracting
887 agency of the state to take corrective action not later than thirty days
888 after the date of the subcommittee's or board's decision, as applicable.

889 (h) In the event such appeal is found to be frivolous by the appeals
890 review subcommittee or the full board, such frivolous appeal may serve
891 as a basis for disqualification pursuant to section 4e-34, as amended by
892 this act.

893 (i) Any three members of the board may request a full board review
894 of any contract deliberation or award process of a [state] contracting
895 agency of the state.

896 Sec. 24. Section 4e-38 of the general statutes is repealed and the
897 following is substituted in lieu thereof (*Effective July 1, 2024*):

898 The State Contracting Standards Board shall issue a decision in
899 writing or take other appropriate action on each appeal submitted
900 pursuant to section 4e-37, as amended by this act. A copy of any decision
901 shall be provided to all parties, the department head of the [state]
902 contracting agency of the state and the Chief Procurement Officer.

903 Sec. 25. Subdivision (2) of section 4e-40 of the general statutes is
904 repealed and the following is substituted in lieu thereof (*Effective July 1,*
905 *2024*):

906 (2) If the person awarded the contract acted in bad faith:

907 (A) The contract may be declared null and void; or

908 (B) The contract may be ratified and affirmed if such action is in the
909 best interests of the state, as determined by the State Contracting
910 Standards Board, in writing, without prejudice to the [state's] state
911 contracting agency's right to such damages as may be appropriate.

912 Sec. 26. Section 4e-45 of the general statutes is repealed and the
913 following is substituted in lieu thereof (*Effective July 1, 2024*):

914 With respect to infrastructure facilities, not later than June 1, 2010, the
915 State Contracting Standards Board, in consultation with the state
916 contracting agencies and the Attorney General, shall adopt regulations,
917 in accordance with the provisions of chapter 54, requiring the inclusion
918 in [state] contracts with any state contracting agency of clauses
919 providing for adjustments in prices, time of performance, remedies,
920 termination or other contract provisions necessary to protect the
921 interests of the state.

922 Sec. 27. Section 4e-46 of the general statutes is repealed and the
923 following is substituted in lieu thereof (*Effective July 1, 2024*):

924 Not later than June 1, 2010, the State Contracting Standards Board
925 shall adopt regulations, in accordance with the provisions of chapter 54,
926 concerning the procedure and circumstances under which a state
927 contracting agency may allow contract modification, change order, or
928 contract price adjustment under a construction contract with the state
929 contracting agency in excess of fifty thousand dollars. Such regulations
930 shall require that every contract modification, change order or contract
931 price adjustment under a construction contract with the state
932 contracting agency in excess of fifty thousand dollars shall be subject to
933 prior written certification by the fiscal officer of the state contracting

934 agency or other agency responsible for funding the project or the
935 contract, or other official responsible for monitoring and reporting upon
936 the status of the costs of the total project budget or contract budget, as
937 to the effect of the contract modification, change order, or adjustment in
938 contract price on the total project budget or the total contract budget.
939 Such regulations shall further provide that in the event the certification
940 of the fiscal officer or other responsible official discloses a resulting
941 increase in the total project budget or the total contract budget, the
942 agency procurement officer shall not execute or make such contract
943 modification, change order, or adjustment in contract price unless
944 sufficient funds are available or the scope of the project or contract is
945 adjusted so as to permit the degree of completion that is feasible within
946 the total project budget or total contract budget as it existed prior to the
947 contract modification, change order, or adjustment in contract price
948 under consideration provided, with respect to the validity, as to the
949 contractor, of any executed contract modification, change order, or
950 adjustment in contract price which the contractor has reasonably relied
951 upon, it shall be presumed that there has been compliance with the
952 provisions of this section.

953 Sec. 28. Subsection (a) of section 4e-48 of the general statutes is
954 repealed and the following is substituted in lieu thereof (*Effective July 1,*
955 *2024*):

956 (a) For the purposes of this section, "nonresident bidder" means a
957 business that is not a resident of the state that submits a bid in response
958 to an invitation to bid by a state contracting agency, "resident bidder"
959 means a business that submits a bid in response to an invitation to bid
960 by a state contracting agency and that has paid unemployment taxes or
961 income taxes in this state during the twelve calendar months
962 immediately preceding submission of such bid, has a business address
963 in the state and has affirmatively claimed such status in the bid
964 submission, and "contract" [means "contract" as defined in section 4e-1
965 and "state contracting agency" means] and "state contracting agency" [,
966 as defined] have the same meanings as provided in section 4e-1, as
967 amended by this act.

968 Sec. 29. Section 4e-72 of the general statutes is repealed and the
969 following is substituted in lieu thereof (*Effective July 1, 2024*):

970 As used in this section, "contract", "state contracting agency", "data"
971 and "contractor" have the same meanings as provided in section 4e-1, as
972 amended by this act. Any contract between a state contracting agency
973 and a contractor that is entered into, renewed or amended on or after
974 October 1, 2021, or, in the case of a state contracting agency that is a
975 quasi-public agency, entered into, renewed or amended on or after July
976 1, 2024, shall contain a provision authorizing the state contracting
977 agency to access any data concerning such contract that is in the
978 possession or control of the contractor upon demand in a format
979 prescribed by the state contracting agency at no additional cost to such
980 agency.

981 Sec. 30. Subdivision (15) of section 15-31b of the 2024 supplement to
982 the general statutes is repealed and the following is substituted in lieu
983 thereof (*Effective July 1, 2024*):

984 (15) Invest in, acquire, lease, purchase, own, manage, hold and
985 dispose of real property and lease, convey or deal in or enter into
986 agreements with respect to such property on any terms necessary or
987 incidental to carrying out the purposes of sections 15-31a to 15-31i,
988 inclusive, provided such transactions shall not be subject to approval,
989 review or regulation by any state agency pursuant to title 4b or any other
990 provision of the general statutes, except (A) the authority shall not
991 convey fee simple ownership in any property associated with the ports
992 or harbors under its jurisdiction and control without the approval of the
993 State Properties Review Board and the Attorney General, and (B) as
994 provided in [subsection (c) of this section] chapter 62; and

995 Sec. 31. Subsections (b) and (c) of section 15-31b of the 2024
996 supplement to the general statutes are repealed and the following is
997 substituted in lieu thereof (*Effective July 1, 2024*):

998 (b) The authority shall continue as long as it has bonds or other
999 obligations outstanding and until its existence is terminated by law,

1000 provided no such termination shall affect any outstanding contractual
1001 obligation of the authority and the state shall succeed to the obligations
1002 of the authority under any contract. Upon the termination of the
1003 existence of the authority, all its rights and properties shall pass to and
1004 be vested in the state of Connecticut.

1005 [(c) On and after June 23, 2021, the authority shall be a state
1006 contracting agency for the purposes of chapter 62, except for the
1007 provisions of section 4e-16, and shall be subject to the authority of the
1008 State Contracting Standards Board established under section 4e-2.]

1009 Sec. 32. Section 10a-196 of the general statutes is repealed and the
1010 following is substituted in lieu thereof (*Effective July 1, 2024*):

1011 Sections 10a-176 to 10a-195, inclusive, shall be deemed to provide a
1012 complete, additional and alternative method for the doing of the things
1013 authorized thereby, and shall be regarded as supplemental and
1014 additional to powers conferred by other laws; provided the issuance of
1015 bonds and refunding bonds under the provisions of this chapter need
1016 not comply with the requirements of any other law applicable to the
1017 issuance of bonds including, particularly, title 42a; and provided in the
1018 construction and acquisition of a project pursuant hereto the authority
1019 need not comply with the requirements of chapter 50. Except as
1020 otherwise expressly provided in this chapter and the provisions of
1021 chapter 62 concerning state contracting agencies, none of the powers
1022 granted to the authority under the provisions of this chapter shall be
1023 subject to the supervision or regulation or require the approval or
1024 consent of any municipality or political subdivision or any commission,
1025 board, body, bureau, official or agency thereof or of the state.

1026 Sec. 33. Subsection (s) of section 10a-204b of the general statutes is
1027 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1028 *2024*):

1029 (s) The provisions of this section shall be deemed to provide a
1030 complete, additional and alternative method for the actions and the
1031 things authorized thereby and shall be regarded as supplemental and

1032 additional to powers granted by other laws; the issuance of bonds, notes
1033 or other obligations under the provisions of this section need not comply
1034 with the requirements of any law applicable to the issuance of bonds,
1035 notes or other obligations. This section, being necessary for the welfare
1036 of the state and its inhabitants, shall be liberally construed to affect its
1037 purpose. None of the powers granted to the corporation or to any
1038 subsidiary created pursuant to subdivision (5) of section 10a-204 under
1039 the provisions of this section shall be subject to the supervision or
1040 regulation or require the approval or consent of any municipality or
1041 political subdivision or any department, division, commission, board,
1042 body, bureau, official or agency thereof or of the state, and the exercise
1043 thereof shall not cause the corporation or any such subsidiary to be
1044 construed to be an agency within the scope of chapter 54 or a
1045 department, institution or agency of the state, except that the
1046 corporation or any such subsidiary shall comply with the provisions of
1047 chapter 62 concerning state contracting agencies.

1048 Sec. 34. Section 10a-243 of the general statutes is repealed and the
1049 following is substituted in lieu thereof (*Effective July 1, 2024*):

1050 The provisions of this chapter shall be deemed to provide a complete,
1051 additional and alternative method for the actions of the things
1052 authorized thereby and shall be regarded as supplemental and
1053 additional to powers granted by other laws; the issuance of revenue
1054 bonds or notes and revenue refunding bonds or notes under the
1055 provisions of this chapter need not comply with the requirements of any
1056 other law applicable to the issuance of bonds or notes. This chapter,
1057 being necessary for the welfare of the state and its inhabitants, shall be
1058 liberally construed to effect its purpose. Except as otherwise expressly
1059 provided in this chapter and in the provisions of chapter 62 concerning
1060 state contracting agencies, none of the powers granted to the authority
1061 under the provisions of this chapter shall be subject to the supervision
1062 or regulation or require the approval or consent of any municipality or
1063 political subdivision or any department, division, commission, board,
1064 body, bureau, official or agency thereof or of the state. The authority
1065 shall not be construed to be an agency within the scope of chapter 54 or

1066 a department, institution or agency of the state.

1067 Sec. 35. Subdivision (16) of subsection (b) of section 12-806 of the 2024
1068 supplement to the general statutes is repealed and the following is
1069 substituted in lieu thereof (*Effective July 1, 2024*):

1070 (16) To invest in, acquire, lease, purchase, own, manage, hold and
1071 dispose of real property and lease, convey or deal in or enter into
1072 agreements with respect to such property on any terms necessary or
1073 incidental to carrying out the purposes of sections 12-563a, 12-800 to 12-
1074 818, inclusive, and sections 12-853 and 12-854, provided such
1075 transactions shall not be subject to approval, review or regulation
1076 pursuant to title 4b or any other statute by any state agency, except that
1077 real property transactions shall be subject to review by the State
1078 Properties Review Board and contracts shall be subject to the provisions
1079 of chapter 62 concerning state contracting agencies;

1080 Sec. 36. Section 12-815 of the general statutes is repealed and the
1081 following is substituted in lieu thereof (*Effective July 1, 2024*):

1082 (a) The corporation shall establish and adopt specific policies, rules
1083 and procedures on purchasing and contracting. Such policies, rules and
1084 procedures or amendments thereto shall be approved by a two-thirds
1085 vote of the entire board. Notwithstanding any other provision of law to
1086 the contrary, the corporation may enter into management, consulting
1087 and other agreements for the provision of goods, services and
1088 professional advisors necessary or useful in connection with the
1089 operation and management of the lottery (1) pursuant to a process of
1090 open or competitive bidding, provided (A) the corporation shall first
1091 determine the format, content and scope of any agreement for any
1092 procurement of goods or services, the conditions under which bidding
1093 will take place and the schedule and stipulations for contract award, and
1094 (B) the corporation may select the contractor deemed to have submitted
1095 the most favorable bid, considering price and other factors, when, in the
1096 judgment of the corporation, such award is in the best interests of the
1097 corporation, or (2) if the corporation, in its discretion, determines that,
1098 due to the nature of the agreement to be contracted for or procured,

1099 open or public bidding is either impracticable or not in the best interests
1100 of the corporation, by negotiation with such prospective providers as
1101 the corporation may determine. The terms and conditions of agreements
1102 and the fees or other compensation to be paid to such persons shall be
1103 determined by the corporation. The agreements entered into by the
1104 corporation in accordance with the provisions of this section shall not
1105 be subject to the approval of any state department, office or agency,
1106 except as provided in chapter 62 in the provisions concerning state
1107 contracting agencies or in regulations adopted by the Department of
1108 Consumer Protection. Nothing in this section shall be deemed to restrict
1109 the discretion of the corporation to utilize its own staff and workforce
1110 for the performance of any of its assigned responsibilities and functions
1111 whenever, in the discretion of the corporation, it becomes necessary,
1112 convenient or desirable to do so. Copies of all agreements of the
1113 corporation shall be maintained by the corporation at its offices as public
1114 records, subject to said exemption.

1115 (b) [The] Except as provided in chapter 62, the corporation shall not
1116 be subject to rules, regulations or restrictions on purchasing or
1117 procurement or the disposition of assets generally applicable to
1118 Connecticut state agencies, including those contained in titles 4a and 4b
1119 and the corresponding rules and regulations. The board shall adopt
1120 rules and procedures on purchasing, procurement and the disposition
1121 of assets applicable to the corporation. The adoption of such rules or
1122 procedures shall not be subject to chapter 54. Any such rules or
1123 procedures shall be a public record, as defined in section 1-200.

1124 Sec. 37. Section 22a-268 of the general statutes is repealed and the
1125 following is substituted in lieu thereof (*Effective July 1, 2024*):

1126 The authority shall utilize private industry, by contract, to carry out
1127 the business, design, operating, management, marketing, planning and
1128 research and development functions of the authority, unless the
1129 authority determines that it is in the public interest to adopt another
1130 course of action. The authority is hereby empowered to enter into long-
1131 term contracts with private persons for the performance of any such

1132 functions of the authority which, in the opinion of the authority, can
1133 desirably and conveniently be carried out by a private person under
1134 contract provided any such contract shall contain such terms and
1135 conditions as will enable the authority to retain overall supervision and
1136 control of the business, design, operating, management, transportation,
1137 marketing, planning and research and development functions to be
1138 carried out or to be performed by such private persons pursuant to such
1139 contract. Such contracts shall be entered into either on a competitive
1140 negotiation or competitive bidding basis, and the authority in its
1141 discretion may select the type of contract it deems most prudent to
1142 utilize, pursuant to the contracting procedures adopted under section
1143 22a-268a and considering the scope of work, the management
1144 complexities associated therewith, the extent of current and future
1145 technological development requirements and the best interests of the
1146 state. Whenever a long-term contract is entered into on other than a
1147 competitive bidding basis, the criteria and procedures therefor shall
1148 conform to applicable provisions of subdivision (16) of subsection (a)
1149 and subsections (b) and (c) of section 22a-266, provided however, that
1150 any contract for a period of over five years in duration, or any contract
1151 for which the annual consideration is greater than fifty thousand dollars
1152 shall be approved by a two-thirds vote of the authority's full board of
1153 directors. The terms and conditions of such contracts shall be
1154 determined by the authority, as shall the fees or other similar
1155 compensation to be paid to such persons for such contracts. The
1156 contracts entered into by the authority shall not be subject to the
1157 approval of any other state department, office or agency, except as
1158 provided in chapter 62, in the provisions concerning state contracting
1159 agencies. However, copies of all contracts of the authority shall be
1160 maintained by the authority as public records, subject to the proprietary
1161 rights of any party to the contract. Nothing of the aforesaid shall be
1162 deemed to restrict the discretion of the authority to utilize its own staff
1163 and work force for the performance of any of its assigned
1164 responsibilities and functions whenever, in the discretion of the
1165 authority, it becomes necessary, convenient or desirable to do so. Any
1166 litigation with respect to any terms, conditions or provisions of any

1167 contract of the authority, or the performance or nonperformance of same
1168 by either party, shall be tried before a judge of the Superior Court of
1169 Connecticut.

1170 Sec. 38. Subdivision (14) of section 31-49h of the general statutes is
1171 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1172 *2024*):

1173 (14) Make and enter into any contract or agreement necessary or
1174 incidental to the performance of its duties and execution of its powers.
1175 [The] Except as provided in chapter 62, the contracts and agreements
1176 entered into by the authority shall not be subject to the approval of any
1177 other state department, office or agency, provided copies of all such
1178 contracts shall be maintained by the authority as public records, subject
1179 to the proprietary rights of any party to such contracts. No contract shall
1180 contain any provision in which any contractor derives any direct or
1181 indirect economic benefit from denying or otherwise influencing the
1182 outcome of any claim for benefits. The standard criteria for the
1183 evaluation of proposals relating to claims processing, web site
1184 development, database development, marketing and advertising, in the
1185 event the authority seeks the services of an outside contractor for such
1186 tasks, and for the evaluation of proposals relating to all other contracts
1187 in amounts equal to or exceeding two hundred fifty thousand dollars
1188 shall include, but need not be limited to: (A) Transparency, (B) cost, (C)
1189 efficiency of operations, (D) quality of work related to the contracts
1190 issued, (E) user experience, (F) accountability, and (G) a cost-benefit
1191 analysis documenting the direct and indirect costs of such contracts,
1192 including qualitative and quantitative benefits that will result from the
1193 implementation of such contracts. The establishment of additional
1194 standard criteria shall be approved by a two-thirds vote of the board
1195 after such criteria have been posted on a public Internet web site
1196 maintained by the authority for notice and comment for at least one
1197 week prior to such vote.

1198 Sec. 39. Subdivision (13) of section 38a-1083 of the general statutes is
1199 repealed and the following is substituted in lieu thereof (*Effective July 1,*

1200 2024):

1201 (13) Make and enter into any contract or agreement necessary or
1202 incidental to the performance of its duties and execution of its powers,
1203 including, but not limited to, an agreement with the Office of Health
1204 Strategy to use funds collected under this section for the operation of
1205 the all-payer claims database established under section 19a-755a and to
1206 receive data from such database. The contracts entered into by the
1207 exchange shall not be subject to the approval of any other state
1208 department, office or agency, provided copies of all contracts of the
1209 exchange shall be maintained by the exchange as public records, subject
1210 to the proprietary rights of any party to the contract, except (A) as
1211 provided in chapter 62, and (B) any agreement with the Office of Health
1212 Strategy shall be subject to approval by said office and the Office of
1213 Policy and Management and no portion of such agreement shall be
1214 considered proprietary;

1215 Sec. 40. Subsection (b) of section 46a-10b of the general statutes is
1216 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1217 *2024*):

1218 (b) Notwithstanding the provisions of sections 4-212 to 4-219,
1219 inclusive, subdivision [(21)] (20) of section 4e-1, as amended by this act,
1220 and chapter 62a, not later than July 1, 2017, the Governor shall designate
1221 a nonprofit entity to serve as the Connecticut protection and advocacy
1222 system.

1223 Sec. 41. Subsection (a) of section 4e-30 of the general statutes is
1224 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1225 *2024*):

1226 (a) A state contracting agency shall evaluate the financial condition
1227 of all bidders or proposers prior to selecting a bidder or proposer to
1228 perform a contract or subcontract. A state contracting agency may audit
1229 the books and records of a contractor or any subcontractor under any
1230 negotiated contract or subcontract to the extent that such books and
1231 records relate to the performance of such contract or subcontract. Such

1232 books and records shall be maintained by the contractor for a period of
 1233 three years from the date of final payment under the prime contract and
 1234 by the subcontractor for a period of three years from the expiration of
 1235 the subcontract.

1236 Sec. 42. Section 4e-3 of the general statutes is amended by adding
 1237 subsection (c) as follows (*Effective July 1, 2024*):

1238 (NEW) (c) Any provision of this title shall supersede any contrary
 1239 provision concerning a state contracting agency or quasi-public agency
 1240 in any provision of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2024</i>	4e-1
Sec. 3	<i>July 1, 2024</i>	4e-2(g) and (h)
Sec. 4	<i>July 1, 2024</i>	4e-3(a)(2)
Sec. 5	<i>July 1, 2024</i>	4e-4
Sec. 6	<i>July 1, 2024</i>	4e-5(a) to (c)
Sec. 7	<i>July 1, 2024</i>	4e-7(a)
Sec. 8	<i>July 1, 2024</i>	4e-8
Sec. 9	<i>July 1, 2024</i>	4e-10(a)
Sec. 10	<i>July 1, 2024</i>	4e-14
Sec. 11	<i>July 1, 2024</i>	4e-16(c) and (d)
Sec. 12	<i>July 1, 2024</i>	4e-16(l)(2) to (4)
Sec. 13	<i>July 1, 2024</i>	4e-16(n)
Sec. 14	<i>July 1, 2024</i>	4e-16(p)
Sec. 15	<i>July 1, 2024</i>	4e-17
Sec. 16	<i>July 1, 2024</i>	4e-18
Sec. 17	<i>July 1, 2024</i>	4e-21(c)
Sec. 18	<i>July 1, 2024</i>	4e-24
Sec. 19	<i>July 1, 2024</i>	4e-27
Sec. 20	<i>July 1, 2024</i>	4e-31
Sec. 21	<i>July 1, 2024</i>	4e-34
Sec. 22	<i>July 1, 2024</i>	4e-35
Sec. 23	<i>July 1, 2024</i>	4e-37(g) to (i)
Sec. 24	<i>July 1, 2024</i>	4e-38
Sec. 25	<i>July 1, 2024</i>	4e-40(2)

Sec. 26	July 1, 2024	4e-45
Sec. 27	July 1, 2024	4e-46
Sec. 28	July 1, 2024	4e-48(a)
Sec. 29	July 1, 2024	4e-72
Sec. 30	July 1, 2024	15-31b(15)
Sec. 31	July 1, 2024	15-31b(b) and (c)
Sec. 32	July 1, 2024	10a-196
Sec. 33	July 1, 2024	10a-204b(s)
Sec. 34	July 1, 2024	10a-243
Sec. 35	July 1, 2024	12-806(b)(16)
Sec. 36	July 1, 2024	12-815
Sec. 37	July 1, 2024	22a-268
Sec. 38	July 1, 2024	31-49h(14)
Sec. 39	July 1, 2024	38a-1083(13)
Sec. 40	July 1, 2024	46a-10b(b)
Sec. 41	July 1, 2024	4e-30(a)
Sec. 42	July 1, 2024	4e-3(c)

Statement of Legislative Commissioners:

In Section 2(8)(E), "state agency" was changed to "state contracting agency" for consistency.

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 25 \$	FY 26 \$
State Contracting Standards Board	GF - Cost	634,543	494,543
State Comptroller - Fringe Benefits ¹	GF - Cost	194,099	194,099

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill expands the scope and oversight responsibilities of the State Contracting Standards Board (SCSB) and result in a total cost of \$828,642 in FY 25 and \$688,642 in FY 26 to hire six additional employees.

This cost is associated with the expanded workload the bill requires the SCSB to extend authority over quasi-public agencies. This will require six additional full-time employees, and includes an Attorney I, a Procurement Program Manager, a Paralegal Specialist, a Trainer, and two Auditor I's at a salary cost of \$470,543 annually and a fringe cost of \$194,099.

There will be other costs associated with the additional personnel including a one-time cost for each additional employee of \$15,000 in FY 25. This will be used to purchase case management software, equipment, training, and office supplies. There is an ongoing annual

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

cost for the additional employees of \$4,000 for software licenses.

There are additional costs associated with relocating the SCSB. Additional office space would be required to facilitate the additional personnel and workload created by the bill. This relocation cost is expected to be a one-time cost of \$50,000 in FY 25.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, and inflation.

OLR Bill Analysis**sSB 391*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE CONTRACTING STANDARDS BOARD.*****SUMMARY**

This bill makes several changes that expand the State Contracting Standards Board's (SCSB) powers and duties. It grants the board certain protections against modifications to its budget request and reductions in its allotments. It also subjects quasi-public agencies to the board's full authority, including the law on privatization contracts, by making them "state contracting agencies" under the board's authorizing statutes. Additionally, it makes other changes to the privatization law (e.g., adding to the analyses that agencies must conduct for a proposed privatization).

Separately, the bill requires agency procurement officers to advise bidders, proposers, and contractors about certain rights enforced by SCSB (e.g., the right to contest a contract solicitation or award). It also requires contracting agencies to (1) post information on their websites about certain emergency procurements they enter into and (2) evaluate bidders' and proposers' financial condition before selecting one to perform a contract or subcontract (§ 41). It also broadens the reasons for which SCSB may disqualify contractors, bidders, and proposers.

The bill specifies that the provisions of the law on state contracting (Title 4e) supersede any contrary provision about a state contracting agency or quasi-public agency in the general statutes (§ 42). Among other things, state law includes provisions on state agency personal services agreements (CGS § 4-212 et seq.); goods and services purchases (CGS § 4a-50 et seq.); and capital projects (CGS § 4b-51 et seq.).

Lastly, the bill makes other minor, technical, and conforming changes (e.g., § 40).

EFFECTIVE DATE: July 1, 2024, except that the provision on budget request modifications and allotment reductions is effective upon passage.

§§ 1 & 3 — SCSB BUDGET AND STAFFING

The bill requires the Office of Policy and Management (OPM) secretary to include the SCSB executive director's estimates of the board's expenditure requirements and recommended adjustments and revisions in the proposed budget documents that OPM submits to the legislature, without altering them. It also prohibits the governor from reducing SCSB's allotment requisitions or allotments in force. Existing law grants these same protections to the (1) Office of State Ethics (CGS § 1-81a), (2) Freedom of Information Commission (CGS § 1-205a), and (3) State Elections Enforcement Commission (CGS § 9-7c).

Separately, the bill requires that SCSB employ at least five full-time employees, subject to the State Personnel Act.

§§ 2-39 — SCSB AUTHORITY OVER QUASI-PUBLIC AGENCIES

Under current law, SCSB has limited authority over quasi-public agencies, as, with one exception, SCSB's authorizing statutes generally exclude them from the definition of "state contracting agency." (Most of SCSB's powers and duties apply to state contracting agencies only, see BACKGROUND.)

The bill instead subjects quasi-public agencies to SCSB's full authority, with limited exceptions. It does so by adding quasi-public agencies to the definition of "state contracting agency" (see § 2) and making conforming changes throughout the bill. Under existing law, the state has 16 quasi-public agencies (CGS § 1-120).

The table below lists a selection of SCSB statutes applicable to state contracting agencies that the bill extends to quasi-public agencies. However, the bill does not extend provisions on contractor, bidder, or

proposer suspensions issued by state agencies (§§ 22-24).

Table: Selected SCSB Statutes Applicable to Quasi-Public Agencies Under the Bill

<i>Bill Section (if applicable)</i>	<i>Statute</i>	<i>Description</i>
4	CGS § 4e-3	SCSB may exercise quasi-public agencies' contracting-related powers, rights, and duties
5	CGS § 4e-4	SCSB must review, certify, and periodically recertify quasi-public agency procurement processes
6	CGS § 4e-5	Quasi-public agencies must appoint a procurement officer
—	CGS § 4e-6	SCSB must audit each quasi-public agency's compliance with procurement laws and regulations every three years
7	CGS § 4e-7	SCSB may, under specified conditions, (1) review and terminate quasi-public agency contracts and procurement agreements or (2) restrict or terminate the quasi-public agency's ability to enter into contracts or procurement agreements
10	CGS § 4e-14	Quasi-public agency contracts must contain provisions ensuring accountability, transparency, and results-based outcomes, as prescribed by SCSB (it appears SCSB has not prescribed these standards for state contracting agencies to date)
11-13	CGS § 4e-16	Quasi-public agencies must comply with the privatization law (see below)
—	CGS § 4e-19	Quasi-public agencies must use specified procurement methods when purchasing goods and services (these provisions require SCSB to adopt implementing regulations before they become operative, but the board has not adopted them to date)
—	CGS § 4e-39	Quasi-public agency solicitations or proposed awards are subject to cancellation if SCSB finds that a violation of the law has occurred
21	CGS § 4e-34	SCSB may disqualify contractors from bidding on, applying for, or participating in state contracts with quasi-public agencies for up to five years if certain violations occur (see below)
25	CGS § 4e-40	SCSB may, after a quasi-public agency contract is awarded, take certain actions, including terminating the contract, if SCSB finds it violates the law

Separately, the bill adds four representatives of quasi-public agencies to the Contracting Standards Advisory Council, two each appointed by the House speaker and Senate president (§ 8). By law, the council must

meet at least four times per year and make recommendations to SCSB for improving procurement processes.

§§ 2 & 11-14 — PRIVATIZATION LAW

Application to Quasi-Public Agencies

The bill applies the privatization law to quasi-public agencies. Under the privatization law, if a state contracting agency seeks to enter into a contract that privatizes services performed by state employees, it generally must do a cost-benefit analysis and submit a business case to SCSB for its approval. The business case must include, among other things, the cost-benefit analysis and 11 other analyses (the bill adds two more, see below) relating to the privatized service, such as its goals and their rationale, and options for achieving them (CGS § 4e-16(d)). An agency may publish notice soliciting bids for a privatization contract only after the board approves the business case (CGS § 4e-16(i)).

For privatization contracts not subject to this requirement (i.e., contracts for services that are currently privatized), contracting agencies must instead evaluate the contract to determine if entering into or renewing it is the most cost-effective way to deliver the service. (The bill also expands SCSB's role in this evaluation, see below.)

Other Changes

Business Case. As described above, existing law requires contracting agencies to develop a business case, consisting of multiple analyses, for a service it seeks to privatize. The bill requires that the business case additionally include analyses of a proposed contract's (1) potential impact on workers of color or workers who are women, including whether it will lessen or increase historical patterns that produce inequities between these workers and other workers, and (2) qualitative impact on the existing state workforce. (The bill does not further specify what factors comprise a "qualitative impact.")

Employee Opportunity to Reduce Costs. Under current law, if a proposed privatization contract would result in the layoff, transfer, or reassignment of at least 100 state agency employees, then the agency

generally must give the employees (1) an opportunity to reduce the costs of conducting the potentially privatized operations and (2) reasonable resources to encourage and help them to organize and submit a bid to provide the potentially privatized services. The bill decreases, from 100 to 25, the number of employees who must potentially be affected by a privatization to trigger this requirement. As under current law, the state agency retains sole discretion over whether to proceed with the privatization as long as SCSB approves the business case.

Core Governmental Function. The bill expands the definition of “core governmental function” under the privatization statute to include providing essential human services to state residents who would otherwise lack the support necessary to assure basic human needs. The privatization statute establishes a rebuttable presumption that “core governmental functions” should not be privatized.

Cost-Effectiveness Evaluation. For privatization contracts not subject to the business case requirement (i.e., contracts for services that are currently privatized), current law requires contracting agencies to evaluate the contract, using a template the OPM secretary prescribes, to determine if entering into or renewing it is the most cost-effective way to deliver the service. The bill requires that the (1) evaluation be submitted to the board, rather than being subject to the secretary’s verification and (2) secretary consult with (a) SCSB when prescribing the evaluation template and (b) the chief procurement officer when deciding whether to waive the evaluation requirement because of exigent or emergent circumstances.

§ 6 — AGENCY PROCUREMENT OFFICERS

Existing law requires the head of each state contracting agency to appoint an agency procurement officer who must, among other things, (1) assure that contractors are properly screened before a contract award and (2) evaluate contractor performance during and at the conclusion of a contract. (The bill extends this requirement to quasi-public agencies.)

The bill additionally requires procurement officers to advise bidders,

proposers, and contractors about their right to contest a contract solicitation or award. Specifically, procurement officers must ensure that (1) each bid, RFP (request for proposals), or other solicitation for goods and services contains a notice about these rights; (2) contractors are advised about these rights before entering a contract; and (3) unsuccessful bidders, proposers, and respondents are advised about these rights when the contract is awarded.

§§ 17 & 18 — EMERGENCY PROCUREMENTS

Purchases of \$10,000 or Less (§ 17)

The law allows SCSB, in consultation with the Department of Administrative Services (DAS) commissioner, to waive competitive bidding or negotiation requirements for minor, nonrecurring, or emergency purchases of \$10,000 or less. The bill allows it to do so upon application by a contracting agency. It requires contracting agencies that get this waiver to post notice of the emergency purchase on their websites before making the purchase. (Existing law also allows the DAS commissioner to waive these requirements for purchases of \$25,000 or less for similar reasons without consulting the board (CGS § 4a-57(b)).)

Threats to Public Health, Welfare, or Safety (§ 18)

Current law requires SCSB to adopt regulations allowing emergency procurements when a threat to public health, welfare, or safety exists. (In practice, the board has not done so.) The bill instead directly allows contracting agencies to enter into these procurements and makes the board's adoption of regulations permissive.

The bill requires contracting agencies to (1) notify SCSB about the need for the procurement and (2) post on their websites their written determination of the basis for the emergency and selection of the particular contractor. As under existing law, this determination must also be in the contract file and sent to the governor and legislative leaders.

Existing law allows the DAS commissioner or the state's chief information officer to allow emergency procurements, subject to the

Standardization Committee's approval if the cost is \$100,000 or more (CGS § 4a-58).

§ 21 — DISQUALIFICATION BY SCSB

The law generally allows SCSB to disqualify a contractor (including bidders and proposers) from bidding on, applying for, or participating in state contracts for up to five years if it finds that certain violations occurred. Under current law, the board may do this for the fraudulent or criminal conduct of any officer, director, shareholder, partner, employee, or other individual associated with the contractor, if the (1) conduct occurred in connection with the person performing their duties on the contractor's behalf and (2) contractor knew or had reason to know about it. The bill more broadly allows the board to impose the disqualification for any of these individuals' fraudulent or criminal conduct, regardless of whether it occurred on the contractor's behalf or the contractor knew about it. It also applies the disqualification provisions to contracts with quasi-public agencies.

BACKGROUND

SCSB Authority Over Quasi-Public Agencies

Attorney General Opinion. In a 2021 opinion (Attorney General Opinion 2021-01), the attorney general concluded that most SCSB statutes give the board authority over state contracting agencies only, with only limited authority over quasi-public agencies. He noted that although the board has authority over certain bid contests involving quasi-public agencies, generally its authority over quasi-public agencies "is much more limited and circumscribed relative to its authority over state contracting agencies."

Exceptions. Under current law, the (1) State Education Resource Center is a state contracting agency under an SCSB statute governing procurement methods (CGS § 4e-19) and (2) Connecticut Port Authority is a state contracting agency under all SCSB authorizing statutes except the privatization law (CGS § 15a-31b).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/22/2024)