



# House of Representatives

General Assembly

**File No. 258**

February Session, 2002

House Bill No. 5138

*House of Representatives, April 2, 2002*

The Committee on Planning and Development reported through REP. DAVIS of the 50th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONFORMING HOUSING AUTHORITY PROCUREMENT PROCEDURES TO FEDERAL REQUIREMENTS.**

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

1 Section 1. Subsection (c) of section 8-37x of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2002*):

4 (c) Notwithstanding any other provision of the general statutes, the  
5 Commissioner of Economic and Community Development may, after  
6 conducting a public bidding process as provided in section 8-44, as  
7 amended by this act, enter into a master contract or contracts with  
8 local, regional or state-wide suppliers of labor, supplies, materials,  
9 services or personal property on behalf of one or more housing  
10 authorities operating state-financed housing programs or projects.  
11 [The commissioner may also approve the use by housing authorities,  
12 for state-financed programs or projects, of the federal General Services  
13 Administration Standard Purchasing Catalog, and amendments

14 thereto, or of the consolidated supply program of the United States  
15 Department of Housing and Urban Development in lieu of purchases  
16 under such master contract or contracts.] The commissioner may, in  
17 his discretion, with respect to partially completed state-financed  
18 programs or projects or in the event of emergencies affecting human  
19 health, safety, welfare and life or endangering property, waive the  
20 bidding requirement and [fiscal limits] threshold of said section 8-44.

21 Sec. 2. Section 8-44 of the general statutes is repealed and the  
22 following is substituted in lieu thereof (*Effective July 1, 2002*):

23 (a) An authority shall constitute a public body corporate and politic,  
24 exercising public powers and having all the powers necessary or  
25 convenient to carry out the purposes and provisions of this chapter,  
26 including the following enumerated powers in addition to others  
27 granted by any provision of the general statutes: [(a)] (1) To sue and be  
28 sued; to have a seal and to alter the same at pleasure; to have perpetual  
29 succession; to make and execute contracts and other instruments  
30 necessary or convenient to the exercise of the powers of the authority;  
31 and to make and from time to time amend and repeal bylaws, rules  
32 and regulations not inconsistent with this chapter to carry into effect  
33 the powers and purposes of the authority; [(b)] (2) within its area of  
34 operation, to prepare, carry out, acquire, lease and operate housing  
35 projects and to provide for the construction, reconstruction,  
36 improvement, alteration or repair of any housing project or any part  
37 thereof either directly or in the form of loans or other similar assistance  
38 to developers, all such housing projects where families with children  
39 are eligible for occupancy to contain reasonably adequate outdoor  
40 playground areas; [(c)] (3) to arrange or contract for the furnishing by  
41 any person or agency, public or private, of services, privileges, works  
42 or facilities for, or in connection with, a housing project or the  
43 occupants thereof; [(d)] (4) to demise any dwellings, houses,  
44 accommodations, lands, buildings, structures or facilities embraced in  
45 any housing project and, subject to the limitations contained in this  
46 chapter, to establish and revise the rents or charges therefor; to own,  
47 hold and improve real or personal property; to purchase, lease, obtain

48 options upon or acquire, by gift, grant, bequest, devise or otherwise,  
49 any real or personal property or any interest therein, provided no real  
50 property or interest therein shall be acquired for the site of a proposed  
51 housing project until the housing authority has held a public hearing  
52 concerning such site, notice of which has been published in the form of  
53 a legal advertisement in a newspaper having a substantial circulation  
54 in the municipality at least twice at intervals of not less than two days,  
55 the first not more than fifteen nor less than ten days, and the last not  
56 less than two days, before such hearing; to insure or provide for the  
57 insurance of any real or personal property or operations of the  
58 authority against any risks or hazards; to procure insurance or  
59 guarantees from the federal government of the payment of any debts  
60 or parts thereof, whether or not incurred by such authority, secured by  
61 mortgages on any property included in any of its housing projects;  
62 [(e)] (5) to invest any funds held in reserves or sinking funds, or any  
63 funds not required for immediate disbursements, in investments legal  
64 for mutual savings banks, provided that the provisions of subdivision  
65 (2) of subsection (n) of section 36-96 shall not be applicable to any such  
66 investment, and to purchase its bonds at a price not more than the  
67 principal amount thereof and accrued interest, all bonds so purchased  
68 to be cancelled; [(f)] (6) within its area of operation, to investigate  
69 living, dwelling and housing conditions and the means and methods  
70 of improving such conditions; to determine where slum areas exist or  
71 where there is a shortage of decent, safe and sanitary dwelling  
72 accommodations for families of low and moderate income; to make  
73 studies and recommendations relating to the problem of clearing,  
74 replanning and reconstructing slum areas, and the problem of  
75 providing dwelling accommodations for families of low and moderate  
76 income, and to cooperate with the municipality or the state or any  
77 political subdivision thereof in action taken in connection with such  
78 problems; [(g)] (7) to promote the creation and preservation of housing  
79 for low and moderate income persons and families, either directly or  
80 through an agency or instrumentality designated or appointed by the  
81 authority, by lending or otherwise making available to developers the  
82 proceeds from the sale of obligations which are tax-exempt pursuant to

83 the provisions of the Internal Revenue Code of 1986, or any  
84 subsequent corresponding internal revenue code of the United States,  
85 as from time to time amended, or Section 11(b) of the United States  
86 Housing Act of 1937, as amended, or any successor provisions  
87 amendatory or supplementary thereto, provided no such obligations  
88 or other notes or securities issued by any agency or instrumentality  
89 designated or approved by the authority pursuant to the provisions of  
90 this subdivision, shall create or imply any indebtedness of any kind on  
91 the part of the housing authority, the state, or any political subdivision  
92 thereof; and [(h)] (8) to exercise all or any part or combination of  
93 powers herein granted. No provision of law with respect to the  
94 operation or disposition of property by other public bodies shall be  
95 applicable to an authority unless the General Assembly specifically so  
96 states.

97 (b) As used in this subsection, "housing project construction work"  
98 means the construction, reconstruction, improvement, alteration or  
99 repair of a housing project or any part of a housing project; and  
100 "simplified acquisition threshold" has the same meaning as "simplified  
101 acquisition threshold", as defined in 41 USC 403(11). All contracts to be  
102 made or let by an authority for housing project construction work,  
103 supplies, or [for] purchases of personal property of every description,  
104 shall be publicly advertised, for the purpose of receiving bids upon the  
105 same, in a local daily paper and, if deemed advisable, in other papers,  
106 provided the several parts of such housing project construction work,  
107 supplies or personal property shall, together, involve [the] an  
108 expenditure [of more than twenty-five thousand dollars] that exceeds  
109 the simplified acquisition threshold. The bids received in response to  
110 such public advertisement shall be publicly opened at a hearing of the  
111 authority, the date and time of such hearing being named in such  
112 public advertisement, and the contract or award shall be made by the  
113 authority with or to the lowest responsible bidder. [Such bidding may  
114 be waived by vote of the authority when the public interest so  
115 requires, provided the reasons for such waiver shall be set forth and  
116 made public and provided the total cost of such work, supplies or  
117 personal property shall not exceed thirty thousand dollars.] Such



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Fund-Type</b>	<b>Agency Affected</b>	<b>FY 03 \$</b>	<b>FY 04 \$</b>
GF - None	Econ. & Com. Development, Dept.	None	None

Note: GF=General Fund

**Municipal Impact:**

<b>Effect</b>	<b>Municipalities</b>	<b>FY 03 \$</b>	<b>FY 04 \$</b>
Savings	Housing Authorities	Potential Minimal	Potential Minimal

**Explanation**

This bill makes housing authority purchasing and procurement procedures consistent with federal law.

Passage of this bill would have no fiscal impact on the Department of Economic and Community Development.

Passage of this bill could result in potential minimal administrative savings to housing authorities. In particular, smaller housing agencies may realize administrative savings as the changes in procurement and bidding requirements are less burdensome than the requirements under current law.

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**OLR Bill Analysis**

HB 5138

**AN ACT CONFORMING HOUSING AUTHORITY PROCUREMENT PROCEDURES TO FEDERAL REQUIREMENTS****SUMMARY:**

This bill makes state housing authority purchasing and procurement procedures consistent with federal law in three ways. It:

1. raises the spending threshold that triggers bidding requirements from exceeding \$25,000 to exceeding \$100,000 (federal threshold) and specifies the requirements apply only to housing project construction work, supplies, or personal property;
2. imposes federal competitive proposal requirements for purchases at or below \$100,000; and
3. removes procurement of professional services at any expense level from bidding requirements and places it under federal competitive proposal requirements.

Under current law, all contracts or purchases involving an expenditure of more than \$25,000 must follow a competitive bid process, and no distinction is made between construction work and professional services. Current law allows an authority to waive the bid process for contracts up to \$30,000 by a vote if it states such waiver is in the public interest.

The bill makes several conforming changes.

EFFECTIVE DATE: July 1, 2002

**CONTRACTS AND PURCHASES SUBJECT TO BIDDING REQUIREMENTS**

The bill defines "housing project construction work" as the construction, reconstruction, improvement, alteration, or repair of a housing project or any part of a housing project. It also states that "simplified acquisition threshold" has the same meaning as in federal public contract law, which currently sets the threshold at \$100,000. The bill applies the existing state bidding requirements (including bid

advertising, public bid opening, and awarding the contract to the lowest responsible bidder) to housing project construction work or supply contracts and personal property purchases of more than \$100,000.

**CONTRACTS, PURCHASES, AND PROFESSIONAL SERVICES NOT SUBJECT TO BIDDING REQUIREMENTS**

The bill makes (1) contracts and purchases of \$100,000 or less and (2) professional services of any price subject to the federal standard for the competitive proposals process. This process requires (1) public requests for proposals, (2) soliciting proposals from qualified sources, (3) technical evaluations of proposals, and (4) contract awards made to the responsible source deemed most advantageous to the housing authority, considering price and other factors.

**COMMITTEE ACTION**

Select Committee on Housing

Joint Favorable Change of Reference  
Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Report  
Yea 17 Nay 0