



General Assembly

January Session, 2007

Bill No. 1485

LCO No. 9371

*09371 _____ *

Referred to Committee on No Committee

Introduced by:

SEN. WILLIAMS, 29th Dist.

REP. AMANN, 118th Dist.

AN ACT CONCERNING CLEAN CONTRACTING STANDARDS.

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

1 Section 1. (NEW) (*Effective from passage*) For the purposes of sections
2 1 to 47, inclusive, of this act:

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

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

10 (3) "Bidder" means a person, firm or corporation submitting a
11 competitive bid in response to a state contracting agency to
12 solicitation;

13 (4) "Business" means any individual or sole proprietorship,

14 partnership, firm, corporation, trust, limited liability company, limited
15 liability partnership, joint stock company, joint venture or other legal
16 entity through which business for profit or not-for-profit is conducted;

17 (5) "Competitive bidding" means the submission of prices by
18 persons, firms or corporations competing for a contract to provide
19 supplies, materials, equipment or contractual services to a state
20 contracting agency, under a procedure in which the contracting
21 authority does not negotiate prices, as set forth in statutes and
22 regulations concerning procurement;

23 (6) "Consultant" means (A) any architect, professional engineer,
24 landscape architect, land surveyor, accountant, interior designer,
25 environmental professional or construction administrator, who is
26 registered or licensed to practice such person's profession in
27 accordance with the applicable provisions of the general statutes, (B)
28 any planner or any environmental, management or financial specialist,
29 or (C) any person who performs professional work in areas including,
30 but not limited to, educational services, medical services, information
31 technology and real estate appraisal;

32 (7) "Consultant services" means those professional services rendered
33 by architects, professional engineers, landscape architects, land
34 surveyors, accountants, interior designers, environmental
35 professionals, construction administrators, planners or environmental,
36 management or financial specialists, as well as incidental services that
37 members of these professions and those in their employ are authorized
38 to perform;

39 (8) "Contract" or "state contract" means an agreement or a
40 combination or series of agreements between a state agency or quasi-
41 public agency and a person, firm or corporation for:

42 (A) A project for the construction, reconstruction, alteration,
43 remodeling, repair or demolition of any public building, public work,
44 mass transit, rail station, parking garage, rail track or airport

45 improvement;

46 (B) Services, including, but not limited to, consulting and
47 professional services;

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

49 (D) Goods and services, including, but not limited to, the use of
50 purchase of services contracts and personal service agreements;

51 (E) Transactions involving information technology, state agency
52 information system or telecommunication system facilities, equipment
53 or services, that is awarded pursuant to statutes or regulations
54 concerning procurement or subsection (e) of section 1-205 of the
55 general statutes, subsection (c) of section 1-211 of the general statutes,
56 subsection (b) of section 1-212 of the general statutes, section 4-5 of the
57 general statutes, section 42 of this act, 10a-151b of the general statutes,
58 subsection (a) of section 19a-110, of the general statutes, or subsection
59 (b) of section 32-6i of the general statutes;

60 (F) A lease; or

61 (G) A licensing agreement;

62 "Contract" or "state contract" does not include a contract between a
63 state agency or a quasi-public agency and a political subdivision of the
64 state;

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

69 (10) "Contract risk assessment" means (A) the identification and
70 evaluation of loss exposures and risks, including, but not limited to,
71 business and legal risks associated with the contracting process and
72 the contracted goods and services, and (B) the identification,

73 evaluation and implementation of measures available to minimize
74 potential loss exposures and risks;

75 (11) "Contractor" means any person or business entity who is
76 awarded, or participating as a subcontractor under, a contract or an
77 amendment to a contract with a state contracting agency under
78 statutes and regulations concerning procurement, including, but not
79 limited to, a small contractor, minority business enterprise, an
80 individual with a disability, as defined in section 4a-60 of the general
81 statutes and an organization providing products and services by
82 persons with disabilities;

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

99 (13) "Data" means recorded information, regardless of form or
100 characteristic;

101 (14) "Designee" means a duly authorized representative of a person
102 holding a superior position;

103 (15) "Electronic" means electrical, digital, magnetic, optical,

104 electromagnetic, or any other similar technology;

105 (16) "Emergency procurement" means procurement by a state
106 contracting agency, quasi-public agency, as defined in section 1-120 of
107 the general statutes, judicial department or constituent unit of higher
108 education that is made necessary by a sudden, unexpected occurrence
109 that poses a clear and imminent danger to public safety or requires
110 immediate action to prevent or mitigate the loss or impairment of life,
111 health, property or essential public services or in response to a court
112 order, settlement agreement or other similar legal judgment;

113 (17) "Equipment" means personal property of a durable nature that
114 retains its identity throughout its useful life;

115 (18) "Firm" means any individual, partnership, corporation, joint
116 venture, association or other legal entity authorized by law to practice
117 the profession of architecture, landscape architecture, engineering,
118 land surveying, accounting, planning or environmental, management
119 or financial specialization;

120 (19) "Materials" means items required to perform a function or used
121 in a manufacturing process, particularly those incorporated into an
122 end product or consumed in its manufacture;

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

129 (21) "Professional services" means any type of service to the public
130 that requires that members of a profession rendering such service
131 obtain a license or other legal authorization as a condition precedent to
132 the rendition thereof, limited to the professional services of architects,
133 professional engineers, or jointly by architects and professional

134 engineers, landscape architects, certified public accountants and public
135 accountants, land surveyors, attorneys-at-law, psychologists, licensed
136 marital and family therapists, licensed professional counselors and
137 licensed clinical social workers as well as such other professional
138 services described in section 33-182a of the general statutes;

139 (22) "Privatization contract" means an agreement or series of
140 agreements between a state contracting agency and a person or entity
141 in which such person or entity agrees to provide services that are
142 substantially similar to and in lieu of services provided, in whole or in
143 part, by state employees, other than contracts with a nonprofit agency,
144 which are in effect as of the effective date of this section and which
145 through a renewal, modification, extension or rebidding of contracts
146 continue to be provided by a nonprofit agency;

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

154 (24) "Proposer" means a person, firm or corporation submitting a
155 proposal in response to a request for proposals or other competitive
156 sealed proposal;

157 (25) "Public record" means a public record, as defined in section 1-
158 200 of the general statutes;

159 (26) "Qualification based selection" means a contract selection
160 process in which the award of a contract is primarily based on an
161 assessment of contractor qualifications and on the negotiation of a fair
162 and reasonable price;

163 (27) "Regulation" means regulation, as defined in section 4-166 of

164 the general statutes;

165 (28) "Request for proposals" means all documents, whether attached
166 or incorporated by reference, utilized for soliciting proposals;

167 (29) "State contracting agency", means any executive branch agency,
168 each state board, commission, department, office, institution or
169 council, political subdivisions of the state for procurement procedures
170 in place prior to the effective date of this section. "State contracting
171 agency" does not include the Judicial Branch, the office of the Secretary
172 of the State, the office of the State Treasurer, the office of the State
173 Comptroller or the office of the Attorney General with respect to their
174 constitutional functions. For the purposes of section 16 of this act, state
175 contracting agency includes any constituent unit of the state system of
176 higher education;

177 (30) "Subcontractor" means a subcontractor of a contractor for work
178 under a contract or an amendment to a contract;

179 (31) "Supplies" means any and all articles of personal property,
180 including, but not limited to, equipment, materials, printing, insurance
181 and leases of real property, excluding land or a permanent interest in
182 land furnished to or used by any state agency, including all printing,
183 binding, publication of laws, stationery, forms and reports;

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

195 (33) "State employee" means state employee, as defined in section 5-
196 154 of the general statutes and, for purposes of section 16 of this act
197 state employee includes an employee of any state contracting agency.

198 Sec. 2. (NEW) (*Effective from passage*) (a) There is established a State
199 Contracting Standards Board that shall consist of fourteen members
200 appointed as follows: Eight members by the Governor, two members
201 by the speaker of the House of Representatives, two members by the
202 president pro tempore of the Senate, one member by the majority
203 leader of the Senate and one member by the majority leader of the
204 House of Representatives. In the event that the party of the Governor
205 also controls both houses of the General Assembly, the board shall be
206 appointed as follows: Eight members by the Governor, one member by
207 the president pro tempore of the Senate, one member by the speaker of
208 the House of Representatives, one member by the majority leader of
209 the Senate, one member of the majority leader of the House of
210 Representatives, one member by the minority leader of the Senate and
211 one member by the minority leader of the House of Representatives.

212 (b) Each member shall have demonstrated sufficient knowledge by
213 education, training or experience in several of the following
214 enumerated areas: (1) Procurement; (2) contract negotiation, selection
215 and drafting; (3) contract risk assessment; (4) competitive bidding and
216 proposal procedures; (5) real estate transactions, including the
217 purchase, sale and lease of real estate and buildings; (6) building
218 construction and architecture; (7) business insurance and bonding; (8)
219 ethics in public contracting; (9) federal and state statutes, procurement
220 policies and regulations; (10) outsourcing and privatization analysis;
221 (11) small and minority business enterprise development; (12)
222 engineering and information technologies; (13) human services and
223 (14) personnel and labor relations, provided such education, training
224 or experience was acquired over not less than a continuous five-year
225 period within the ten-year period preceding such appointment.

226 (c) The chairperson of the board shall be appointed by the

227 Governor. The terms of the members shall be coterminous with the
228 terms of the appointing authority for each member and subject to the
229 provisions of section 4-1a of the general statutes. If any vacancy occurs
230 on the board, the appointing authority having the power to make the
231 appointment under the provisions of this section shall appoint a
232 person in accordance with the provisions of this section.

233 (d) The State Contracting Standards Board shall be an independent
234 body within the Executive Department.

235 (e) The chairperson of the board and other members of the board
236 shall be compensated two hundred dollars per diem. No person shall
237 serve on the board who is a full-time state or municipal employee. No
238 board member or any spouse, child, stepchild, parent or sibling of such
239 board member shall be directly involved in any enterprise that does
240 business with the state.

241 (f) The Governor shall appoint an executive director of the board
242 who shall serve as an ex-officio, nonvoting member of the board. The
243 executive director shall be appointed in accordance with the provisions
244 of section 4-7 of the general statutes and may be removed from office
245 for reasonable cause, in accordance with chapter 67 of the general
246 statutes. The board shall, annually, conduct a performance evaluation
247 of such executive director. The executive director shall report to the
248 chairperson of the board and, in consultation with the Chief
249 Procurement Officer, (1) conduct comprehensive planning with respect
250 to the administrative functions of the board; (2) coordinate the budget
251 and personnel activities of the board; (3) cause the administrative
252 organization of the board to be examined with a view to promoting
253 economy and efficiency; (4) act as the external liaison for the board;
254 and (5) execute such other duties as may be assigned by the
255 chairperson of the board. The executive director may enter into such
256 contractual agreements as may be necessary for the discharge of the
257 director's duties.

258 (g) The board shall appoint a Chief Procurement Officer for a term

259 not to exceed six years, unless reappointed pursuant to the provisions
260 of this subsection. The Chief Procurement Officer shall be supervised
261 by the chairperson and annually evaluated by, and serve at the
262 pleasure of, the board.

263 (1) The Chief Procurement Officer shall be responsible for carrying
264 out the policies of the board including, but not limited to, oversight,
265 investigation, auditing, agency procurement certification and
266 procurement and project management training and enforcement of
267 said policies as well as the application of such policies to the screening
268 and evaluation of current and prospective contractors. The Chief
269 Procurement Officer may enter into such contractual agreements as
270 may be necessary for the discharge of the duties as set forth in this
271 subsection and by the board, including, but not limited to,
272 recommending best practices and providing operational and
273 administrative assistance to state agencies determined, by the board, to
274 be in violation of this act.

275 (2) In addition to the duties set forth by the board, the Chief
276 Procurement Officer shall (A) oversee state contracting agency
277 compliance with the provisions of the uniform procurement code; (B)
278 monitor and assess the procurement duties of each Agency
279 Procurement Officer; (C) administer the certification system and
280 monitor the level of agency compliance with the requirements of the
281 uniform procurement code, including, but not limited to, the education
282 and training, performance and qualifications of agency contract
283 officers; (D) review and monitor the procurement processes of each
284 state contracting agency, quasi-public agencies and institutions of
285 higher education; and (E) serve as chairperson of the Contracting
286 Standards Advisory Council and an ex-officio member of the Vendor
287 and Citizen Advisory Panel.

288 (h) The board may contract with consultants and professionals on a
289 temporary or project by project basis and may employ, subject to the
290 provisions of chapter 67 of the general statutes, such employees as may

291 be necessary to carry out the provisions of this section.

292 (i) The reasonable expenses of the State Contracting Standards
293 Board and its employees shall be paid from the budget of the board,
294 upon the approval of the board.

295 (j) No employee of the State Contracting Standards Board shall hold
296 another state or full-time municipal position. No nonclerical employee
297 of the board or any spouse, child, stepchild, parent or sibling of such
298 employee shall be directly involved in any enterprise that does
299 business with the state. Each member and employee of the State
300 Contracting Standards Board shall file, with the board and with the
301 Office of State Ethics, a financial statement indicating all sources of
302 business income of such person in excess of one thousand dollars, and
303 the name of any business with which such member or employee is
304 associated, as defined in subsection (b) of section 1-79 of the general
305 statutes. Such statement shall be a public record. Financial statements
306 for the preceding calendar year shall be filed with the Office of State
307 Ethics, as required by law, if such employee or member held such a
308 position during the preceding calendar year.

309 (k) Any violation of the provisions of subsection (j) of this section
310 shall constitute a violation of part I of chapter 10 of the general statutes
311 and may be the subject of a complaint and investigation filed and
312 conducted in accordance with the provisions of section 1-82 of the
313 general statutes.

314 (l) The board shall adopt such rules as it deems necessary for the
315 conduct of its internal affairs, in accordance with section 4-167 of the
316 general statutes, including, but not limited to, rules of procedure for
317 any audit undertaken pursuant to section 6 of this act.

318 (m) Eight members of the board shall constitute a quorum which
319 shall be required for the transaction of business by the board.

320 Sec. 3. (NEW) (*Effective from passage*) (a) All rights, powers, duties,

321 and authority relating to the procurement policies of the state, vested
322 in, or exercised by, any state contracting agency may also be exercised
323 by the board, provided such rights, powers, duties and authority may
324 be exercised by the board as provided in sections 3 to 47, inclusive, of
325 this act, and absent any affirmative action by the board, pursuant to
326 said sections of this act, shall not be deemed to limit or restrict the
327 exercise of such rights, powers, duties and authority by any such state
328 contracting agency. Such rights, powers, duties and authority shall
329 include the following:

330 (1) Acquisition of supplies, services, and construction, and the
331 management, control, warehousing, sale, and disposal of supplies,
332 services, and construction;

333 (2) Any state contracting and procurement processes, including, but
334 not limited to, leasing and property transfers, purchasing or leasing of
335 supplies, materials or equipment, consultant or consultant services,
336 purchase of service agreements or privatization contracts as defined in
337 this act; and

338 (3) Contracts for the construction, reconstruction, alteration,
339 remodeling, repair or demolition of any public building.

340 (b) Upon request by the board, each state contracting agency,
341 including institutions of higher education, shall provide the board, in a
342 timely manner, with such procurement information as the board
343 deems necessary. The board shall have access to all information, files
344 and records related to any state contracting agency in furtherance of
345 this purpose. Nothing in this section shall be construed to require the
346 board's disclosure of documents that are exempt from disclosure
347 pursuant to chapter 14 of the general statutes.

348 Sec. 4. (NEW) (*Effective from passage*) Except as otherwise provided
349 in the general statutes, the board shall have the following authority
350 and responsibilities with respect to procurements by state contracting
351 agencies:

352 (a) Recommend the repeal of repetitive, conflicting or obsolete
353 statutes concerning state procurement;

354 (b) Review and make recommendations concerning proposed
355 legislation and regulations concerning procurement, management,
356 control, and disposal of any and all supplies, services, and construction
357 to be procured by the state, including, but not limited to:

358 (1) Conditions and procedures for delegation of procurement
359 authority;

360 (2) Prequalification, suspension, debarment and reinstatement of
361 prospective bidders and contractors;

362 (3) Small purchase procedures;

363 (4) Conditions and procedures for the procurement of perishables
364 and items for resale;

365 (5) Conditions and procedures for the use of source selection
366 methods authorized by statutes and regulations concerning
367 procurement;

368 (6) Conditions and procedures for the use of emergency
369 procurements;

370 (7) Conditions and procedures for the selection of contractors by
371 processes or methods that restrict full and open competition;

372 (8) The opening or rejection of bids and offers, and waiver of errors
373 in bids and offers;

374 (9) Confidentiality of technical data and trade secrets submitted by
375 actual or prospective bidders;

376 (10) Partial, progressive, and multiple awards;

377 (11) Supervision of storerooms and inventories, including

378 determination of appropriate stock levels and the management,
379 transfer, sale, or other disposal of publicly-owned supplies;

380 (12) Definitions and classes of contractual services and procedures
381 for acquiring such services;

382 (13) Regulations providing for conducting cost and price analysis;

383 (14) Use of payment and performance bonds;

384 (15) Guidelines for use of cost principles in negotiations,
385 adjustments, and settlements; and

386 (16) Identification of procurement best practices;

387 (c) Adopt regulations, pursuant to chapter 54 of the general statutes,
388 to carry out the provisions of statutes concerning procurement, in
389 order to facilitate consistent application of the law and require the
390 implementation of procurement best practices;

391 (d) Make recommendations with regard to information systems for
392 state procurement including, but not limited to data element and
393 design and the state contracting portal;

394 (e) Develop, publish and maintain statutes and regulations
395 concerning procurement for all state contracting agencies;

396 (f) Assist state contracting agencies in complying with the statutes
397 and regulations concerning procurement by providing guidance,
398 models, advice and practical assistance to state contracting agency staff
399 relating to: (1) Buying the best service at the best price, (2) properly
400 selecting contractors, and (3) drafting contracts that achieve state goals
401 of accountability, transparency and results based outcomes and to
402 protect taxpayers' interest;

403 (g) Train and oversee the Agency Procurement Officers of each state
404 contracting agency and any contracting officers thereunder:

405 (1) The head of each state contracting agency shall appoint an
406 Agency Procurement Officer. Such officer shall serve as the liaison
407 between the agency and the Chief Procurement Officer on all matters
408 relating to the agency's procurement activity, including, but not
409 limited to, implementation and compliance with the provisions of
410 statutes and regulations concerning procurement and any policies or
411 regulations adopted by the board, coordination of the training and
412 education of agency procurement employees and any person serving
413 on the Contract Standards Advisory Council;

414 (2) The Agency Procurement Officer shall be responsible for
415 assuring that contractors are properly screened prior to the award of a
416 contract, evaluating contractor performance during and at the
417 conclusion of a contract, submitting written evaluations to a central
418 data repository to be designated by the board and creating a project
419 management plan for the agency with annual reports to the board
420 pertaining to procurement projects within the agency;

421 (h) Review and certify, on or after July 1, 2008, that a state
422 contracting agency's procurement processes are in compliance with
423 statutes and regulations concerning procurement by:

424 (1) Establishing procurement and project management education
425 and training criteria and certification procedures for Agency
426 Procurement Officers and contracting officers. All Agency
427 Procurement Officers and contracting officers designated under this
428 provision shall be required to maintain the certification in good
429 standing at all times while performing procurement functions;

430 (2) Approving an ethics training course, in consultation with the
431 Office of State Ethics, including, but not limited to, state employees
432 involved in procurement and for state contractors and substantial
433 subcontractors who are prequalified. Such ethics training course may
434 be developed and provided by the Office of State Ethics or by any
435 person, firm or corporation provided such course is approved by the
436 State Contracting Standards Board;

437 (i) Recertify each state contracting agency's procurement processes,
438 triennially, and provide agencies with notice of any certification
439 deficiency and exercise authority if a determination of noncompliance
440 is made;

441 (j) Define the contract data reporting requirements to the board for
442 state agencies concerning information on: (1) The number and type of
443 state contracts currently in effect state-wide; (2) the term and dollar
444 value of such contracts; (3) a list of client agencies; (4) a description of
445 services purchased under such contracts; (5) contractor names; (6) an
446 evaluation of contractor performance, including, but not limited to
447 records pertaining to the suspension or disqualification of contractors,
448 and assuring such information is available on the state contracting
449 portal; and (7) a list of contracts and contractors awarded without full
450 and open competition stating the reasons for and identifying the
451 approving authority; and

452 (k) Provide the Governor and the joint standing committee of the
453 General Assembly having cognizance of matters relating to
454 government administration with recommendations concerning the
455 statutes and regulations concerning procurement.

456 Sec. 5. (NEW) (*Effective from passage*) (a) The State Contracting
457 Standards Board, with the advice and assistance of the Commissioner
458 of Administrative Services, shall develop a standardized state
459 procurement and project management education and training
460 program. Such education and training program shall develop
461 education, training and professional development opportunities for
462 employees of state contracting agencies charged with procurement
463 responsibilities. The program shall educate such employees in general
464 business acumen and on proper purchasing procedures as established
465 in statutes and regulations concerning procurement with an emphasis
466 on ethics, fairness, consistency and project management. Participation
467 in the program shall be required of any supervisory and
468 nonsupervisory state employees in state contracting agencies with

469 responsibility for buying, purchasing, renting, leasing or otherwise
470 acquiring any supplies, service or construction, including the
471 preparation of the description of requirements, selection and
472 solicitation of sources, preparation and award of contracts and all
473 phases of contract administration.

474 (b) The program shall include, but shall not be limited to (1) training
475 and education concerning federal, state and municipal procurement
476 processes, including the statutes and regulations concerning
477 procurement; (2) training and education courses developed in
478 cooperation with the Office of State Ethics, the Freedom of Information
479 Commission, the State Elections Enforcement Commission, the
480 Commission on Human Rights and Opportunities, the office of the
481 Attorney General and any other state agency the board determines is
482 necessary in carrying out statutes and regulations concerning
483 procurement; (3) providing technical assistance to state contracting
484 agencies and municipalities for implementing statutes and regulations
485 concerning procurement, regulations, policies and standards
486 developed by the board; (4) training to current and prospective
487 contractors and vendors and others seeking to do business with the
488 state; and (5) training and education of state employees in the area of
489 best procurement practices in state purchasing with the goal of
490 achieving the level of acumen necessary to achieve the objectives of
491 statutes and regulations concerning procurement.

492 (c) Any employee that completes the program established under
493 subsection (a) of this section shall be issued documentation by the
494 board acknowledging such employee's participation in the program.
495 The board shall submit an annual report to the Governor and the
496 General Assembly on the status of such program.

497 (d) The board shall adopt regulations, in accordance with the
498 provisions of chapter 54 of the general statutes, to develop and
499 implement the training and education program established under
500 subsection (a) of this section.

501 Sec. 6. (NEW) (*Effective October 1, 2008*) (a) The board shall conduct
502 audits of state contracting agencies, triennially, to ensure compliance
503 with statutes and regulations concerning procurement. In conducting
504 such audit, the board shall have access to all contracting and
505 procurement records, may interview any and all personnel responsible
506 for contracting, contract negotiations or procurement and may enter
507 into an agreement with the Auditors of Public Accounts to effectuate
508 such audit.

509 (b) Upon completion of any such audit, the board shall prepare and
510 issue a compliance report for such state contracting agency. Such
511 report shall identify any process or procedure that is inconsistent with
512 statutes and regulations concerning procurement and indicate those
513 corrective measures the board deems necessary to comply with
514 statutes and regulations concerning procurement requirements. Such
515 report shall be issued and delivered not later than thirty days after
516 completion of such audit and shall be a public record.

517 Sec. 7. (NEW) (*Effective October 1, 2008*) (a) For cause, the State
518 Contracting Standards Board may review, terminate or recommend
519 termination of any contract or procurement agreement undertaken by
520 any state contracting agency after providing fifteen days notice to the
521 state contracting agency and the applicable contractor, and consulting
522 with the Attorney General. Such termination of a contract or
523 procurement agreement by the board may occur only after (1) the
524 board has consulted with the contracting agency to determine the
525 impact of an immediate termination of the contract, (2) a determination
526 has been made jointly by the board and the contracting agency that an
527 immediate termination of the contract will not create imminent peril to
528 the public health, safety or welfare, and (3) a vote of two-thirds of the
529 members of the board present and voting for that purpose. Such action
530 shall be accompanied by notice to the state contracting agency and any
531 other affected party. For the purpose of this section, "for cause" means:
532 (A) A violation of section 1-84 or 1-86e of the general statutes; (B)
533 wanton or reckless disregard of any state contracting and procurement

534 process by any person substantially involved in such contract or state
535 contracting agency; or (C) notification from the Attorney General to
536 the state contracting agency that an investigation pursuant to section 4-
537 61dd of the general statutes has concluded that the process by which
538 such contract was awarded was compromised by fraud, collusion or
539 other serious ethical improprieties.

540 (b) Following consultation with the state contracting agency and
541 upon providing fifteen days' notice and the opportunity for a hearing,
542 the State Contracting Standards Board may restrict or terminate the
543 authority of any state contracting agency to enter into any contract or
544 procurement agreement if: (1) The board, upon a vote of two-thirds of
545 the members of the board present and voting for such purpose,
546 determines that such state contracting agency failed to comply with
547 statutory contracting and procurement requirements and evidenced a
548 reckless disregard for applicable procedures and policy; and (2) such
549 limitation, restriction or termination of authority is in the state's best
550 interest, provided the board has made arrangements for the exercise of
551 the contracting power of such agency during the period of limitation,
552 restriction or termination. Such limitation, restriction or termination of
553 authority shall remain in effect until such time as the board determines
554 that such state contracting agency has implemented corrective
555 measures and demonstrated compliance with statutes and regulations
556 concerning procurement.

557 (c) Following consultation with the state contracting agency, and
558 thereafter upon providing fifteen days' notice and the opportunity for
559 a hearing, the State Contracting Standards Board may order a state
560 contracting agency to take appropriate action to restrict or terminate
561 the authority of an employee or agent to enter into any contract or
562 procurement agreement if the board, upon a vote of two-thirds of the
563 members of the board present and voting for such purpose, determines
564 that such employee or agent failed to comply with statutory
565 contracting and procurement requirements, and evidenced a reckless
566 disregard for applicable procedures and policy. Such limitation,

567 restriction or termination of authority shall remain in effect until such
568 time as the board determines that such state contracting agency has
569 implemented corrective measures and demonstrated compliance with
570 statutes and regulations concerning procurement.

571 Sec. 8. (NEW) (*Effective from passage*) There is established a
572 Contracting Standards Advisory Council, which shall consist of
573 representatives from the Office of Policy and Management,
574 Departments of Administrative Services, Transportation, Public Works
575 and Information Technology and representatives of at least three
576 additional contracting agencies, including at least one human services
577 related state agency, designated by the Governor. The Chief
578 Procurement Officer shall be a member of the council and serve as
579 chairperson. The advisory council shall meet at least four times per
580 year to discuss state procurement issues and to make
581 recommendations for improvement of the procurement processes to
582 the State Contracting Standards Board. The advisory council may
583 conduct studies, research and analyses and make reports and
584 recommendations with respect to subjects or matters within the
585 jurisdiction of the State Contracting Standards Board.

586 Sec. 9. (NEW) (*Effective from passage*) (a) There shall be a Vendor and
587 Citizen Advisory Panel comprised of fifteen members appointed as
588 follows: Three members by the Governor, two members by each of the
589 following: The speaker of the House of Representatives, the majority
590 and minority leaders of the House of Representatives, the president
591 pro tempore of the Senate and the majority and minority leaders of the
592 Senate. There shall be no more than six vendors with state
593 procurement experience on the panel and the remaining citizen
594 members shall have demonstrated sufficient knowledge by education,
595 training or experience in several of the following enumerated areas: (1)
596 Government procurement; (2) contract negotiation, drafting and
597 management; (3) contract risk assessment; (4) preparing requests for
598 proposals, invitations to bid and other procurement solicitations; (5)
599 evaluating proposals, bids and quotations; (6) real property

600 transactions; (7) business insurance and bonding; (8) the state code of
601 ethics; (9) federal and state statutes, policies and regulations; (10)
602 outsourcing and privatization proposal analysis; (11) governmental
603 taxation and finance; (12) small and minority business enterprise
604 development; (13) collective bargaining; and (14) human services,
605 provided such education, training or experience shall have been
606 acquired over not less than a continuous five-year period and within
607 the ten-year period preceding such appointment. The chairperson of
608 the panel shall be the Chief Procurement Officer, who shall be an ex-
609 officio member.

610 (b) The panel shall make recommendations to the board regarding
611 best practices in state procurement processes and project management
612 as well as other issues pertaining to stakeholders in the system.

613 Sec. 10. (NEW) (*Effective from passage*) (a) On or before January 1,
614 2008, the board shall submit such additional legislation as is necessary
615 to permit state contracting agencies, not including quasi-publics and
616 institutions of higher education, to carry out their functions under
617 statutes and regulations concerning procurement.

618 (b) On or before January 1, 2009, the board shall submit such
619 additional legislation as is necessary to apply the provisions of statutes
620 concerning procurement to constituent units of the state system of
621 higher education. Concomitantly, the board shall submit such
622 additional legislation as is necessary to apply the provisions of statutes
623 and regulations concerning privatization and procurement to quasi-
624 public agencies.

625 (c) On or before January 1, 2010, the board shall submit such
626 additional legislation as is necessary to apply the provisions of statutes
627 and regulations concerning procurement to the municipal
628 procurement processes utilizing state funds.

629 Sec. 11. (NEW) (*Effective from passage*) (a) The board shall be
630 available to provide assistance to the Secretary of the State,

631 Comptroller, Treasurer and Attorney General to develop best
632 procurement practices specific to the constitutional responsibilities of
633 each office and consistent with statutes and regulations concerning
634 procurement.

635 (b) Each of the above-referenced officers shall adopt a code of
636 procurement practices on or before July 1, 2009.

637 Sec. 12. (NEW) (*Effective from passage*) (a) On or before January 1,
638 2009, the Judicial Branch and the Legislative Branch shall prepare a
639 procurement code applicable to contracting expenditures, including,
640 but not limited to, expenditures: (1) Involving contracting and
641 procurement processes for purchasing or leasing of supplies, materials
642 or equipment, consultant or consultant services, personal service
643 agreements or purchase of service agreements; and (2) relating to
644 contracts for the renovation, alteration or repair of any Judicial Branch
645 and the Legislative Branch facility in accordance with section 4b-1 of
646 the general statutes.

647 (b) The procurement code described in subsection (a) of this section
648 shall be designed to: (1) Establish uniform contracting standards and
649 practices; (2) simplify and clarify contracting standards and
650 procurement policies and practices, including, but not limited to,
651 procedures for competitive sealed bids, competitive sealed proposals,
652 small purchases, sole source procurements, emergency procurements
653 and special procurements; (3) ensure the fair and equitable treatment
654 of all businesses and persons who deal with the procurement system;
655 (4) include a process to maximize the use of small contractors and
656 minority business enterprises; (5) provide increased economy in
657 procurement activities and maximize purchasing value to the fullest
658 extent possible; (6) ensure that the procurement of supplies, materials,
659 equipment, services, real property and construction is obtained in a
660 cost-effective and responsive manner; (7) include a process to ensure
661 contractor and Judicial Branch accountability; and (8) provide a
662 process for competitive sealed bids, competitive sealed proposals,

663 small purchases, sole source procurements, emergency procurements,
664 special procurements, best value selection, qualification based
665 selection and the conditions for their use.

666 (c) On or before February 1, 2009, the Judicial Branch shall submit
667 such procurement code for review and approval to the joint standing
668 committee of the General Assembly having cognizance of matters
669 relating to the judiciary.

670 (d) On or before February 1, 2009, the Joint Committee on
671 Legislative Management shall develop such procurement code.

672 Sec. 13. (NEW) (*Effective from passage*) (a) The Department of
673 Administrative Services, in consultation with the State Contracting
674 Standards Board, shall establish and maintain a single electronic portal
675 available on the World Wide Web and located on the Department of
676 Administrative Services' web site for purposes of posting all
677 contracting opportunities with state agencies in the executive branch,
678 the constituent units of the state system of higher education and quasi-
679 public agencies. Such electronic portal shall be know as the State
680 Contracting Portal.

681 (b) The State Contracting Portal shall, among other things, include:
682 (1) All requests for bids or proposals, and other solicitations regardless
683 of the method of source selection, related materials and all resulting
684 contracts and agreements by state agencies; (2) a searchable database
685 for locating information; (3) personal services agreements and
686 purchase of service agreements; (4) a state procurement and contract
687 manual or other similar information designated by the Department of
688 Administrative Services as describing approved contracting processes
689 and procedures; and (5) prominent features to encourage the active
690 recruitment and participation of small businesses and women and
691 minority owned enterprises in the state contracting process.

692 (c) All state agencies in the executive branch, the constituent units of
693 the state system of higher education and quasi-public agencies shall

694 post all bids, requests for proposals and all resulting contracts and
695 agreements on the State Contracting Portal and shall, with the
696 assistance of the Department of Administrative Services and the
697 Department of Information Technology as needed, develop the
698 infrastructure and capability to electronically communicate with the
699 State Contracting Portal.

700 (d) All state agencies in the executive, the constituent units of the
701 state system of higher education and quasi-public agencies shall
702 develop written policies and procedures to ensure that information
703 posted to the State Contracting Portal is done in a timely, complete and
704 accurate manner consistent with the highest legal and ethical
705 standards of state government.

706 (e) The Department of Administrative Services shall periodically
707 report to the Governor and the State Contracting Standards Board on
708 the progress of all state agencies in the executive branch, the
709 constituent units of the state system higher education and quasi-public
710 agencies, in developing the capacity, infrastructure, policies and
711 procedures to electronically communicate with the State Contracting
712 Portal as well as the Department of Administrative Services' progress
713 toward establishment and maintenance of the State Contracting Portal.

714 Sec. 14. (NEW) (*Effective from passage*) All state contracts that take
715 effect on or after the effective date of this section shall contain
716 provisions to ensure accountability, transparency and results based
717 outcomes, as prescribed by the State Contracting Standards Board.

718 Sec. 15. (*Effective from passage*) Nothing in sections 1 to 14, inclusive,
719 and 16 of this act shall be construed to affect the requirements of public
720 act 06-129.

721 Sec. 16. (NEW) (*Effective January 1, 2008*) (a) Prior to entering any
722 privatization contract for the privatization of a state service that is not
723 currently privatized, the state contracting agency shall develop a cost-
724 benefit analysis in accordance with the provisions of subsection (b) of

725 this section. Such requirement shall not apply to a privatization
726 contract for a service currently provided, in whole or in part, by a non-
727 state entity. Any affected party may petition the State Contracting
728 Standards Board for review of such privatization contract, in
729 accordance with the provisions of subsections (f) to (h), inclusive of
730 this section.

731 (b) The cost-benefit analysis conducted by a state contracting agency
732 prior to entering a privatization contract shall document the direct and
733 indirect costs, savings, and qualitative and quantitative benefits, that
734 will result from the implementation of such privatization contract.
735 Such cost-benefit analysis shall specify the schedule that, at a
736 minimum, shall be adhered to in order to achieve any estimated
737 savings. Any cost factor shall be clearly identified in such cost-benefit
738 analysis and supported by all applicable records and reports. The
739 department head of such state contracting agency shall certify that,
740 based on the data and information, all projected costs, savings and
741 benefits are valid and achievable. As used in this subsection, "costs"
742 means all reasonable, relevant and verifiable expenses, including
743 salary, materials, supplies, services, equipment, capital depreciation,
744 rent, maintenance, repairs, utilities, insurance, travel, overhead,
745 interim and final payments and the normal cost of fringe benefits, as
746 calculated by the Comptroller. As used in this subsection, "savings"
747 means the difference between the current annual direct and indirect
748 costs of providing such service and the projected, annual direct and
749 indirect costs of contracting to provide such services in any succeeding
750 state fiscal year during the term of such proposed privatization
751 contract.

752 (c) (1) If such cost-benefit analysis identifies a cost savings to the
753 state of ten per cent or more, and such privatization contract will not
754 diminish the quality of such service, the state contracting agency shall
755 develop a business case, in accordance with the provisions of
756 subsection (d) of this section, in order to evaluate the feasibility of
757 entering any such contract and to identify the potential results,

758 effectiveness and efficiency of such contract.

759 (2) If such cost-benefit analysis identifies a cost savings of less than
760 ten per cent to the state and such privatization contract will not
761 diminish the quality of such service, the state contracting agency may
762 develop a business case, in accordance with the provisions of
763 subsection (d) of this section, in order to evaluate the feasibility of
764 entering any such contract and to identify the potential results,
765 effectiveness and efficiency of such contract, provided there is a
766 significant public policy reason to enter into such privatization
767 contract. Any such business case shall be approved in accordance with
768 the provisions of subdivision (4) of subsection (h) of this section.

769 (3) If any such proposed privatization contract would result in the
770 layoff, transfer or reassignment of one hundred or more state agency
771 employees, after consulting with the potentially affected bargaining
772 units, if any, the state contracting agency shall notify the state
773 employees of such bargaining unit, after such cost benefit analysis is
774 completed. Such state contracting agency shall provide an opportunity
775 for said employees to reduce the costs of conducting the operations to
776 be privatized and provide reasonable resources for the purpose of
777 encouraging and assisting such state employees to organize and
778 submit a bid to provide the services that are the subject of the potential
779 privatization contract. The state contracting agency shall retain sole
780 discretion in determining whether to proceed with the privatization
781 contract, provided the business case for such contract is approved by
782 the board.

783 (d) Any business case developed by a state contracting agency for
784 the purpose of complying with subsection (c) of this section shall
785 include: (1) The cost benefit analysis as described in subsection (b) of
786 this section, (2) a detailed description of the service or activity that is
787 the subject of such business case, (3) a description and analysis of the
788 state contracting agency's current performance of such service or
789 activity, (4) the goals to be achieved through the proposed

790 privatization contract and the rationale for such goals, (5) a description
791 of available options for achieving such goals, (6) an analysis of the
792 advantages and disadvantages of each option, including, at a
793 minimum, potential performance improvements and risks attendant to
794 termination of the contract or rescission of such contract, (7) a
795 description of the current market for the services or activities that are
796 the subject of such business case, (8) an analysis of the quality of
797 services as gauged by standardized measures and key performance
798 requirements including compensation, turnover, and staffing ratios, (9)
799 a description of the specific results based performance standards that
800 shall, at a minimum be met, to ensure adequate performance by any
801 party performing such service or activity, (10) the projected time frame
802 for key events from the beginning of the procurement process through
803 the expiration of a contract, if applicable, (11) a specific and feasible
804 contingency plan that addresses contractor nonperformance and a
805 description of the tasks involved in and costs required for
806 implementation of such plan, and (12) a transition plan, if appropriate,
807 for addressing changes in the number of agency personnel, affected
808 business processes, employee transition issues, and communications
809 with affected stakeholders, such as agency clients and members of the
810 public, if applicable. Such transition plan shall contain a reemployment
811 and retraining assistance plan for employees who are not retained by
812 the state or employed by the contractor. If the primary purpose of the
813 proposed privatization contract is to provide a core governmental
814 function, such business case shall also include information sufficient to
815 rebut the presumption that such core governmental function should
816 not be privatized. Such presumption shall not be construed to prohibit
817 a state contracting agency from contracting for specialized technical
818 expertise not available within such agency, provided such agency shall
819 retain responsibility for such core governmental function. For the
820 purposes of this section, "core governmental function" means a
821 function for which the primary purpose is (A) the inspection for
822 adherence to health and safety standards because public health or
823 safety may be jeopardized if such inspection is not done or is not done

824 in a timely or proper manner, (B) the establishment of statutory,
825 regulatory or contractual standards to which a regulated person, entity
826 or state contractor shall be held, (C) the enforcement of statutory,
827 regulatory or contractual requirements governing public health or
828 safety, or (D) criminal or civil law enforcement. If any part of such
829 business case is based upon evidence that the state contracting agency
830 is not sufficiently staffed to provide the core governmental function
831 required by the privatization contract, the state contracting agency
832 shall also include within such business case a plan for remediation of
833 the understaffing to allow such services to be provided directly by the
834 state contracting agency in the future.

835 (e) Upon the completion of such business case, the state contracting
836 agency shall submit the business case to the State Contracting
837 Standards Board. For any privatization contract with a projected cost
838 that exceeds one hundred fifty million dollars annually or six hundred
839 million dollars over the life of such contract, the state contracting
840 agency shall also submit such business case to the Governor, the
841 president pro tempore of the Senate, the speaker of the House of
842 Representatives, and any collective bargaining unit affected by the
843 proposed privatization contract.

844 (f) (1) There shall be a privatization contract committee of the State
845 Contracting Standards Board that shall review, evaluate, issue
846 advisory reports and make recommendations on business cases
847 submitted to the board by any state contracting agency. Such
848 privatization contract committee shall consist of five members of the
849 State Contracting Standards Board. Such members shall be appointed
850 by the chairperson of the board and consist of both gubernatorial and
851 legislative appointments, have not more than three members from any
852 one political party, and at least one member of such committee shall
853 have expertise in the area that is the subject of such proposed contract.
854 The chairperson of the board, or the chairperson's designee shall serve
855 as the chair of the privatization contract committee.

856 (2) Upon receipt of any such business case from a state contracting
857 agency, the State Contracting Standards Board shall immediately refer
858 such business case to such privatization contract committee. The
859 privatization contract committee shall employ a standard process for
860 reviewing, evaluating and approving any such business cases. Such
861 process shall include due consideration of: (A) The cost-benefit
862 analysis developed by the state contracting agency, (B) the business
863 case developed by the state contracting agency, including any facts,
864 documents or other materials that are relevant to such business case,
865 (C) any adverse effect that such privatization contract may have on
866 minority, small and women-owned businesses that do, or are
867 attempting to do business with the state, and (D) the value of having
868 services performed in the state and within the United States.

869 (3) The privatization committee shall evaluate the business case and
870 submit the committee's evaluation to the State Contracting Standards
871 Board for review and approval. Unless otherwise provided in this
872 section, a majority vote of the board shall be required to approve any
873 such business case.

874 (4) The business case for a privatization contract to provide a core
875 governmental function may be approved by a two-thirds vote of the
876 board, provided the state contracting agency has provided sufficient
877 evidence to rebut the presumption contained in subsection (d) of this
878 section and there is a significant policy reason to approve such
879 business case. In no such case shall the insufficient staffing of a state
880 contracting agency constitute a significant policy reason to approve a
881 business case for a privatization contract to provide a core
882 governmental function.

883 (g) Each state contracting agency that submits a business case to the
884 board for review shall submit to the board all information, documents
885 or other material required by the privatization contract committee to
886 complete its review and evaluation of such business case.

887 (h) (1) Not later than sixty days after receipt of any business case,

888 the State Contracting Standards Board shall transmit a report detailing
889 its review, evaluation and disposition regarding such business case to
890 the state contracting agency that submitted such business case and, in
891 the case of a privatization contract with a projected cost of one
892 hundred fifty million dollars or more annually, or six hundred million
893 dollars or more over the life of the contract, concomitantly transmit
894 such report to the Governor, the president pro tempore of the Senate,
895 the speaker of the House of Representatives and any collective
896 bargaining unit affected by the proposed privatization contract. Such
897 sixty-day period may be extended for an additional thirty days upon a
898 majority vote of the board or the privatization contract committee and
899 for good cause shown.

900 (2) The board's report shall include the business case prepared by
901 the state contracting agency, the evaluation of the business case
902 prepared by the privatization contract committee, the reasons for
903 approval or disapproval, any recommendations of the board and
904 sufficient information to assist the state contracting agency in
905 determining if additional steps are necessary to move forward with a
906 privatization contract.

907 (3) If the State Contracting Standards Board does not act on a
908 business case submitted by a state contracting agency within sixty
909 days of receipt of such business case, such business case shall be
910 deemed approved, except that no business case may be approved for
911 failure of the board to meet.

912 (4) In the case of a business case developed pursuant to subdivision
913 (2) of subsection (c) of this section, a two-thirds vote of the board shall
914 be required for approval of such privatization contract.

915 (5) Any state contracting agency may request an expedited review
916 of a business case submitted to the board if there is a compelling public
917 interest for such expedited review. If the board approves the agency's
918 request for such an expedited review, such review shall be completed
919 not later than thirty days after receipt of such request. If the board fails

920 to complete an expedited review within thirty days of receipt of a
921 request that was approved by the board, such business case shall be
922 deemed to be approved.

923 (i) A state contracting agency may publish notice soliciting bids for a
924 privatization contract only after the board approves such business
925 case, provided any privatization contract that is estimated to cost in
926 excess of one hundred fifty million dollars annually or six hundred
927 million dollars or more over the life of the contract shall also be
928 approved by the General Assembly prior to the state contracting
929 agency soliciting bids for such contract. The General Assembly may
930 approve any such contract as a whole by a majority vote of each house
931 or may reject such agreement as a whole by a majority vote of either
932 house. If the General Assembly is in session, it shall vote to approve or
933 reject such contract not later than thirty days after such state
934 contracting agency files such contract with the General Assembly. If
935 the General Assembly is not in session when such contract is filed, it
936 shall be submitted to the General Assembly within ten days of the first
937 day of the next regular session or special session called for such
938 purpose. The contract shall be deemed approved if the General
939 Assembly fails to vote to approve or reject such contract within thirty
940 days after such filing. Such thirty-day period shall not begin or expire
941 unless the General Assembly is in regular session. For the purpose of
942 this subsection, any contract filed with the clerks within thirty days
943 before the commencement of a regular session of the General
944 Assembly shall be deemed to be filed on the first day of such session.

945 (j) Each state contracting agency shall submit, in writing, to the State
946 Contracting Standards Board, any proposed amendment to a board
947 approved business case in order that the board may review and
948 approve of such proposed amendment. The board may approve or
949 disapprove of any such proposed amendment not later than thirty
950 days after receipt of such proposed amendment by the same vote that
951 was required for approval of the original business case. If the board
952 fails to complete its review within thirty days of receipt of such

953 proposed amendment, such amendment shall be deemed approved.

954 (k) Not later than thirty days after a decision of the board to
955 approve a business case, any collective bargaining agent of any
956 employee adversely affected by such proposed privatization contract
957 may file a motion for an order to show cause in the superior court for
958 the judicial district of Hartford on the grounds that such contract fails
959 to comply with the substantive or procedural requirements of this
960 section. A ruling on any such motion may: (1) Deny the motion; (2)
961 grant the motion if the court finds that the proposed contract would
962 substantively violate the provisions of this section; or (3) stay the
963 effective date of the contract until any substantive or procedural defect
964 found by the court has been corrected.

965 (l) (1) The board may review additional existing privatization
966 contracts and shall review not less than one contracting area each year
967 that is currently privatized. For each such privatization contract
968 selected for review by the board, the appropriate state contracting
969 agency shall develop a cost-benefit analysis in accordance with
970 subsection (b) of this section. In addition, any affected party may
971 petition the board for review of any existing privatization contract, in
972 accordance with the provisions of subsections (f) to (h), inclusive, of
973 this section.

974 (2) If such cost-benefit analysis identifies a ten per cent or more cost
975 savings to the state from the use of such privatization contract and
976 such contract does not diminish the quality of the service provided,
977 such state contracting agency shall develop a business case for the
978 renewal of such privatization contract in accordance with the
979 provisions of subsections (d) and (e) of this section. The board shall
980 review such contract in accordance with the provisions of subsections
981 (f) to (h), inclusive, of this section and may approve such renewal by
982 the applicable vote of the board, provided any such renewal that is
983 estimated to cost in excess of one hundred fifty million dollars
984 annually or six hundred million dollars or more over the life of the

985 contract shall also be approved by the General Assembly prior to the
986 state contracting agency renewing such contract. If such renewal is
987 approved by the board and the General Assembly, if applicable, the
988 provisions of subsection (j) of this section shall apply to any proposed
989 amendment to such contract.

990 (3) If such cost-benefit analysis identifies a cost savings to the state
991 of less than ten per cent, such state contracting agency shall prepare a
992 plan to have such service provided by state employees and shall begin
993 to implement such plan, provided: (A) While such plan is prepared,
994 but prior to implementation of such plan, such state contracting
995 agency may develop a business case for such privatization contract, in
996 accordance with the provisions of subsection (d) of this section, that
997 achieves a cost savings to the state of ten per cent or more. Any such
998 business case shall be reviewed by the board in accordance with the
999 provisions of subsections (f) to (h), inclusive, of this section, and may
1000 be approved by the applicable vote of the board; (B) such privatization
1001 contract shall not be renewed with the vendor currently providing
1002 such service unless: (i) There exists a significant public interest in
1003 renewing such contract, and (ii) such renewal is approved by a two-
1004 thirds vote of the board; (C) the state contracting agency may enter
1005 into a contract with a term of one year or less for the provision of such
1006 service until such state contracting agency implements such plan; and
1007 (D) the procedure for the transfer of funds from the General Fund, as
1008 described in section 4-94 of the general statutes, may be utilized to
1009 allocate necessary resources for the implementation of the provisions
1010 of this subdivision.

1011 (4) Notwithstanding the provisions of subdivision (3) of this
1012 subsection, the renewal of a privatization contract with a nonprofit
1013 organization shall not be denied if the cost of increasing compensation
1014 to employees performing the privatized service is the sole cause for
1015 such contract not achieving a cost savings to the state of ten per cent or
1016 more.

1017 (m) The Office of Policy and Management, in consultation with the
1018 State Contracting Standards Board, shall: (1) Develop policies and
1019 procedures, including templates for use by state contracting agencies
1020 for the development of a cost-benefit analysis, as described in
1021 subsection (b) of this section, and (2) review with each state contracting
1022 agency the budgetary impact of any such privatization contract and
1023 the need to request budget adjustments in connection with any such
1024 privatization contract.

1025 (n) The State Contracting Standards Board, in consultation with the
1026 Department of Administrative Services, shall: (1) Recommend and
1027 implement standards and procedures for state contracting agencies to
1028 develop business cases in connection with privatization contracts,
1029 including templates for use by state contracting agencies when
1030 submitting business cases to the board, and policies and procedures to
1031 guide state contracting agencies to complete such business cases, and
1032 (2) develop guidelines and procedures for assisting state employees
1033 whose jobs are affected by a privatization contract.

1034 (o) Notwithstanding the provisions of subsections (a) and (i) of this
1035 section, a state contracting agency may enter into a privatization
1036 contract without development of a cost-benefit analysis or approval of
1037 a business case by the State Contracting Standards Board if (1) the state
1038 contracting agency finds that a privatization contract is required (A)
1039 due to an imminent peril to the public health, safety or welfare, and (B)
1040 the agency states, in writing, its reasons for such finding; and (2) the
1041 Governor approves such finding, in writing.

1042 (p) Nothing in this section shall be construed to apply to
1043 procurements that involve the expenditure of federal assistance or
1044 federal contract funds, provided federal law provides applicable
1045 procurement procedures that are inconsistent with the requirements of
1046 this section.

1047 Sec. 17. (NEW) (*Effective July 1, 2007*) (a) Except as otherwise
1048 provided, the provisions of sections 16 to 47, inclusive, of this act shall

1049 apply to all contracts solicited or entered into by the state after the
1050 effective date of this section.

1051 (b) Except as otherwise provided in this act, the provisions of
1052 sections 16 to 47, inclusive, of this act shall apply to every expenditure
1053 of public funds irrespective of their source, involving any state
1054 contracting and procurement processes, including, but not limited to,
1055 leasing and property transfers, purchasing or leasing of supplies,
1056 materials or equipment, consultant or consultant services, personal
1057 service agreements, purchase of service agreements or privatization
1058 contracts, as defined in section 1 of this act, and, relating to contracts
1059 for the construction, reconstruction, alteration, remodeling, repair or
1060 demolition of any public building, bridge or road.

1061 (c) Nothing in sections 16 to 47, inclusive, of this act, shall be
1062 construed to require the application of procurement statutes or
1063 regulations to a procurement that involves the expenditure of federal
1064 assistance or federal contract funds if federal law provides
1065 procurement procedures applicable to the expenditure of such funds,
1066 to the extent such federal procedures are inconsistent with state
1067 procurement statutes or regulations.

1068 Sec. 18. (NEW) (*Effective July 1, 2007*) For the purpose of obtaining
1069 supplies, materials, equipment or contractual services, except
1070 infrastructure facilities, the Commissioner of Administrative Services
1071 shall establish a requisition system to be used by state contracting
1072 agencies to initiate and authorize the procurement process. Such
1073 system shall be approved by the State Contracting Standards Board.

1074 Sec. 19. (NEW) (*Effective October 1, 2008*) (a) All purchases of, and
1075 contracts for, supplies, materials, equipment and contractual services
1076 by the state, except purchases and contracts made pursuant to the
1077 provisions of section 23 of this act, shall be awarded by one of the
1078 following methods, unless otherwise authorized by law:

1079 (1) Competitive sealed bidding;

- 1080 (2) Competitive sealed proposals;
- 1081 (3) Small purchase procedure;
- 1082 (4) Sole source procurement;
- 1083 (5) Emergency procurements; or
- 1084 (6) Waiver of bid or proposal requirement for extraordinary
1085 conditions.

1086 (b) Not later than July 1, 2008, the State Contracting Standards
1087 Board shall adopt regulations, in accordance with chapter 54 of the
1088 general statutes, to define each of the methods listed in subsection (a)
1089 of this section, establish the circumstances in which each such method
1090 shall be used by state contracting agencies, and establish the processes
1091 and criteria by which purchases and contracts shall be awarded in
1092 accordance with each such method.

1093 Sec. 20. (NEW) (*Effective from passage*) (a) Not later than July 1, 2008,
1094 the State Contracting Standards Board shall adopt regulations
1095 pursuant to chapter 54 of the general statutes specifying the procedure
1096 for issuing invitations for bids which shall include the required
1097 elements of an invitation for bids, the process for opening of bids, and
1098 criteria for the evaluation and award of bids.

1099 (b) Not later than July 1, 2008, the State Contracting Standards
1100 Board, in consultation with the Commissioner of Administrative
1101 Services shall adopt regulations, in accordance with the provisions of
1102 chapter 54 of the general statutes, specifying the circumstances in
1103 which contracts and purchase orders, in an amount in excess of fifty
1104 thousand dollars, may be awarded by a method of source selection
1105 other than competitive sealed bidding.

1106 Sec. 21. (NEW) (*Effective from passage*) (a) Not later than July 1, 2008,
1107 the State Contracting Standards Board, in consultation with the
1108 Department of Administrative Services, shall adopt regulations to

1109 establish small purchase procedures for procurements that do not
1110 exceed fifty thousand dollars. Such regulations shall include a
1111 prohibition on the artificial division of a procurement in order to make
1112 use of such small procurement procedures.

1113 (b) The State Contracting Standards Board, in consultation with the
1114 Commissioner of Administrative Services, may determine that a state
1115 contracting agency has artificially divided procurement requirements
1116 so as to constitute a small purchase under this section and, upon such
1117 determination shall prohibit the state contracting agency from utilizing
1118 such small purchase procedures.

1119 (c) The Commissioner of Administrative Services may, at his or her
1120 discretion, waive the requirement of competitive bidding or
1121 competitive negotiation in the case of minor, nonrecurring or
1122 emergency purchases of ten thousand dollars or less in amount.

1123 Sec. 22. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1124 State Contracting Standards Board, in consultation with the
1125 Commissioner of Administrative Services, shall adopt regulations, in
1126 accordance with chapter 54 of the general statutes, specifying the
1127 circumstances in which a contract may be awarded for a supply,
1128 service or construction item without competition. Such regulations
1129 shall include, but not be limited to, situations in which an agency
1130 contracting officer states in writing that there is only one source for the
1131 required supply, service or construction item, provided sole source
1132 procurement is not permitted unless a requirement is available from
1133 only a single supplier.

1134 Sec. 23. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1135 State Contracting Standards Board, in accordance with chapter 54 of
1136 the general statutes, shall adopt regulations establishing procedures
1137 for waiver of competitive bid or proposal requirements.

1138 Sec. 24. (NEW) (*Effective from passage*) (a) Not later than July 1, 2008,
1139 the State Contracting Standards Board, in consultation with the

1140 Commissioner of Administrative Services and any other appropriate
1141 award authority, shall adopt regulations, in accordance with chapter
1142 54 of the general statutes, permitting emergency procurements when
1143 there exists a threat to public health, welfare or safety. Such emergency
1144 procurements shall be made with competition, as is practicable under
1145 the circumstances. Said regulations shall require that a written
1146 determination of the basis for the emergency and for the selection of
1147 the particular contractor be included in the contract file and
1148 transmitted to the Governor, the president pro tempore of the Senate,
1149 the majority and minority leaders of the Senate, the speaker of the
1150 House of Representatives and the majority and minority leaders of the
1151 House of Representatives.

1152 Sec. 25. (NEW) (*Effective from passage*) A state contracting agency
1153 may request factual information reasonably available to the bidder or
1154 proposer to substantiate that the price or cost offered, or some portion
1155 of it, is reasonable.

1156 Sec. 26. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1157 State Contracting Standards Board, in consultation with the
1158 Commissioner of Administrative Services, shall adopt regulations
1159 establishing standards for the preparation, maintenance, and content
1160 of specifications for supplies, services, and construction required by
1161 the state.

1162 Sec. 27. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1163 State Contracting Standards Board, in consultation with the Attorney
1164 General, shall adopt regulations in accordance with chapter 54 of the
1165 general statutes specifying the types of contracts that may be used by
1166 state contracting agencies. Such regulations shall specify that a cost-
1167 reimbursement contract may be used only when a determination is
1168 made in writing by the Agency Procurement Officer that such contract
1169 is likely to be less costly to the state than any other type or that it is
1170 impracticable to obtain the supplies, services or construction required
1171 except under such a contract.

1172 Sec. 28. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1173 State Contracting Standards Board shall adopt regulations pursuant to
1174 chapter 54 of the general statutes requiring that contractors submit
1175 appropriate documentation to the appropriate state contracting
1176 agency, prior to the award of a contract, to confirm that the proposed
1177 contractor's accounting system will permit timely development of all
1178 necessary cost data in the form required by the specific contract type.

1179 Sec. 29. (NEW) (*Effective from passage*) A state contracting agency
1180 may, at reasonable times, inspect the part of the plant or place of
1181 business of a contractor or any subcontractor which is related to the
1182 performance of any contract awarded, or to be awarded by the state, to
1183 ensure compliance with the contract.

1184 Sec. 30. (NEW) (*Effective from passage*) A state contracting agency
1185 may audit the books and records of a contractor or any subcontractor
1186 under any negotiated contract or subcontract to the extent that such
1187 books and records relate to the performance of such contract or
1188 subcontract. Such books and records shall be maintained by the
1189 contractor for a period of three years from the date of final payment
1190 under the prime contract and by the subcontractor for a period of three
1191 years from the expiration of the subcontract.

1192 Sec. 31. (NEW) (*Effective from passage*) When, for any reason,
1193 collusion or other anticompetitive practices are suspected among any
1194 bidders or proposers, a notice of the relevant facts shall be transmitted
1195 to the Attorney General by any affected party, including, but not
1196 limited to, the state contracting agency, a bidder or a proposer.

1197 Sec. 32. (NEW) (*Effective from passage*) All procurement records of a
1198 state contracting agency shall be retained and disposed of in
1199 accordance with records retention guidelines and schedules approved
1200 by the Public Records Administrator.

1201 Sec. 33. (NEW) (*Effective July 1, 2008*) The Agency Procurement
1202 Officer of each state contracting agency shall maintain a record that

1203 lists all contracts awarded pursuant to sections 21 and 23 of this act for
1204 a minimum of five years after the date of any such award. Such record
1205 shall contain:

1206 (1) Each contractor's name;

1207 (2) The amount and type of each contract; and

1208 (3) A listing of the supplies, services or construction procured under
1209 each contract.

1210 Sec. 34. (NEW) (*Effective July 1, 2008*) (a) After reasonable notice and
1211 hearing and consultation with the relevant state contracting agency
1212 and the Attorney General, the State Contracting Standards Board,
1213 acting through a subcommittee of three members, appointed by the
1214 chairperson, which subcommittee shall include not less than one
1215 legislative appointee, may disqualify any contractor, bidder or
1216 proposer, for a period of not more than five years, from bidding on,
1217 applying for or participating as a contractor or subcontractor under,
1218 contracts with the state. Such disqualification shall be upon the vote of
1219 two-thirds of the members of the subcommittee present and voting for
1220 that purpose. Such hearing shall be conducted in accordance with
1221 chapter 54 of the general statutes. The subcommittee shall issue a
1222 written recommendation not later than sixty days after the conclusion
1223 of such hearing, and shall state the reason for the recommended action
1224 and, if the disqualification is recommended, the period of time the
1225 contractor, bidder or proposer shall be disqualified. In determining
1226 whether to disqualify a contractor, bidder or proposer, the
1227 subcommittee shall consider the seriousness of the acts or omissions of
1228 the contractor, bidder or proposer and any mitigating factors. Such
1229 recommendation shall be submitted to the board for action and sent to
1230 the contractor by certified mail, return receipt requested. If
1231 disqualification is recommended, the contractor shall have thirty days
1232 to submit comments to the board. Upon receipt of the proposed
1233 recommendation by the subcommittee, the board shall issue a written
1234 decision either adopting, rejecting or modifying the subcommittee's

1235 recommendation. Such decision shall be issued not later than thirty
1236 days after receipt by the board of the contractor's comments, if any.
1237 The board shall send the decision to the contractor by certified mail,
1238 return receipt requested. The written decision shall be a final decision
1239 for purposes of sections 4-180 and 4-183 of the general statutes.

1240 (b) Causes for such disqualification shall include the following:

1241 (1) Conviction of, or entry of a plea of guilty or nolo contendere or
1242 admission to, the commission of a criminal offense as an incident to
1243 obtaining or attempting to obtain a public or private contract or
1244 subcontract, or in the performance of such contract or subcontract;

1245 (2) Conviction of, or entry of a plea of guilty or nolo contendere or
1246 admission to, the violation of any state or federal law for
1247 embezzlement, theft, forgery, bribery, falsification or destruction of
1248 records, receiving stolen property or any other offense indicating a
1249 lack of business integrity or business honesty which affects
1250 responsibility as a state contractor;

1251 (3) Conviction of, or entry of a plea of guilty or nolo contendere or
1252 admission to, a violation of any state or federal antitrust, collusion or
1253 conspiracy law arising out of the submission of bids or proposals on a
1254 public or private contract or subcontract;

1255 (4) Accumulation of two or more suspensions pursuant to section 48
1256 of this act within a twenty-four-month period;

1257 (5) A wilful, negligent or reckless failure to perform in accordance
1258 with the terms of one or more contracts or subcontracts, agreements or
1259 transactions with state contracting agencies;

1260 (6) A history of failure to perform or of unsatisfactory performance
1261 on one or more public contracts, agreements or transactions with state
1262 contracting agencies;

1263 (7) A wilful violation of a statutory or regulatory provision or

1264 requirement applicable to a contract, agreement or transaction with
1265 state contracting agencies;

1266 (8) A wilful or egregious violation of the ethical standards set forth
1267 in sections 1-84 and 1-86e of the general statutes; or

1268 (9) Any other cause or conduct the board determines to be so
1269 serious and compelling as to affect responsibility as a state contractor,
1270 including, but not limited to:

1271 (A) Disqualification by another state for cause;

1272 (B) The fraudulent or criminal conduct of any officer, director,
1273 shareholder, partner, employee or other individual associated with a
1274 contractor, bidder or proposer of such contractor, bidder or proposer,
1275 provided such conduct occurred in connection with the individual's
1276 performance of duties for or on behalf of such contractor, bidder or
1277 proposer and such contractor, bidder or proposer knew or had reason
1278 to know of such conduct;

1279 (C) The existence of an informal or formal business relationship
1280 with a contractor who has been disqualified from bidding or
1281 proposing on state contracts.

1282 (c) Upon written request by the affected state contractor, bidder or
1283 proposer, the State Contracting Standards Board may reduce the
1284 period or extent of disqualification for a contractor, bidder or proposer
1285 if documentation supporting any of the following reasons for
1286 modification is provided to the board by the contractor, bidder or
1287 proposer:

1288 (1) Newly discovered material evidence;

1289 (2) Reversal of the conviction upon which the disqualification was
1290 based;

1291 (3) Bona fide change in ownership or management; or

1292 (4) Elimination of other causes for which the disqualification was
1293 imposed.

1294 Sec. 35. (NEW) (*Effective July 1, 2008*) (a) After reasonable notice and
1295 a hearing, conducted in accordance with the provisions of chapter 54
1296 of the general statutes, the department head of any state contracting
1297 agency may suspend any contractor, bidder or proposer for a period of
1298 not more than six months from bidding on, applying for or performing
1299 work as a contractor or subcontractor under, contracts with the state.
1300 The department head shall issue a written decision not later than
1301 ninety days after the conclusion of such hearing and state in the
1302 decision the reasons for the action taken and, if the contractor, bidder
1303 or proposer is being suspended, the period of such suspension. In
1304 determining whether to suspend a contractor, bidder or proposer, the
1305 department head shall consider the seriousness of the acts or omissions
1306 of the contractor, bidder or proposer and any mitigating factors. The
1307 department head shall send such decision to the contractor and the
1308 State Contracting Standards Board by certified mail, return receipt
1309 requested. Such decision shall be a final decision for purposes of
1310 sections 4-180 and 4-183 of the general statutes.

1311 (b) Causes for such suspension shall include the following:

1312 (1) Failure without good cause to perform in accordance with
1313 specifications or within the time limits provided in the contract;

1314 (2) A record of failure to perform or of unsatisfactory performance
1315 in accordance with the terms of one or more contracts, provided failure
1316 to perform or unsatisfactory performance caused by acts beyond the
1317 control of the contractor shall not be considered to be a basis for
1318 suspension;

1319 (3) Any cause the complainant state contracting agency determines
1320 to be so serious and compelling as to affect the responsibility of a state
1321 contractor, including suspension by another state contracting agency
1322 for cause; or

1323 (4) A violation of the ethical standards set forth in sections 1-84, 1-
1324 86e or 4a-100 of the general statutes.

1325 (c) The State Contracting Standards Board may grant an exception
1326 permitting a suspended contractor to participate in a particular
1327 contract or subcontract upon a written determination by the Board that
1328 there is good cause for such exception and that such exception is in the
1329 best interest of the state.

1330 (d) The departments of each state contracting agency shall conduct
1331 reviews of contractors and shall file reports pertaining to any of the
1332 reasons set forth in this section of this act that may be the basis for
1333 disqualification.

1334 Sec. 36. (NEW) (*Effective July 1, 2008*) (a) Any bidder or proposer on
1335 a state contract may contest the solicitation or award of a contract to a
1336 subcommittee of the State Contracting Standards Board which shall be
1337 appointed by the chairperson of the board and consist of three
1338 members, at least one of whom shall be a legislative appointee. Such
1339 contest shall be submitted, in writing, not later than fourteen days after
1340 such bidder or proposer knew or should have known of the facts
1341 giving rise to such contest and shall be limited to the procedural
1342 elements of the solicitation or award process, or claims of an
1343 unauthorized or unwarranted, noncompetitive selection process.

1344 (b) The filing of a contest pursuant to this section shall not, alone, be
1345 deemed to prohibit the award or execution of any such contested
1346 contract.

1347 (c) The assigned subcommittee of the State Contracting Standards
1348 Board shall have the authority to settle and resolve any such contest.

1349 (d) In the event such contest is not resolved by mutual agreement,
1350 the assigned subcommittee of the State Contracting Standards Board
1351 shall issue a decision, in writing, not later than thirty days after receipt
1352 of any such contest. Such decision shall:

1353 (1) Describe the procedure used by such agency in soliciting and
1354 awarding such contract;

1355 (2) Indicate such agency's finding as to the merits of such bidder or
1356 proposer's contest; and

1357 (3) Inform such bidder or proposer of the right to review.

1358 (e) A copy of such decision shall be provided to such bidder or
1359 proposer.

1360 Sec. 37. (NEW) (*Effective July 1, 2008*) (a) Any contractor, bidder or
1361 proposer may appeal a decision issued by a department head,
1362 pursuant to section 35 of this act, to the State Contracting Standards
1363 Board.

1364 (b) Any such request for review shall be filed with the board not
1365 later than fourteen days after such contractor, bidder or proposer
1366 receives a decision issued pursuant to section 35 of this act. Such
1367 bidder or proposer shall set forth the facts supporting its claim in
1368 sufficient detail for the State Contracting Standards Board to determine
1369 whether the procedural elements of the solicitation or award failed to
1370 comply with the code or whether an unauthorized or unwarranted,
1371 noncompetitive selection process was utilized.

1372 (c) Any appeal filed pursuant to subsection (b) of this section shall
1373 not be deemed to prohibit the award or execution of any such
1374 contested contract.

1375 (d) The State Contracting Standards Board shall create a three-
1376 member appeals review subcommittee, one of whom shall be a
1377 legislative appointment, which shall review any request filed pursuant
1378 to subsection (b) of this section and decide whether such solicitation or
1379 award was in compliance with the code, and whether allegations of an
1380 unauthorized or unwarranted, noncompetitive selection process have
1381 been demonstrated. A unanimous vote of such subcommittee shall be
1382 dispositive of any such appeal. A split vote of such subcommittee shall

1383 result in a review of the appeal by the full membership of the board
1384 which, by a vote of two-thirds of its members present and voting for
1385 such purpose, shall decide whether the solicitation or award of such
1386 contract was in compliance with the code and whether allegations of
1387 an unauthorized or unwarranted, noncompetitive selection process
1388 have been demonstrated.

1389 (e) Such appeals review subcommittee shall issue a written decision
1390 or take other appropriate action on each appeal not later than ninety
1391 days after the filing of such appeal. A written copy of any such
1392 decision shall be provided to such bidder.

1393 (f) In the event of an appeal review by the full board, the board shall
1394 issue a written decision or take other appropriate action on such
1395 appeal not later than ninety days after receipt of the appeal from the
1396 appeals review subcommittee. A written copy of any such decision
1397 shall be provided to such bidder or proposer.

1398 (g) In the event that the appeals review subcommittee or the board
1399 determines that a procedural violation occurred, or that allegations of
1400 an unauthorized or unwarranted, noncompetitive selection process
1401 have been substantiated, the board shall direct the state contracting
1402 agency to take corrective action not later than thirty days after the date
1403 of the subcommittee's or board's decision, as applicable.

1404 (h) In the event such appeal is found to be frivolous by the appeals
1405 review subcommittee or the full board, such frivolous appeal may
1406 serve as a basis for disqualification pursuant to section 34 of this act.

1407 (i) Any three members of the board may request a full board review
1408 of any contract deliberation or award process of a state contracting
1409 agency.

1410 (j) A decision issued by the board or appeals review subcommittee
1411 under this section shall be final and not subject to appeal under
1412 sections 4-180 and 4-183 of the general statutes.

1413 Sec. 38. (NEW) (*Effective July 1, 2008*) Acting by one or more of its
1414 members, the State Contracting Standards Board shall issue a decision
1415 in writing or take other appropriate action on each appeal submitted
1416 pursuant to section 37 of this act. A copy of any decision shall be
1417 provided to all parties, the department head of the state contracting
1418 agency and the Chief Procurement Officer.

1419 Sec. 39. (NEW) (*Effective July 1, 2008*) If, prior to award, it is
1420 determined by the State Contracting Standards Board that a
1421 solicitation or proposed award of a contract is in violation of law, then
1422 the solicitation or proposed award shall be:

1423 (a) Cancelled; or

1424 (b) Revised to comply with the law.

1425 Sec. 40. (NEW) (*Effective July 1, 2008*) (a) If, after an award, it is
1426 determined by the State Contracting Standards Board that a
1427 solicitation or award of a contract is in violation of law, then:

1428 (1) If the person awarded the contract did not act in bad faith:

1429 (A) The contract may be ratified and affirmed, provided it is
1430 determined that doing so is in the best interests of the state; or

1431 (B) The contract may be terminated and the person awarded the
1432 contract shall be compensated for the actual expenses reasonably
1433 incurred under the contract, plus a reasonable profit, prior to the
1434 termination.

1435 (2) If the person awarded the contract acted in bad faith:

1436 (A) The contract may be declared null and void; or

1437 (B) The contract may be ratified and affirmed if such action is in the
1438 best interests of the state, as determined by the State Contracting
1439 Standards Board, in writing, without prejudice to the state's right to
1440 such damages as may be appropriate.

1441 Sec. 41. (NEW) (*Effective from passage*) (a) Not later than July 1, 2008,
1442 the State Contracting Standards Board shall adopt regulations
1443 pursuant to chapter 54 of the general statutes that specify the process
1444 that shall be used to procure architectural and engineering services in
1445 design-bid-build procurements, construction in design-bid-build
1446 procurements and construction management at-risk. Such regulations
1447 shall include a description of the project delivery methods.

1448 Sec. 42. (NEW) (*Effective from passage*) (a) Not later than July 1, 2008,
1449 he State Contracting Standards Board shall adopt regulations, in
1450 accordance with chapter 54 of the general statutes, that require bid
1451 security for all competitive sealed bidding for construction contracts in
1452 a design-bid-build procurement when the price is estimated by the
1453 state contracting agency to exceed five hundred thousand dollars.

1454 Sec. 43. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1455 State Insurance and Risk Management Board established pursuant to
1456 section 4a-19 of the general statutes shall adopt regulations, in
1457 accordance with chapter 54 of the general statutes, in consultation with
1458 the State Contracting Standards Board, that specify when a state
1459 contracting agency shall require proposers to provide appropriate
1460 errors and omissions insurance to cover architectural and engineering
1461 services under the project delivery methods as established in
1462 regulations adopted pursuant to subsection (b) of this section.

1463 Sec. 44. (*Effective from passage*) Not later than July 1, 2008, the State
1464 Contracting Standards Board shall adopt regulations, in accordance
1465 with the provisions of chapter 54 of the general statutes, to establish
1466 the process to be used to procure consultant services, and in
1467 consultation with the Attorney General, the type of contract to be used
1468 to procure such consultant services.

1469 Sec. 45. (NEW) (*Effective from passage*) (a) With respect to
1470 infrastructure facilities, as defined in section 1 of this act, not later than
1471 July 1, 2008, the State Contracting Standards Board, in consultation
1472 with the state contracting agencies and the Attorney General, shall

1473 adopt regulations, in accordance with chapter 54 of the general
1474 statutes, requiring the inclusion in state contracts of clauses providing
1475 for adjustments in prices, time of performance, remedies, termination
1476 or other contract provisions necessary to protect the interests of the
1477 state.

1478 Sec. 46. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
1479 State Contracting Standards Board shall adopt regulations, in
1480 accordance with chapter 54 of the general statutes, concerning the
1481 procedure and circumstances under which a state agency may allow
1482 contract modification, change order, or contract price adjustment
1483 under a construction contract with the state in excess of fifty thousand
1484 dollars. Such regulations shall require that every contract modification,
1485 change order or contract price adjustment under a construction
1486 contract with the state in excess of fifty thousand dollars shall be
1487 subject to prior written certification by the fiscal officer of the state
1488 contracting agency or other agency responsible for funding the project
1489 or the contract, or other official responsible for monitoring and
1490 reporting upon the status of the costs of the total project budget or
1491 contract budget, as to the effect of the contract modification, change
1492 order, or adjustment in contract price on the total project budget or the
1493 total contract budget. Such regulations shall further provide that in the
1494 event the certification of the fiscal officer or other responsible official
1495 discloses a resulting increase in the total project budget or the total
1496 contract budget, the Agency Procurement Officer shall not execute or
1497 make such contract modification, change order, or adjustment in
1498 contract price unless sufficient funds are available or the scope of the
1499 project or contract is adjusted so as to permit the degree of completion
1500 that is feasible within the total project budget or total contract budget
1501 as it existed prior to the contract modification, change order, or
1502 adjustment in contract price under consideration provided, with
1503 respect to the validity, as to the contractor, of any executed contract
1504 modification, change order, or adjustment in contract price which the
1505 contractor has reasonably relied upon, it shall be presumed that there
1506 has been compliance with the provisions of this section.

1507 Sec. 47. (NEW) (*Effective from passage*) Not later than January 1, 2009,
 1508 the State Contracting Standards Board shall adopt regulations, in
 1509 accordance with chapter 54 of the general statutes, to apply the
 1510 contracting procedures, as described in sections 18 to 45, inclusive, of
 1511 this act, to each constituent unit of the state system of higher
 1512 education. Such regulations shall take into consideration circumstances
 1513 and factors that are unique to such constituent units.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2008</i>	New section
Sec. 7	<i>October 1, 2008</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>January 1, 2008</i>	New section
Sec. 17	<i>July 1, 2007</i>	New section
Sec. 18	<i>July 1, 2007</i>	New section
Sec. 19	<i>October 1, 2008</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>from passage</i>	New section
Sec. 22	<i>from passage</i>	New section
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>from passage</i>	New section

Sec. 29	<i>from passage</i>	New section
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>from passage</i>	New section
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>July 1, 2008</i>	New section
Sec. 34	<i>July 1, 2008</i>	New section
Sec. 35	<i>July 1, 2008</i>	New section
Sec. 36	<i>July 1, 2008</i>	New section
Sec. 37	<i>July 1, 2008</i>	New section
Sec. 38	<i>July 1, 2008</i>	New section
Sec. 39	<i>July 1, 2008</i>	New section
Sec. 40	<i>July 1, 2008</i>	New section
Sec. 41	<i>from passage</i>	New section
Sec. 42	<i>from passage</i>	New section
Sec. 43	<i>from passage</i>	New section
Sec. 44	<i>from passage</i>	New section
Sec. 45	<i>from passage</i>	New section
Sec. 46	<i>from passage</i>	New section
Sec. 47	<i>from passage</i>	New section