



# House of Representatives

## File No. 922

General Assembly

January Session, 2009

**(Reprint of File No. 626)**

Substitute House Bill No. 5373  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 8, 2009

***AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY TO  
THE PURCHASE OF CERTAIN SERVICES BY TOWNS, SCHOOL  
DISTRICTS AND STATE AGENCIES.***

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

1 Section 1. Section 4a-60b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) For the purposes of this section:

4 (1) "Reverse auction" means an on-line bidding process in which  
5 qualified bidders or qualified proposers, anonymous to each other,  
6 submit bids or proposals to provide goods, services or supplies  
7 pursuant to an invitation to bid or request for proposals; [and]

8 (2) "Contracting agency" means a state agency with statutory  
9 authority to award contracts for goods or supplies, or a political  
10 subdivision of the state or school district; and

11 (3) "Services" means any (A) laundry and cleaning service, (B) pest  
12 control service, (C) janitorial service, (D) security service, (E) rental,

13 repair or maintenance of equipment, machinery or other personal  
 14 property owned by the state, a political subdivision of the state or a  
 15 school district, (F) advertising, (G) photostating, (H) mimeographing,  
 16 or (I) other service arrangements, other than construction or  
 17 construction management services, where such services are provided  
 18 by persons other than employees of the state, a political subdivision of  
 19 the state or a school district.

20 (b) Notwithstanding any provision of the general statutes,  
 21 whenever a contracting agency determines that the use of a reverse  
 22 auction is advantageous to the contracting agency and will ensure a  
 23 competitive contract award, the contracting agency may use a reverse  
 24 auction to award a contract for goods, services or supplies, in  
 25 accordance with any applicable requirement of the general statutes  
 26 and policies of the contracting agency. The contracting agency may  
 27 contract with a third party to prepare and manage any such reverse  
 28 auction.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4a-60b

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

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Dept. of Administrative Services	GF - Savings	Potential	Potential

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Savings	Potential	Potential

**Explanation**

This bill expands the use of reverse auctions by state agencies, municipalities, and school districts. The bill allows them to use reverse auctions to award service contracts that will be performed by someone other than an employee of the contracting entity.

Under current law, the state, municipalities and school districts may use a reverse auction to award contracts for goods and supplies if they determine that doing so would be to their advantage and ensure a competitive contract award.

To the extent that the state, municipalities and school districts utilize the expanded reverse auction, a savings is expected to result based on securing more competitive prices from vendors.

House "A" expands the service arrangements covered by the bill. House "A" will not impact the fiscal note of the underlying bill described above.

***The Out Years***

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

*Sources: Department of Administrative Services*

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**OLR Bill Analysis****sHB 5373 (as amended by House "A")\******AN ACT EXPANDING CERTAIN REVERSE AUCTION AUTHORITY TO THE PURCHASE OF CERTAIN SERVICES BY TOWNS, SCHOOL DISTRICTS AND STATE AGENCIES.*****SUMMARY:**

This bill expands the use of reverse auctions by state agencies, political subdivisions of the state, and school districts. By law, a "reverse auction" is an on-line bidding process in which qualified bidders and proposers anonymously submit bids or proposals to provide goods or supplies pursuant to an invitation to bid or request for proposals.

With two exceptions, the bill allows entities to use these auctions to award service contracts that will be performed by someone other than an employee of the contracting entity. The exceptions are for construction and construction management services. Under the bill, "services" mean (1) laundry and cleaning, pest control, janitorial, and security services; (2) advertising, and photostating, mimeographing; (3) other service arrangements; and (4) the rental, repair, or maintenance of equipment, machinery, or other personal property owned by the state, political subdivision, or school district.

By law, state agencies, political subdivisions of the state, and school districts may use a reverse auction to award contracts for goods and supplies if they determine that doing so would be to their advantage and ensure a competitive contract award. Contracting agencies may contract with a third party to prepare and manage the reverse auction.

\*House Amendment "A" expands the service arrangements covered by the bill and makes a clarifying change.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (03/27/2009)

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (05/6/2009)