



House of Representatives

General Assembly

File No. 246

February Session, 2014

Substitute House Bill No. 5312

House of Representatives, April 1, 2014

The Committee on Government Administration and Elections reported through REP. JUTILA of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REQUIRING AN ONLINE EXPLANATION BY THE DEPARTMENT OF ADMINISTRATIVE SERVICES OF ANY CONTRACT EXTENDED WITHOUT USING COMPETITIVE BIDDING.

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

1 Section 1. Section 4a-59a of the 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2014*):

4 (a) No state agency may extend a contract for the purchase of
5 supplies, materials, equipment or contractual services which expires
6 on or after October 1, 1990, and is subject to the competitive bidding
7 requirements of subsection (a) of section 4a-57, without complying
8 with such requirements, unless the Commissioner of Administrative
9 Services makes a written determination, supported by documentation,
10 that (1) soliciting competitive bids for such purchase would cause a
11 hardship for the state, (2) such solicitation would result in a major
12 increase in the cost of such supplies, materials, equipment or

13 contractual services, or (3) the contractor is the sole source for such
 14 supplies, materials, equipment or contractual services. Except in the
 15 case where the contractor is the sole source as set forth in subdivision
 16 (3) of this subsection, the commissioner shall solicit at least three
 17 competitive quotations in addition to the contractor's quotation, and
 18 shall make a written determination that no such competitive quotation
 19 which complies with the existing specifications for the contract is
 20 lower than or equal to the contractor's quotation. Any such contract
 21 extension shall be based on the contractor's quotation. No contract may
 22 be extended more than two times under this section.

23 (b) Notwithstanding the provisions of subsection (a) of this section,
 24 the Commissioner of Administrative Services may, for a period of up
 25 to one year from the date such contract would otherwise expire, (1)
 26 extend any contract in effect on May 1, 2005, with a value of fifty
 27 thousand dollars or more per year, to perform any of the following
 28 services for the state: Janitorial, building maintenance, security and
 29 food and beverage, provided any such extension shall include any
 30 applicable increase in the standard wage and the payroll burden to
 31 administer the standard wage, as established by the Labor
 32 Department, or (2) extend an existing contract if the commissioner
 33 certifies in writing that failure to provide such extension would
 34 compromise the continuity of state agency systems or operations.

35 (c) If any contract is extended pursuant to this section without
 36 complying with the competitive bidding requirements of subsection
 37 (a) of section 4a-57, the Commissioner of Administrative Services shall
 38 post an explanation of the reasons for such noncompliance on the
 39 Department of Administrative Services' Internet web site.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	4a-59a

GAE *Joint Favorable Subst.*

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

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill requires the Department of Administrative Services (DAS) to post on their website an explanation of reasons why any contract was extended without using competitive bidding. There is no fiscal impact for DAS to post this information on their website.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 5312*****AN ACT REQUIRING AN ONLINE EXPLANATION BY THE DEPARTMENT OF ADMINISTRATIVE SERVICES OF ANY CONTRACT EXTENDED WITHOUT USING COMPETITIVE BIDDING.*****SUMMARY:**

Each time the Department of Administrative Services (DAS) commissioner extends a contract for goods and services without competitive bidding, this bill requires him to explain why he did so. He must post the explanation on DAS's website, but the bill sets no deadline for doing so. The law already requires him to make certain written determinations before extending such a contract.

The bill also requires the commissioner to report to the Appropriations and Government Administration and Elections committees by January 15 on those contracts he extended without competitive bidding during the prior year. The report must include his reasons for doing so.

EFFECTIVE DATE: October 1, 2014

BACKGROUND***Extending Contract Without Competitive Bidding***

The law sets conditions under which the commissioner may extend contracts for goods and services without competitive bidding when they would otherwise be subject to such bidding. It allows him to do so if he determines in writing that:

1. soliciting competitive bids would cause a hardship for the state,
2. such bids would significantly increase the costs of the procured goods or services, or

3. the current contractor is the only one that can fulfill the contract.

If the commissioner determines that competitively rebidding the contract would create a hardship for the state or drive up the costs, he must take the additional step of soliciting competitive quotations from at least three other contractors besides the current one. If he determines in writing that the contractor's quote is equal to or lower than the other quotes, he may extend the contract without competitive bidding.

He may extend a contract twice without competitive bidding.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (03/14/2014)