
OLR Bill Analysis

sHB 5311

AN ACT RAISING THE THRESHOLD FOR STATE CONSTRUCTION CONTRACTS REQUIRING THE APPROVAL OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND FOR COMPETITIVE BIDDING.

SUMMARY:

This bill gives Executive Branch agencies authority to manage more of their construction projects with the Department of Administrative Services (DAS) commissioner's approval. It does so by increasing, from \$500,000 to \$1 million, the maximum these state agencies can spend to alter, repair, or make additions to public buildings (capital improvements) with DAS' prior approval (see BACKGROUND). It requires the Executive Branch agencies as well as the Judicial Branch and higher education constituent units, which have higher spending thresholds, to get the prior approval in writing and notify the Office of Policy and Management secretary.

It likewise increases, from \$500,000 to \$1 million, the maximum capital improvement expenditures state agencies can make without triggering the requirement for competitive bids and awarding contracts to the lowest responsible qualified bidder who is pre-qualified to work on state construction projects. The increase applies to state agencies, including the Judicial Branch, constituent units of higher education, the Department of Transportation (DOT), and the Joint Committee on Legislative Management (Legislative Management). The bill requires the DAS commissioner to award contracts based on sealed bids, where practicable, for new construction public works projects expected to cost less than \$1 million.

The bill increases, from \$500,000 to \$1 million, the cost threshold at which the University of Connecticut (UConn) must (1) publicly bid university construction projects and (2) separately prequalify

contractors that seek to bid on them. However, the bill retains the existing requirement that UConn projects using the design-build or construction manager at-risk delivery methods be awarded to a DAS-prequalified contractor if they are expected to cost more than \$500,000. By law, contractors must first prequalify with UConn before they are invited to bid on certain UConn construction projects. Only DAS-prequalified contractors are eligible to prequalify for UConn projects.

The bill increases, from \$500,000 to \$1 million, the amount (1) the DAS commissioner can spend without inviting bids to restore a public building after he declares that emergency conditions exist and (2) UConn's board of trustees can spend without inviting public bids, when emergency conditions exist.

The bill requires the State Contracting Standards Board to adopt regulations requiring bid security for design-bid-build contracts estimated to exceed \$1 million, rather than \$500,000.

Lastly, the bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

BACKGROUND

State Construction Contracts

With some exceptions, the DAS commissioner is responsible for capital improvements to most state buildings that house Executive Branch agencies or offices, except most state agencies can (1) contract to spend and (2) spend up to \$500,000 to repair, alter, or make additions to buildings if they get the DAS commissioner's approval.

The commissioner also approves improvements to buildings that the Judicial Branch occupies, but the threshold triggering the approval is higher.

DAS is not responsible for improvements to buildings (1) under the supervision and control of Legislative Management or (2) under UConn's supervision.

Related Bill

sSB 248, reported favorably by the Government Administration and Elections Committee, increases the competitive bidding threshold to \$1.5 million for DAS-administered projects only. It retains the \$500,000 threshold for agencies to administer their own projects.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/24/2014)