

Competitive Bidding Requirements for Municipalities

By: Jennifer Proto, Principal Analyst
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Issue

Briefly describe competitive bidding requirements for municipalities under state law.

Summary

State law generally does not require municipalities to use competitive bidding to award contracts or make purchases, but municipalities may adopt such a requirement individually by ordinance or charter. Competitive bidding requirements depend on the contract's funding source. If funded by the municipality, then the requirements, if any, would be governed by the local charter or ordinances. If the project is funded in whole or in part by the state, then additional statutory requirements may apply.

Municipally Funded Contracts

As a general rule, a municipality's legislative body cannot supersede a requirement of the municipality's charter by adopting an ordinance. If the charter is silent on an issue or allows the legislative body to address an issue by ordinance, however, the legislative body can establish a requirement by ordinance. State law (1) allows municipalities to establish, by ordinance, competitive bidding requirements for contracts or purchases of real or personal property and (2) limits, to \$25,000, the value of contracts or purchases that the ordinance may exempt from these requirements ([CGS § 7-148v\(a\)](#)).

Absent such an ordinance, competitive bidding requirements, if any, would be governed by the municipal charter. The law does not prevent a municipality from establishing competitive bidding requirements by charter, rather than ordinance, nor does it set any limits on competitive bidding requirements established by charter. Thus, it appears that municipalities may establish, by charter, a competitive bidding threshold of more than \$25,000. However, in the case of a special services district, the law requires it to award any contract costing more than \$5,000 to the lowest responsible, qualified bidder after a public invitation to bid ([CGS § 7-339q](#)).

[CGS § 7-148v\(a\)](#) and any ordinance adopted under it may not be construed to limit the ability of a municipality to enter into a contract under [CGS § 4a-53a](#), which allows the Department of Administrative Services (DAS) commissioner to serve as the contracting agent for a group of three or more municipalities. As the contracting agent, DAS may perform administrative functions for the municipalities in accordance with state procurement laws and regulations, including, but not limited to, the competitive bidding process.

State Funded Contracts

Municipal projects that include state funding may be subject to additional requirements. For example, if a municipality administers a public works project that costs more than \$500,000 and is funded in whole or in part by the state, then it must (1) advertise the project on the [State Contracting Portal](#) and (2) award the contract to a bidder prequalified by DAS ([CGS § 4b-91\(a\)\(4\)](#)).

In addition to this general requirement, other state programs may establish specific bidding requirements for municipalities. For example, contracts for school construction projects must generally be awarded to the lowest responsible qualified bidder ([CGS § 10-287\(b\)](#)). Additionally, state agencies that administer STEAP (Small Town Economic Assistance Program) grants may require competitive bidding for STEAP-funded projects ([CGS § 4-66g](#)).

Purchases from Existing Contracts

The law authorizes municipalities (notwithstanding state statutes, municipal charters, special acts, or ordinances) to purchase equipment, supplies, materials, or services from certain entities. These entities are persons that have a contract with a regional educational service center or regional council of governments to sell such goods or services to other state governments; political subdivisions of the state, including municipalities; nonprofits; or public purchasing consortia ([CGS § 7-148v\(b\)](#)).

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