
OLR Bill Analysis

sSB 1183

AN ACT CONCERNING STATE CONSTRUCTION RELATED THRESHOLDS.

SUMMARY

This bill (1) increases, from \$2 million to \$3 million, the cost of a capital project that the Connecticut State Colleges and Universities (CSCU), Military Department, and Judicial Department may administer and (2) requires that these thresholds be adjusted annually for inflation beginning July 1, 2028.

The bill also (1) increases, from \$500,000 to \$750,000, the cost of a construction consultant services contract (e.g., those provided by architects, professional engineers, or accountants) for which the Department of Administrative Services (DAS) must select the consultant using a selection panel process and (2) requires that this threshold be annually adjusted for inflation beginning July 1, 2024.

Lastly, the bill makes technical and conforming changes (§§ 5-7).

EFFECTIVE DATE: July 1, 2023

§§ 1 & 2 — CAPITAL PROJECTS

By law, DAS generally has charge and supervision of the remodeling, alteration, repair, or enlargement of any real asset if the project cost exceeds \$500,000. However, under current law, CSCU, the Military Department, and Judicial Department each have charge and supervision for projects costing up to \$2 million. The bill (1) increases each of these thresholds to \$3 million, through June 30, 2028, and (2) requires that they be annually adjusted for inflation beginning July 1, 2028.

Specifically, DAS must adjust annually the thresholds by the percentage change in the Producer Price Index by Commodity: Construction (Partial) (WPU80), not seasonally adjusted, or its successor

index, as calculated by the U.S. Department of Labor, over the preceding calendar year. DAS must round the adjustment to the nearest multiple of \$100 and post the adjusted thresholds on its website.

(The bill also requires DAS to make these annual threshold adjustments for projects UConn administers under the UConn 2000 infrastructure program. However, under existing law unchanged by the bill, UConn has charge and supervision of these projects regardless of the cost.)

The bill makes conforming changes to thresholds concerning (1) the use of competitive bidding by CSCU, the Military Department, and the Judicial Department and (2) DAS approval of CSCU and Judicial Department projects. However, it does not similarly adjust these conforming threshold changes for inflation.

§§ 3 & 4 — CONSTRUCTION CONSULTANT SERVICES

Under current law, DAS must establish a selection panel to evaluate consultant services proposals if the estimated cost of those services exceeds \$500,000 (referred to as “projects” in statute and “major projects” by DAS). The bill (1) increases this threshold to \$750,000 and (2) requires that it be annually adjusted for inflation beginning July 1, 2024. Under the bill, DAS must make the adjustment using the same index that it must use for adjusting the capital project thresholds (see above). DAS must round the adjustment to the nearest multiple of \$100 and post the adjusted threshold on its website.

By law, selection panels consist of three members for projects of less than \$5 million and five members for projects of \$5 million or more. After evaluating the proposals, the panel must submit a list of the most qualified firms to the DAS commissioner, who must negotiate a contract with the firm the panel ranks most qualified for compensation that she determines to be fair and reasonable to the state (CGS §§ 4b-56 to -58).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 12 Nay 6 (03/27/2023)