



**AN ACT CONCERNING THE NET ECONOMIC VALUE OF CONTRACTS.**

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

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 Section 4e-1 of the general statutes is repealed and the  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

3 For the purposes of sections 4e-1 to 4e-47, inclusive, and section 2 of  
4 this act:

5 (1) "Best value selection" means a contract selection process in which  
6 the award of a contract is based on a combination of quality, timeliness  
7 and cost factors;

8 (2) "Bid" means an offer, submitted in response to an invitation to  
9 bid, to furnish supplies, materials, equipment, construction or  
10 contractual services to a state contracting agency under prescribed  
11 conditions at a stated price;

12 (3) "Bidder" means a business submitting a bid in response to an  
13 invitation to bid by a state contracting agency;

14 (4) "Business" means any individual or sole proprietorship,  
15 partnership, firm, corporation, trust, limited liability company, limited  
16 liability partnership, joint stock company, joint venture, association or  
17 other legal entity through which business for profit or not-for-profit is  
18 conducted;

19 (5) "Competitive bidding" means the submission of prices by a  
20 business competing for a contract to provide supplies, materials,  
21 equipment or contractual services to a state contracting agency, under  
22 a procedure in which the contracting authority does not negotiate  
23 prices, as set forth in statutes and regulations concerning procurement;

24 (6) "Consultant" means (A) any architect, professional engineer,  
25 landscape architect, land surveyor, accountant, interior designer,  
26 environmental professional or construction administrator, who is  
27 registered or licensed to practice such person's profession in  
28 accordance with the applicable provisions of the general statutes, (B)  
29 any planner or any environmental, management or financial specialist,  
30 or (C) any person who performs professional work in areas including,  
31 but not limited to, educational services, medical services, information  
32 technology and real estate appraisal;

33 (7) "Consultant services" means those professional services rendered  
34 by a consultant and any incidental services that a consultant and those  
35 in the consultant's employ are authorized to perform;

36 (8) "Contract" or "state contract" means an agreement or a  
37 combination or series of agreements between a state contracting  
38 agency or quasi-public agency and a business for:

39 (A) A project for the construction, reconstruction, alteration,  
40 remodeling, repair or demolition of any public building, public work,  
41 mass transit, rail station, parking garage, rail track or airport;

42 (B) Services, including, but not limited to, consultant and  
43 professional services;

44 (C) The acquisition or disposition of personal property;

45 (D) The provision of goods and services, including, but not limited  
46 to, the use of purchase of services contracts and personal service  
47 agreements;

48 (E) The provision of information technology, state agency  
49 information system or telecommunication system facilities, equipment  
50 or services;

51 (F) A lease; or

52 (G) A licensing agreement;

53 "Contract" or "state contract" does not include a contract between a  
54 state agency or a quasi-public agency and a political subdivision of the  
55 state;

56 (9) "Term contract" means the agreement reached when the state  
57 accepts a bid or proposal to furnish supplies, materials, equipment or  
58 contractual services at a stated price for a specific period of time in  
59 response to an invitation to bid;

60 (10) "Contract risk assessment" means (A) the identification and  
61 evaluation of loss exposures and risks, including, but not limited to,  
62 business and legal risks associated with the contracting process and  
63 the contracted goods and services, and (B) the identification,  
64 evaluation and implementation of measures available to minimize  
65 potential loss exposures and risks;

66 (11) "Contractor" means any business that is awarded, or is a  
67 subcontractor under, a contract or an amendment to a contract with a  
68 state contracting agency under statutes and regulations concerning  
69 procurement, including, but not limited to, a small contractor, minority  
70 business enterprise, an individual with a disability, as defined in  
71 section 4a-60, or an organization providing products and services by  
72 persons with disabilities;

73 (12) "Contractual services" means the furnishing of labor by a  
74 contractor, not involving the delivery of a specific end product other  
75 than reports, which are merely incidental to the required performance  
76 and includes any and all laundry and cleaning service, pest control  
77 service, janitorial service, security service, the rental and repair, or

78 maintenance, of equipment, machinery and other state-owned  
79 personal property, advertising and photostating, mimeographing,  
80 human services and other service arrangements where the services are  
81 provided by persons other than state employees. "Contractual services"  
82 includes the design, development and implementation of technology,  
83 communications or telecommunications systems or the infrastructure  
84 pertaining thereto, including hardware and software and services for  
85 which a contractor is conferred a benefit by the state, whether or not  
86 compensated by the state. "Contractual services" does not include  
87 employment agreements or collective bargaining agreements;

88 (13) "Data" means recorded information, regardless of form or  
89 characteristic;

90 (14) "Vote of two-thirds of the members of the board present and  
91 voting" means a vote by the State Contracting Standards Board that is  
92 agreed upon by two-thirds of the members of the State Contracting  
93 Standards Board present and voting for a particular purpose and that  
94 includes the vote of one member of the board appointed by a  
95 legislative leader;

96 (15) "Electronic" means electrical, digital, magnetic, optical,  
97 electromagnetic, or any other similar technology;

98 (16) "Emergency procurement" means procurement by a state  
99 contracting agency, quasi-public agency, as defined in section 1-120,  
100 judicial department or constituent unit of higher education that is  
101 made necessary by a sudden, unexpected occurrence that poses a clear  
102 and imminent danger to public safety or requires immediate action to  
103 prevent or mitigate the loss or impairment of life, health, property or  
104 essential public services or in response to a court order, settlement  
105 agreement or other similar legal judgment;

106 (17) "Equipment" means personal property of a durable nature that  
107 retains its identity throughout its useful life;

108 (18) "Materials" means items required to perform a function or used

109 in a manufacturing process, particularly those incorporated into an  
110 end product or consumed in its manufacture;

111 (19) "Nonprofit agency" means any organization that is not a for-  
112 profit business under Section 501(c)(3) of the Internal Revenue Code of  
113 1986, or any subsequent corresponding internal revenue code of the  
114 United States, as from time to time amended, makes no distribution to  
115 its members, directors or officers and provides services contracted for  
116 by (A) the state, or (B) a nonstate entity;

117 (20) "Professional services" means any type of service to the public  
118 that requires that members of a profession rendering such service  
119 obtain a license or other legal authorization as a condition precedent to  
120 the rendition thereof, including, but not limited to, the professional  
121 services of architects, professional engineers, or jointly by architects  
122 and professional engineers, landscape architects, certified public  
123 accountants and public accountants, land surveyors, attorneys-at-law,  
124 psychologists, licensed marital and family therapists, licensed  
125 professional counselors and licensed clinical social workers as well as  
126 such other professional services described in section 33-182a;

127 (21) "Privatization contract" means an agreement or series of  
128 agreements between a state contracting agency and a person or entity  
129 in which such person or entity agrees to provide services that are  
130 substantially similar to and in lieu of services provided, in whole or in  
131 part, by state employees, other than contracts with a nonprofit agency,  
132 which are in effect as of January 1, 2009, and which through a renewal,  
133 modification, extension or rebidding of contracts continue to be  
134 provided by a nonprofit agency;

135 (22) "Procurement" means contracting for, buying, purchasing,  
136 renting, leasing or otherwise acquiring or disposing of, any supplies,  
137 services, including but not limited to, contracts for purchase of services  
138 and personal service agreements, interest in real property, or  
139 construction, and includes all government functions that relate to such  
140 activities, including best value selection and qualification based

141 selection;

142 (23) "Proposer" means a business submitting a proposal to a state  
143 contracting agency in response to a request for proposals or other  
144 competitive sealed proposal;

145 (24) "Public record" means a public record, as defined in section 1-  
146 200;

147 (25) "Qualification based selection" means a contract selection  
148 process in which the award of a contract is primarily based on an  
149 assessment of contractor qualifications and on the negotiation of a fair  
150 and reasonable price;

151 (26) "Regulation" means regulation, as defined in section 4-166;

152 (27) "Request for proposals" means all documents, whether attached  
153 or incorporated by reference, utilized for soliciting proposals;

154 (28) "State contracting agency" means any executive branch agency,  
155 board, commission, department, office, institution or council. "State  
156 contracting agency" does not include the judicial branch, the legislative  
157 branch, the offices of the Secretary of the State, the State Comptroller,  
158 the Attorney General, the State Treasurer, with respect to their  
159 constitutional functions, any state agency with respect to contracts  
160 specific to the constitutional and statutory functions of the office of the  
161 State Treasurer. For the purposes of section 4e-16 and section 4 of this  
162 act, "state contracting agency" includes any constituent unit of the state  
163 system of higher education and for the purposes of section 4e-19, "state  
164 contracting agency" includes the State Education Resource Center,  
165 established under section 10-4q;

166 (29) "Subcontractor" means a subcontractor of a contractor for work  
167 under a contract or an amendment to a contract;

168 (30) "Supplies" means any and all articles of personal property,  
169 including, but not limited to, equipment, materials, printing, insurance

170 and leases of real property, excluding land or a permanent interest in  
171 land furnished to or used by any state agency;

172 (31) "Infrastructure facility" means a building, structure or network  
173 of buildings, structures, pipes, controls and equipment that provide  
174 transportation, utilities, public education or public safety services.  
175 Infrastructure facility includes government office buildings, public  
176 schools, jails, water treatment plants, distribution systems and  
177 pumping stations, wastewater treatment plants, collections systems  
178 and pumping stations, solid waste disposal plants, incinerators,  
179 landfills, and related facilities, public roads and streets, highways,  
180 public parking facilities, public transportation systems, terminals and  
181 rolling stock, rail, air and water port structures, terminals and  
182 equipment; and

183 (32) "State employee" means state employee, as defined in section 5-  
184 154 and, for purposes of section 4e-16, state employee includes an  
185 employee of any state contracting agency.

186 Sec. 2. (NEW) (*Effective from passage*) (a) The Commissioner of  
187 Administrative Services shall determine a methodology for evaluating  
188 the potential state revenue from awarding a contract to a business in  
189 this state or a business that will hire employees in this state, including  
190 the estimated effect on the state economy, as one of the criteria used to  
191 evaluate the bids received for state contracts. Such methodology may  
192 include, but need not be limited to, consideration of potential revenue  
193 to the state from the taxes imposed pursuant to chapters 219 and 229 of  
194 the general statutes. After such methodology is adopted under  
195 subsection (b) of this section, the methodology shall be used by the  
196 commissioner and any other state contracting agency, other than the  
197 Department of Transportation, as part of their procurement processes  
198 for any contract entered into, amended or renewed on or after such  
199 adoption.

200 (b) The Commissioner of Administrative Services shall, by  
201 regulations adopted in accordance with the provisions of chapter 54 of

202 the general statutes, adopt the methodology for evaluating bids  
203 received for contracts described in subsection (a) of this section. Not  
204 later than January 1, 2020, the commissioner shall post notice of intent  
205 to adopt such regulations on the Department of Administrative  
206 Services' Internet web site and the eRegulations System.

207       Sec. 3. (NEW) (*Effective from passage*) (a) As used in this section,  
208 "business", "contract" and "procurement" have the same meanings as  
209 provided in section 4e-1 of the general statutes, as amended by this act.  
210 The Commissioner of Transportation shall determine a methodology  
211 for evaluating the potential state revenue from awarding a contract to  
212 a business in this state or a business that will hire employees in this  
213 state, including the estimated effect on the state economy, as one of the  
214 criteria used to evaluate the bids received for contracts. Such  
215 methodology may include, but need not be limited to, consideration of  
216 potential revenue to the state from the taxes imposed pursuant to  
217 chapters 219 and 229 of the general statutes. After such methodology is  
218 adopted under subsection (b) of this section, the methodology shall be  
219 used by the Department of Transportation as part of its procurement  
220 processes for any contract entered into, amended or renewed on or  
221 after such adoption.

222       (b) The Commissioner of Transportation shall, by regulations  
223 adopted in accordance with the provisions of chapter 54 of the general  
224 statutes, adopt the methodology for evaluating bids received for  
225 contracts described in subsection (a) of this section. Not later than  
226 January 1, 2020, the commissioner shall post notice of intent to adopt  
227 such regulations on the Department of Transportation's Internet web  
228 site and the eRegulations System.

229       Sec. 4. (NEW) (*Effective from passage*) (a) Not later than January 1,  
230 2020, the Board of Trustees of The University of Connecticut shall  
231 adopt, and update as necessary, policies relating to the process for  
232 entering into or amending a contract, as defined in section 4e-1 of the  
233 general statutes, as amended by this act, and determine a methodology  
234 for evaluating the potential state revenue from awarding a contract to



235 a business in this state or a business that will hire employees in this  
236 state, including the estimated effect on the state economy, as one of the  
237 criteria used to evaluate the bids received for contracts. Such  
238 methodology may include, but need not be limited to, consideration of  
239 potential revenue to the state from the taxes imposed pursuant to  
240 chapters 219 and 229 of the general statutes. The board of trustees shall  
241 provide a reasonable opportunity for interested persons to present  
242 their views on such policies prior to adoption. The board of trustees  
243 shall post such policies on its Internet web site. After such  
244 methodology is adopted, the methodology shall be used by The  
245 University of Connecticut as part of its procurement processes for any  
246 contract entered into, amended or renewed on or after such adoption.

247 (b) Not later than January 1, 2020, the Board of Regents for Higher  
248 Education shall adopt, and update as necessary, policies relating to the  
249 process for entering into or amending a contract, as defined in section  
250 4e-1 of the general statutes, as amended by this act, and determine a  
251 methodology for evaluating the potential state revenue from awarding  
252 a contract to a business in this state or a business that will hire  
253 employees in this state, including the estimated effect on the state  
254 economy, as one of the criteria used to evaluate the bids received for  
255 contracts. Such methodology may include, but need not be limited to,  
256 consideration of potential revenue to the state from the taxes imposed  
257 pursuant to chapters 219 and 229 of the general statutes. The Board of  
258 Regents for Higher Education shall provide a reasonable opportunity  
259 for interested persons to present their views on such policies prior to  
260 adoption. The Board of Regents for Higher Education shall post such  
261 policies on its Internet web site. After such methodology is adopted,  
262 the methodology shall be used by the Connecticut State University  
263 System, the regional community-technical college system and Charter  
264 Oak State College as part of their procurement processes for any  
265 contract entered into, amended or renewed on or after such adoption.

266 (c) Not later than February 1, 2020, and annually thereafter, The  
267 University of Connecticut and the Board of Regents for Higher

268 Education shall each submit a report, in accordance with the  
269 provisions of section 11-4a of the general statutes, to the joint standing  
270 committees of the General Assembly having cognizance of matters  
271 relating to higher education and government administration. Such  
272 report shall include, but need not be limited to, (1) any policies  
273 adopted pursuant to this section, and (2) a description of any revisions  
274 or amendments made in the previous fiscal year to any previously  
275 adopted policies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4e-1
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

**GAE**      *Joint Favorable Subst. -LCO*

**APP**      *Joint Favorable*