



General Assembly

Substitute Bill No. 6903

January Session, 2023



AN ACT PROHIBITING CONSTRUCTION MANAGERS FROM SELF-PERFORMING PROJECT ELEMENTS OF QUASI-PUBLIC AGENCY CONSTRUCTION CONTRACTS AND SUCCESS FEES IN QUASI-PUBLIC AGENCY CONTRACTS.

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

1 Section 1. Section 1-120 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 As used in sections 1-120 to 1-123, inclusive, and sections 2 and 3 of
4 this act:

5 (1) "Quasi-public agency" means Connecticut Innovations,
6 Incorporated, the Connecticut Health and Educational Facilities
7 Authority, the Connecticut Higher Education Supplemental Loan
8 Authority, the Connecticut Student Loan Foundation, the Connecticut
9 Housing Finance Authority, the Connecticut Housing Authority, the
10 Materials Innovation and Recycling Authority, the Capital Region
11 Development Authority, the Connecticut Lottery Corporation, the
12 Connecticut Airport Authority, the Connecticut Health Insurance
13 Exchange, the Connecticut Green Bank, the Connecticut Port
14 Authority, the Connecticut Municipal Redevelopment Authority, the
15 State Education Resource Center and the Paid Family and Medical
16 Leave Insurance Authority.

17 (2) "Procedure" means each statement, by a quasi-public agency, of

18 general applicability, without regard to its designation, that
19 implements, interprets or prescribes law or policy, or describes the
20 organization or procedure of any such agency. The term includes the
21 amendment or repeal of a prior regulation, but does not include,
22 unless otherwise provided by any provision of the general statutes, (A)
23 statements concerning only the internal management of any agency
24 and not affecting procedures available to the public, and (B) intra-
25 agency memoranda.

26 (3) "Proposed procedure" means a proposal by a quasi-public
27 agency under the provisions of section 1-121 for a new procedure or
28 for a change in, addition to or repeal of an existing procedure.

29 Sec. 2. (NEW) (*Effective July 1, 2023*) (a) As used in this section,
30 "project" means the construction, renovation or alteration of buildings
31 or facilities owned or leased by a quasi-public agency, including all
32 related planning, feasibility, environmental testing and assessment,
33 permitting, engineering, technical and other necessary development
34 activities, such as site acquisition, site preparation and infrastructure
35 improvements, and "construction manager" means a general contractor
36 or other construction professional with primary responsibility for the
37 day-to-day management of all construction or engineering activities
38 for a project in accordance with a contract or other agreement with a
39 quasi-public agency.

40 (b) Any project of a quasi-public agency that is overseen by a
41 construction manager shall be subject to the provisions of this section.

42 (c) The construction manager for a project of a quasi-public agency
43 shall invite bids and give notice of opportunities to bid on project
44 elements on the State Contracting Portal. Each bid shall be kept sealed
45 until opened publicly at the time and place as set forth in the notice
46 soliciting such bid. The construction manager shall, after consultation
47 with and approval by the quasi-public agency, award any related
48 contracts for project elements to the responsible qualified contractor
49 submitting the lowest bid in compliance with the bid requirements,

50 provided the construction manager shall not be eligible to submit a bid
51 for any project element.

52 (d) Any contract entered into by a quasi-public agency with a
53 construction manager related to the construction of a project shall
54 require the construction manager to maintain complete accounting
55 records relating to all expenditures of state funds, including detailed
56 support for all cost allocations, and such records shall be subject to
57 audit by the Auditors of Public Accounts.

58 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) As used in this section,
59 "success fee" means a commission that is (1) paid by a quasi-public
60 agency to a person or business entity for such person's or business
61 entity's role in facilitating the finalization of a transaction, (2) not paid
62 if such transaction is not finalized, and (3) separate from any payment
63 for services performed.

64 (b) For any contract or other agreement entered into, amended or
65 extended on or after July 1, 2023, no quasi-public agency may include a
66 provision in such contract or other agreement for the payment of a
67 success fee to any person or business entity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	1-120
Sec. 2	<i>July 1, 2023</i>	New section
Sec. 3	<i>July 1, 2023</i>	New section

Statement of Legislative Commissioners:

In Section 2(c), references to "quasi-public agency" were added for clarity.

GAE *Joint Favorable Subst. -LCO*