



Senate

General Assembly

File No. 574

February Session, 2026

Substitute Senate Bill No. 469

Senate, April 9, 2026

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE CONTRACTING STANDARDS BOARD.

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

1 Section 1. (NEW) (*Effective July 1, 2026*) (a) Notwithstanding any
2 provision of the general statutes, the appropriations recommended for
3 the State Contracting Standards Board shall be the estimates of
4 expenditure requirements transmitted to the Secretary of the Office of
5 Policy and Management by the executive director of the board and the
6 recommended adjustments and revisions of such estimates shall be the
7 recommended adjustments and revisions, if any, transmitted by said
8 executive director to the Office of Policy and Management.

9 (b) Notwithstanding any provision of the general statutes, the
10 Governor shall not reduce allotment requisitions or allotments in force
11 concerning the State Contracting Standards Board.

12 Sec. 2. Subsection (h) of section 4e-2 of the general statutes is repealed

13 and the following is substituted in lieu thereof (*Effective July 1, 2026*):

14 (h) The board may contract with consultants and professionals on a
15 temporary or project by project basis and [may] shall employ, subject to
16 the provisions of chapter 67, [such] not less than five full-time
17 employees and may employ such additional employees as may be
18 necessary to carry out the provisions of this section.

19 Sec. 3. Subdivision (2) of subsection (a) of section 4e-5 of the general
20 statutes is repealed and the following is substituted in lieu thereof
21 (*Effective July 1, 2026*):

22 (2) The agency procurement officer shall be responsible for [assuring]
23 (A) ensuring that any invitation to bid, request for proposals or any
24 other solicitation for goods and services issued on or after July 1, 2026,
25 contains a notice of the rights of prospective bidders, proposers or
26 prospective contractors under section 4e-36, (B) ensuring that
27 contractors are properly screened prior to the award of a contract, (C)
28 ensuring that contractors are advised of their rights under section 4e-36,
29 prior to entering into a contract on or after July 1, 2026, (D) ensuring
30 that, upon the award of such a contract, unsuccessful bidders, proposers
31 or respondents are advised of their rights under section 4e-36, (E)
32 evaluating contractor performance during and at the conclusion of a
33 contract, (F) submitting written evaluations to a central data repository
34 to be designated by the board, and (G) creating a project management
35 plan for the agency with annual reports to the board pertaining to
36 procurement projects within the agency.

37 Sec. 4. Subsection (d) of section 4e-16 of the general statutes is
38 repealed and the following is substituted in lieu thereof (*Effective July 1,*
39 *2026*):

40 (d) [Any business case developed by a state contracting agency for
41 the purpose of complying with subsection (c) of this section shall
42 include: (1) The cost-benefit analysis as described in subsection (b) of
43 this section, (2) a detailed description of the service or activity that is the
44 subject of such business case, (3) a description and analysis of the state

45 contracting agency's current performance of such service or activity, (4)
46 the goals to be achieved through the proposed privatization contract
47 and the rationale for such goals, (5) a description of available options for
48 achieving such goals, (6) an analysis of the advantages and
49 disadvantages of each option, including, at a minimum, potential
50 performance improvements and risks attendant to termination of the
51 contract or rescission of such contract, (7)] Each state contracting agency
52 proposing to enter into a privatization contract shall prepare a business
53 case that includes, at a minimum, the following: (1) A description of the
54 scope of services to be privatized; (2) a cost-benefit analysis comparing
55 the costs of providing the services by the state with the costs of
56 contracting for such services; (3) an analysis of the quality of services
57 expected under privatization; (4) a risk assessment, including potential
58 risks to service continuity and accountability; (5) a transition plan
59 addressing employee transition issues, including layoffs, transfers,
60 reassignments and retraining; (6) an analysis of the potential impact of
61 the proposed privatization contract on protected classes of workers,
62 including whether such privatization contract will lessen or increase
63 historical patterns that produce inequities between such workers and
64 other workers; (7) an analysis of the qualitative impact of the proposed
65 privatization contract on the existing state workforce; (8) a description
66 of the current market for the services or activities that are the subject of
67 such business case; [, (8)] (9) an analysis of the quality of services as
68 gauged by standardized measures and key performance requirements,
69 including compensation, turnover, and staffing ratios; [, (9)] (10) a
70 description of the specific results-based performance standards that
71 shall, at a minimum, be met, to ensure adequate performance by any
72 party performing such service or activity; [, (10)] (11) the projected time
73 frame for key events from the beginning of the procurement process
74 through the expiration of a contract, if applicable; [, (11)] (12) a specific
75 and feasible contingency plan that addresses contractor
76 nonperformance and a description of the tasks involved in and costs
77 required for implementation of such plan; [,] and [(12)] (13) a transition
78 plan, if appropriate, for addressing changes in the number of agency
79 personnel, affected business processes, employee transition issues, and

80 communications with affected stakeholders, such as agency clients and
81 members of the public, if applicable. Such transition plan shall contain
82 a reemployment and retraining assistance plan for employees who are
83 not retained by the state or employed by the contractor. If the primary
84 purpose of the proposed privatization contract is to provide a core
85 governmental function, such business case shall also include
86 information sufficient to rebut the presumption that such core
87 governmental function should not be privatized. Such presumption
88 shall not be construed to prohibit a state contracting agency from
89 contracting for specialized technical expertise not available within such
90 agency, provided such agency shall retain responsibility for such core
91 governmental function. For the purposes of this section, "core
92 governmental function" means a function for which the primary
93 purpose is (A) the inspection for adherence to health and safety
94 standards because public health or safety may be jeopardized if such
95 inspection is not done or is not done in a timely or proper manner, (B)
96 the establishment of statutory, regulatory or contractual standards to
97 which a regulated person, entity or state contractor shall be held, (C) the
98 enforcement of statutory, regulatory or contractual requirements
99 governing public health or safety, or (D) criminal or civil law
100 enforcement. If any part of such business case is based upon evidence
101 that the state contracting agency is not sufficiently staffed to provide the
102 core governmental function required by the privatization contract, the
103 state contracting agency shall also include within such business case a
104 plan for remediation of the understaffing to allow such services to be
105 provided directly by the state contracting agency in the future.

106 Sec. 5. Section 4e-21 of the general statutes is repealed and the
107 following is substituted in lieu thereof (*Effective July 1, 2026*):

108 (a) Not later than January 1, 2010, the State Contracting Standards
109 Board, in consultation with the Department of Administrative Services,
110 shall adopt regulations to establish small purchase procedures for
111 procurements that do not exceed fifty thousand dollars. Such
112 regulations shall include a prohibition on the artificial division of a
113 procurement in order to make use of such small procurement

114 procedures.

115 (b) The State Contracting Standards Board, in consultation with the
116 Commissioner of Administrative Services, may determine that a state
117 contracting agency has artificially divided procurement requirements so
118 as to constitute a small purchase under this section and, upon such
119 determination shall prohibit the state contracting agency from utilizing
120 such small purchase procedures.

121 (c) The State Contracting Standards Board, in consultation with the
122 Commissioner of Administrative Services, may waive the requirement
123 of competitive bidding or competitive negotiation in the case of minor,
124 nonrecurring or emergency purchases of ten thousand dollars or less in
125 amount.

126 (d) The Commissioner of Administrative Services shall document
127 any waiver granted under subsection (c) of this section in writing and
128 post such documentation on the State Contracting Portal not later than
129 five business days after the waiver was granted.

130 Sec. 6. Section 4e-34 of the general statutes is amended by adding
131 subsections (d) to (g), inclusive, as follows (*Effective July 1, 2026*):

132 (NEW) (d) As used in this section, "substantially the same entity"
133 means any business that, despite any change in name, structure or form,
134 is substantially the same as the disqualified contractor and shares
135 meaningful continuity with a disqualified contractor, including
136 continuity following bankruptcy or following a conviction under the
137 laws of this state or any other jurisdiction for conduct that, if committed
138 in this state, would constitute grounds for disqualification.

139 (NEW) (e) Evidence of an entity being substantially the same entity
140 includes, but is not limited to: (1) Continuity of ownership, beneficial
141 interest, or controlling individuals; (2) continuity of officers, directors,
142 members, partners, or managers; (3) continuity of key personnel
143 responsible for contract performance or oversight; (4) continuity of
144 operations, assets, inventory, equipment, business purpose or service

145 lines; (5) continuity of contracts, clients or customers; (6) continuity of
146 workforce; (7) use of the same or substantially similar facilities,
147 addresses, telephone numbers, Internet web sites, electronic mail
148 domains or taxpayer identification numbers; (8) transfer or assignment
149 of assets, contracts or operations to a related or affiliated entity during
150 the disqualification period; and (9) formation or re-formation of an
151 entity by a principal, owner or controlling individual following a
152 conviction under the laws of this state or any other jurisdiction for
153 conduct that, if committed in this state, would constitute grounds for
154 disqualification. The presence of two or more factors in subdivisions (1)
155 to (9), inclusive, of this subsection creates a rebuttable presumption that
156 the entity is substantially the same entity as the disqualified contractor.

157 (NEW) (f) (1) A contractor disqualified under this section shall not
158 avoid or diminish the effect of such disqualification by altering the legal
159 identity or structure of such contractor's business, including, but not
160 limited to, changing the name, trade name, doing-business-as
161 designation, ownership, corporate form, taxpayer identification number
162 or other identifying information, including through bankruptcy
163 reorganization or by forming, re-forming or reorganizing a business
164 entity following a conviction under the laws of this state or any other
165 jurisdiction for conduct that, if committed in this state, would constitute
166 grounds for disqualification.

167 (2) The State Contracting Standards Board may initiate proceedings
168 under this section if it has reason to believe that a contractor, principal
169 or affiliated entity has attempted to evade disqualification through
170 restructuring, asset transfers, bankruptcy, rebranding or any act
171 reasonably expected to obscure or misrepresent identity or continuity,
172 including reorganization following a conviction under the laws of this
173 state or any other jurisdiction for conduct that, if committed in this state,
174 would constitute grounds for disqualification.

175 (NEW) (g) (1) Before awarding any contract, each state contracting
176 agency shall determine whether a bidder or proposer is (A) disqualified
177 under this section, or (B) a successor contractor who is substantially the

178 same entity as a disqualified contractor. Each state contracting agency
 179 shall screen potential contractors by making a reasonable inquiry into
 180 changes in identity, ownership or structure, including changes arising
 181 from bankruptcy or from re-formation following conviction under the
 182 laws of this state or any other jurisdiction for conduct that, if committed
 183 in this state, would constitute grounds for disqualification.

184 (2) When issuing or evaluating a solicitation, each state contracting
 185 agency shall treat a disqualified contractor, and any successor entity
 186 with substantially the same controlling individuals, ownership,
 187 management or operations, as disqualified for the full disqualification
 188 period, regardless of whether such contractor has reorganized, relocated
 189 or re-formed following a conviction under the laws of this state or any
 190 other jurisdiction for conduct that, if committed in this state, would
 191 constitute grounds for disqualification, or through bankruptcy.

192 (3) If an agency identifies possible continuity with a disqualified
 193 contractor, it shall refer the matter to the State Contracting Standards
 194 Board before awarding the contract.

195 (4) No state contracting agency may award a contract to a contractor
 196 or successor contractor determined to be substantially the same entity
 197 as a disqualified contractor during the disqualification period.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	New section
Sec. 2	July 1, 2026	4e-2(h)
Sec. 3	July 1, 2026	4e-5(a)(2)
Sec. 4	July 1, 2026	4e-16(d)
Sec. 5	July 1, 2026	4e-21
Sec. 6	July 1, 2026	4e-34(d) to (g)

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Administrative Services	GF - Cost	424,075	224,075
State Comptroller - Fringe Benefits ¹	GF - Cost	66,075	66,075
Various State Agencies	GF - Cost	See Below	See Below
State Contracting Standards Board	GF - Potential Cost	Minimal	Minimal
State Contracting Standards Board	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes a variety of changes to state contracting law, including adjusting business case requirements and expanding disqualification for contractors and subcontractors. This results in a cost of \$424,075 to the Department of Administrative Services (DAS), with an associated annual fringe cost of \$66,075, in FY 27 and an annual cost of \$224,075 to DAS beginning in FY 28. The bill also results in potential costs for various state agencies and a minimal potential cost to the State Contracting Standards Board (SCSB) beginning in FY 27.

Section 1 prohibits the Governor from reducing SCSB allotments, which precludes any General Fund savings that would have resulted

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

from the existing process.

Section 2 establishes a minimum staffing threshold, resulting in no fiscal impact. There is no fiscal impact because SCSB² currently exceeds the staffing threshold set by the bill.

Section 4 makes a variety of changes to the existing business case requirements under the privatization law, to include: (1) quality of services under privatization; (2) a risk assessment including service continuity and accountability; (3) a transition plan; (4) an impact analysis of the privatization on protected classes and historical inequalities; and (5) an analysis of qualitative impact on the state workforce. This results in costs for various state agencies beginning in FY 27, to the extent that additional staff time and resources are required to meet the bill's requirements.

It is anticipated that many of these additional responsibilities will impact the Department of Administrative Services (DAS) and will result in a cost of \$424,075 in FY 27 and \$224,075 annually thereafter. The costs include: (1) a one-time cost of \$200,000 in FY 27 to update systems and documentation to accommodate adjustments to procurement processes across state agencies; (2) \$158,000 in salary and \$66,075 in fringe annually beginning in FY 27 to hire two new employees within DAS.

Section 6 expands the reasons that SCSB can disqualify³ a contractor or subcontractor to include entities that are substantially the same entity, resulting in a potential minimal cost to SCSB beginning in FY 27. There may be a minimal cost if additional staff time is required to handle the additional disqualifications that may result from this section.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

² SCSB currently has seven positions, and the bill requires five.

³ The SCSB Disqualification Subcommittee did not hold a meeting in 2025.

OLR Bill Analysis**sSB 469*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE CONTRACTING STANDARDS BOARD.*****SUMMARY**

This bill makes several changes related to the State Contracting Standards Board's (SCSB) powers and duties and state contracting processes generally (see BACKGROUND). It sets requirements for the SCSB's appropriations estimates, allotments, and staffing minimums. It requires agency procurement officers to give a notice of certain rights to various entities involved in the contracting process. The bill changes proposed privatization business case requirements, including requiring additional information and analyses. It also requires the Department of Administrative Services (DAS) to document any competitive bidding waivers and post them on the State Contracting Portal.

Lastly, the bill expands contracting disqualifications to include contractors that are substantially the same entity as a disqualified contractor and identifies the evidence needed to determine if a contractor is substantially the same entity. It requires state contracting agencies to make a reasonable inquiry into whether a proposed contractor is substantially the same entity as a disqualified contractor, and if so, prohibits the agencies from awarding a contract to that proposed contractor.

EFFECTIVE DATE: July 1, 2026

§ 1 — APPROPRIATIONS ESTIMATES AND ALLOTMENTS

The bill requires the SCSB executive director's recommended appropriations for the board, which are submitted to the Office of Policy and Management (OPM) secretary, to be estimates of expenditure requirements. It requires any recommended adjustments and revisions

to the estimates to be the ones the executive director gives OPM.

The bill also prohibits the governor from reducing the SCSB's allotment requisitions or allotments in force.

§ 2 — SCSB STAFFING MINIMUMS

The bill requires the SCSB to employ at least five full-time employees and allows it to employ more as needed. Current law allows the board to hire employees as necessary to carry out its duties. By law, the board may also contract with consultants and other professionals as needed.

§ 3 — NOTICE OF RIGHTS REQUIREMENTS

The bill requires each contracting agency's procurement officer to include in any invitation to bid, proposal request, or other solicitation for goods and services issued on or after July 1, 2026, a notice of the rights of prospective bidders, proposers, or contractors to contest the contract solicitation or award. Similarly, the bill requires the procurement officer to advise contractors, before entering into a contract on or after July 1, 2026, and the unsuccessful bidders, proposers, or respondents, of these rights.

§ 4 — BUSINESS CASE REQUIREMENTS FOR PRIVATIZATION CONTRACTS

The law generally requires state contracting agencies to develop a business case, consisting of multiple analyses, for a service it seeks to privatize. The bill changes some of the required elements of the business case and adds new ones.

Among other things, current law requires the business case to include:

1. a description and analysis of the state contracting agency's current performance of the service,
2. the goals to be achieved through the proposed privatization contract and the rationale for those goals,
3. a description of the available options to achieve those goals, and

4. the advantages and disadvantages of each option.

The bill instead requires the business case to include:

1. an analysis of the quality of services under privatization;
2. a risk assessment, including service continuity and accountability;
3. a transition plan, including layoffs, transfers, reassignments, and retraining;
4. an analysis of the impact on protected classes of workers and whether privatization will impact historical inequities; and
5. an analysis of the qualitative impact on the existing state workforce.

§ 5 — WAIVER OF BIDDING REQUIREMENTS

By law, the SCSB, in consultation with the DAS commissioner, may waive the competitive bidding or negotiation requirement for a minor, nonrecurring, or emergency purchase of \$10,000 or less. The bill requires DAS to document any waiver in writing and post it on the State Contracting Portal within five days after granting the waiver.

§ 6 — EXPANDING DISQUALIFICATION GROUNDS

By law, the SCSB, acting through a subcommittee, may disqualify any contractor, bidder, or proposer for up to five years from bidding, applying, or participating as a contractor or subcontractor under contracts with the state. The SCSB may disqualify contractors and subcontractors for many reasons, including for a history of failure to perform or unsatisfactory performance on public contracts, willful violation of a statutory or regulatory provision applicable to the contract, various types of criminal convictions, and a disqualification by another state for cause (CGS § 4e-34).

Contracting Prohibition With “Substantially the Same Entity”

Under the bill, before awarding a contract, a state contracting agency

must determine if a bidder or proposer is (1) disqualified or (2) a successor contractor that is “substantially the same entity” (see below) as a disqualified contractor. The bill requires the state contracting agency to make a reasonable inquiry into changes in identity, ownership, or structure, including bankruptcy or re-formation following a conviction that is grounds for disqualification. If a state contracting agency identifies possible continuity with a disqualified contractor, it must refer the matter to the SCSB before awarding the contract.

When a state contracting agency issues or evaluates a solicitation, the bill requires it to treat a disqualified contractor, and any successor entity that has substantially the same controlling ownership or operations, as disqualified for the full disqualification period, regardless of whether the contractor has reorganized, relocated, re-formed, or filed bankruptcy. The bill also prohibits state contracting agencies from awarding a contract to a contractor or successor contractor who is determined to be substantially the same entity as the disqualified contractor during the disqualification period.

Evading Disqualification

The bill prohibits contractors from avoiding or diminishing the disqualification’s effect by altering the legal identity or structure of their business. This may include changing the name, trade name, doing-business-as designation, ownership, corporate form, taxpayer identification number, or other identifying information, including through bankruptcy reorganization, or by forming, re-forming, or reorganizing a business entity after a disqualifying conviction.

The bill authorizes the SCSB to initiate proceedings if it has reason to believe that a contractor, principal, or affiliated entity has attempted to evade disqualification through restructuring, asset transfer, bankruptcy, rebranding, reorganization, or another act that obscures or misrepresents identity or continuity.

Substantially the Same Entity

Under the bill, a business is “substantially the same entity” if, despite a change in name, structure, or form, it is substantially the same as and shares meaningful continuity with a disqualified contractor, including continuity after a bankruptcy or a disqualifying conviction.

Under the bill, the following is evidence of an entity being substantially the same entity:

1. continuity of ownership, beneficial interest, controlling individuals, officers, directors, partners, managers, key personnel responsible for contract performance or oversight, operations, assets, inventory, equipment, business purpose, service lines, contracts, clients, customers, or workforce;
2. use of the same or substantially similar facilities, addresses, phone numbers, web sites, email domains, or taxpayer identification numbers;
3. transfer or assignment of assets, contracts, or operations to a related or affiliated entity during the disqualification period; and
4. formation or re-formation of an entity by a principal, owner, or controlling individual after a conviction that is grounds for disqualification.

If two or more factors are present, the bill creates a rebuttable presumption that the entity is substantially the same entity as the disqualified contractor.

BACKGROUND

SCSB Duties, Responsibilities, and Membership

The SCSB is an executive branch agency within the Office of Governmental Accountability with various responsibilities associated with state contracting processes, including (1) helping state agencies comply with the contracting procurement statutes and regulations, (2) reviewing and certifying whether a state contracting agency’s procurement processes comply with statutes and regulations, and (3)

disqualifying contractors for up to five years for offenses detailed in statute.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/20/2026)