



General Assembly

**Substitute Bill No. 469**

February Session, 2026



**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) (*July 1, 2026*) (a) Notwithstanding any provision of  
2 the general statutes, the appropriations recommended for the State  
3 Contracting Standards Board shall be the estimates of expenditure  
4 requirements transmitted to the Secretary of the Office of Policy and  
5 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 Subsection (h) of section 4e-2 of the general statutes is repealed  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20 statutes is repealed and the following is substituted in lieu thereof  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:		
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.