
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)