



Senate Bill 525

**AN ACT CONCERNING THE SELECTION OF CONTRACTORS FOR PUBLIC WORK
PROJECTS**

Testimony of the Department of Administrative Services

Labor and Public Employees Committee

March 4, 2025

Senator Kushner, Representative Sanchez, Senator Sampson, Representative Weir, and distinguished members of the Labor and Public Employees Committee, thank you for the opportunity to provide testimony on Senate **Bill 525: An Act Concerning the Selection of Contractors for Public Work Projects**.

Senate Bill 525 would require that a contracting agency give preference to manufacturers, fabricators, and erectors located in the state when awarding a contract for the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or other public work projects administered by the state. While well intended, the Department of Administrative Services (DAS), the state's primary department for state building construction projects and procurement, has concerns with the proposal as drafted.

As drafted, there is no indication of the form the preference stated would take. Under the current process, consultants are already given preference by allowing a component of their RFP score to include their familiarity with our building codes and relative proximity to the project location. DAS also has a statutory mandate to make awards to the lowest responsible qualified bidder, which requires that some awards be given to out-of-state bidders. This requirement helps ensure our contracts are as cost-effective as possible.

It is also unclear what businesses would be considered "located in the state." Other statutes distinguish resident and non-resident businesses; many non-resident businesses are in the state because of offices, warehouses, and other types of presence.

While we understand the intent of this legislation, many of our builders for our projects are in-state or have an in-state presence already under the current processes in place. We also currently do not have direct relationships with subcontractors and manufacturers and establishing this would require additional responsibilities and oversight from our department, resulting in additional costs not included in the governor's proposed FY 26-FY27 budget.

We are happy to continue discussions with the bill's proponents, but we urge the Committee to oppose the bill as drafted for the above reasons.

We thank you for the opportunity to submit testimony and share our thoughts with the Committee.