

OFFICE OF FISCAL ANALYSIS

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sSB-525

AN ACT CONCERNING THE SELECTION OF CONTRACTORS FOR PUBLIC WORKS PROJECTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Administrative Services	GF - Cost	227,000	227,000
State Comptroller - Fringe Benefits ¹	GF - Cost	92,412	92,412
Various State Agencies	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires state contracting agencies to give preference to in-state contractors when awarding certain contracts, bypassing the current requirement to use competitive bidding to award contracts to the lowest responsible qualified bidder. This results in a potential cost to the state to the extent higher cost contracts are chosen for future projects.

The bill results in a cost of \$227,000 to DAS in FY 26 and FY 27 for salary expenses and \$92,412 in FY 26 and FY 27 to the State Comptroller – Fringe Benefits to hire a bidding specialist and a staff attorney to help

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.

with the amended bidding and selection process.

The Out Years

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