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## **OLR Bill Analysis**

### **sHB 7018**

#### ***AN ACT ESTABLISHING A TEST BED TECHNOLOGIES PROGRAM.***

#### **SUMMARY**

This bill requires each state agency's commissioner to administer a pilot test program to test the effectiveness of certain technologies, products, or processes ("test projects") at reducing operating costs. Under the pilot program, the agency must temporarily use any test project recommended to it by an advisory board the bill establishes. This board, the Test Bed Technologies Advisory Board, may recommend test projects that (1) are manufactured or marketed by a certified small business or minority-owned enterprise and (2) may promote operational cost reductions at the agency, and meet other criteria.

The bill also establishes a process for the state to procure for state agencies test projects shown to promote operational cost reduction. This process allows certain competitive bid or proposal requirements in existing law to be waived.

EFFECTIVE DATE: July 1, 2025

#### **TEST BED TECHNOLOGIES ADVISORY BOARD**

The bill creates the board as an independent body within the Department of Economic and Community Development (DECD) for administrative purposes only. Under the bill, the board has five members: one each appointed by the governor, the DECD commissioner, the treasurer, the comptroller, and the Department of Administrative Services (DAS) commissioner in consultation with the chief executive officer of a nonprofit operating an applied technology demonstration and training center. All members must have experience working in private sector businesses or state agencies. Within available appropriations, the board must meet at least twice each year to exercise its powers and duties.

## **OPERATIONAL COST REDUCTION PILOT PROGRAMS**

### ***Applications***

Under the bill, applicants interested in participating in a pilot program must submit an application to the Test Bed Technologies Advisory Board, in a form and way the board sets. (The bill does not define “applicant.” Presumably, it includes a business that manufactures or markets the test project.)

The application must include an assessment of the test project’s viability for a pilot program, which must be done by an independent consulting firm or a market research firm that (1) specializes in technologies, products, or processes similar to those specified in the application and (2) is a DAS research and development services provider or marketing research and public opinion polling provider under the North American Industry Classification System.

### ***Recommendation Criteria***

Within 30 days after receiving the application, the board must evaluate the test project and recommend it for an agency pilot program if it meets certain criteria. The bill prohibits the board from recommending or approving an applicant to participate in more than one test program.

Under the bill, the board must recommend a test project if it finds that doing so would (1) promote operational cost reduction, (2) be feasible in the state agency’s operations, and (3) not have any detrimental effect on the operations. However, the bill expressly prohibits the board from recommending a test project unless the business that manufactures or markets it shows that:

1. using it will not adversely affect safety;
2. it is presently available for commercial sale and distribution, or it has potential for commercialization within two years after the pilot test program concludes;
3. it was not developed by a business that is eligible to participate in an existing state statutory program administered by

Connecticut Innovations, Incorporated for testing new or experimental technologies, products, or processes; and

4. if the test project or any related intellectual property is patented, the business maintains the associated documentation on it.

Additionally, the business that manufactures or markets it must be DAS-certified as a small contractor or a minority business enterprise (see BACKGROUND).

### ***Test Program Implementation***

Under the bill, if the advisory board recommends that a state agency initiate a pilot program for the test project, the agency must use it in the agency's operations for not less than 30 days or more than 60 days. The agency must also accept delivery of the test project and begin the program, regardless of the laws on state purchases.

The bill requires the applicant to pay any costs associated with the agency acquiring and using the test project. Under the bill, acquiring the test project for the program is not a purchase under the state procurement law's provisions. The applicant must maintain records related to the test program as the advisory board requires. Proprietary information derived from the test program is exempt from the state's Freedom of Information Act.

### ***Post-Testing Procurement***

Under the bill, if the agency's commissioner determines that the pilot test program sufficiently shows that the test project promotes operational cost reduction, then the agency may ask the DAS commissioner to (1) procure the test project for the agency to use and (2) make the procurement under the law that allows a waiver of certain competitive bid or proposal requirements (subject to approval by the Standardization Committee if it will cost at least \$100,000). If the DAS commissioner grants a request to procure a test project for an agency, she must make information about the procurement available to all state agencies on the DAS website.

***Municipal Test Projects***

The bill also allows a state agency commissioner to identify a test project that (1) a municipality tested and (2) meets the criteria the Test Bed Advisory Committee must use to review other applications (see *Recommendation Criteria* above). The commissioner may request that the advisory board recommend the project for testing and within 30 days after receiving the request, the board must evaluate the test project and make a recommendation using the same criteria described above. If the board recommends the test project, the agency must begin a pilot test program under the same implementation and procurement provisions described above.

**BACKGROUND*****Small Contractors and Minority Business Enterprises***

A small contractor is a contractor, subcontractor, manufacturer, service company, or nonprofit corporation that (1) maintains its principal place of business in Connecticut; (2) meets the threshold as a small business, which depends on whether it is a not-for-profit or for-profit; and (3) is independent. Minority business enterprises are small contractors owned by women, racial or ethnic minorities, or people with disabilities.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea    21        Nay    4        (03/13/2025)