

2025 -- S 0616

LC002123

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

Introduced By: Senator Samuel D. Zurier

Date Introduced: March 06, 2025

Referred To: Senate Finance

(Dept. of Administration)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 37-2-31 of the General Laws in Chapter 37-2 entitled "State
2 Purchases" is hereby amended to read as follows:

3 **37-2-31. Use of other types of contracts.**

4 (a) Definitions:

5 (1) "State" means and refers to the definition in § 37-2-7.

6 (2) "Private partner" means any non-governmental entity that is a party in a public-private
7 partnership with a state agency.

8 (3) "Public-private partnership agreement" means a long-term contract between the state
9 and a private partner that develops, finances, constructs, operates, or maintains a state-owned
10 physical asset or property in which the private party bears significant risk over the long term.

11 (4) "Risk" means financial, operational, or legal uncertainty associated with the private
12 partner's participation.

13 (5) "Value for money" means the analysis used to compare the financial impacts to the
14 agency of use of a public-private partnership delivery method against other delivery methods. This
15 process looks to determine the ideal delivery method when considering cost, quality, time, and
16 performance.

17 (6) "Project labor agreement" means a prehire collective bargaining agreement between an
18 owner and labor unions involving a specific construction project.

19 (b) Subject to the limitations of §§ 37-2-29 and 37-2-30, any type of contract which will

1 promote the best interests of the state may be used, including public-private partnership agreements.

2 (c) On or before July 1, 2026, the chief purchasing officer within the department of
3 administration shall promulgate rules for a state agency to evaluate, solicit, or enter into a public-
4 private partnership agreement. The rules shall reflect the intent to promote and encourage the use
5 of public-private partnerships in the state. The chief purchasing officer shall consult with design-
6 builders, progressive design-builders, construction managers, other contractors and design
7 professionals, including engineers and architects, labor organizations, and other appropriate
8 professionals during the development of the rules.

9 (d) A state agency utilizing a public-private partnership shall continue to be responsible for
10 oversight of any function that is delegated to or otherwise performed by a private partner. State
11 contracts using this method shall be awarded by a competitive procurement following the
12 provisions of chapter 2 of title 37 ("state purchases").

13 (e) Any request for proposals for a contract utilizing a public-private partnership shall
14 include at a minimum:

15 (1) The parameters of the proposed public-private partnership agreement;

16 (2) The duties and responsibilities to be performed by the private partner or private
17 partners;

18 (3) The methods of oversight to be employed by the contracting agency;

19 (4) The duties and responsibilities that are to be performed by the contracting agency and
20 any other parties to the contract;

21 (5) The evaluation factors and the relative weight of each factor to be used in the scoring
22 of awards;

23 (6) An evaluation for the value for money conducted by a subject matter expert engaged
24 by the contracting agency that opines on whether the public-private partnership constitutes fair
25 value for the state;

26 (7) Plans for financing and operating the project and the revenues, service payments, bond
27 financings, and appropriations of public funds needed for the qualifying project and the value for
28 money analysis;

29 (8) Comprehensive documentation of the experience, capabilities, capitalization and
30 financial condition, and other relevant qualifications of the private entity submitting the proposal;

31 (9) All contracts must adhere to §§ 37-13-11 and 37-2-59, and other requirements of
32 contracting for construction projects when state funds are being deployed;

33 (10) Construction project contracts may include a project labor agreement as appropriate;
34 and

1 (11) Other information required by the contracting agency to evaluate the proposals
2 submitted and the overall proposed public-private partnership.

3 (f) A private entity desiring to be a private partner shall demonstrate to the satisfaction of
4 the contracting agency that it is capable of performing any duty, responsibility, or function it may
5 be authorized or directed to perform as a term or condition of the public-private partnership
6 agreement.

7 (g) Any public-private partnership agreement is subject to the provisions of the
8 privatization of state services act as stated in chapter 148 of title 42 as appropriate.

9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

- 1 This act would define public-private partnerships and provide the framework to encourage
- 2 the use of public-private partnerships for proposals for state purchases.
- 3 This act would take effect upon passage.

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