

2026 -- S 2822 SUBSTITUTE A

LC004964/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

Introduced By: Senators Burke, Felag, Tikoian, and Patalano

Date Introduced: March 04, 2026

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

7 (2) "Project labor agreement" means a prehire collective bargaining agreement between an
8 owner and labor unions involving a specific construction project.

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

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

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

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

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, 2027, 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 for public-private partnerships must adhere to chapter 13 of title 37 ("labor
32 and payment of debts by contractors"), which requires all relevant contractors and subcontractors
33 performing work on the public-private partnership to pay their employees, as defined in § 37-13-
34 7(c), prevailing wages;

1 (10) All contracts for public-private partnership must also adhere to § 37-2-59 and other
2 requirements of contracting for construction projects when state funds are being deployed;

3 (11) For all public-private partnership agreements over twenty-five million dollars
4 (\$25,000,000), the awarding authority under this chapter shall conduct an objective, reasoned study,
5 using established reviewable criteria, to determine whether to utilize a project labor agreement;

6 (12) The private partner's plans for labor harmony pursuant to § 37-13-2 for the entire term
7 of the agreement, including construction, reconstruction and capital and routine maintenance; and
8 remedies for any failure to maintain labor harmony; and

9 (13) Other information required by the contracting agency to evaluate the proposals
10 submitted and the overall proposed public-private partnership.

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

15 (g) Notwithstanding any general law or special law to the contrary, prior to the award of
16 any pending/all public private partnership agreement(s), whereby any/all state or quasi-public
17 employees, represented by a bargaining unit may be displaced, chapter 148 of title 42
18 ("privatization of state services"), and chapter 149 of title 42 ("state expenditures for non-state
19 employee services") and after the awarded project is operational, the provisions of chapter 2.3 of
20 title 37 ("government oversight and fiscal accountability review act") shall apply, in addition to
21 any/all provisions contained in an applicable collective bargaining agreement.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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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