

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB220

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|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron Jones, D.C.

3. Committee General Laws

4. Title Public Procurement Act; consolidation of contracts.

5. Summary/Purpose:

Provides that public bodies shall facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers. Before proceeding with a procurement of goods, services, or construction that contains consolidated requirements (contract bundling), a public body shall conduct market research to determine whether consolidation of the requirements is necessary and justified. The consolidation of the requirements may be determined as necessary and justified if the public body would derive measurably substantial benefits, including cost savings, quality improvement, reduction in acquisition cycle times, better terms and conditions, and any other benefit. The public body shall identify benefits to be derived from the consolidation; and identify impediments to small businesses and actions taken to maximize small business participation.

6. Fiscal Impact can not be determined. See Item 8.

7. Budget amendment necessary: No

8. Fiscal implications: This proposal requires procurement officers to conduct a market survey to determine if a consolidation of requirements is needed and justified by substantial quantifiable benefits and to include formal justification in the procurement file. The cost of this additional administrative requirement and any potential savings from this proposal cannot be determined. Total cost to an agency will depend on the number of surveys that are conducted.

9. Specific agency or political subdivisions affected: All state agencies and local governments.

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/12/06 / amk

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cc: Secretary of Administration