

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** HB1099

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

**2. Patron:** Carr

**3. Committee:** Passed Both Houses

**4. Title:** Procurement; rail.

**5. Summary:** Exempts high-risk contracts for rail construction or design from required review by the Department of General Services prior to solicitation or award. The bill also raises the annual cap from \$2 million to \$5 million for contracts for on-call architectural and engineering services by the Department of Rail and Public Transportation.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Final. See item 8

**8. Fiscal Implications:** The anticipated fiscal impact from this bill is indeterminate. Increasing the annual cap from \$2 million to \$5 million for the expedited procurement process does not change the amount of funding available for projects. Any savings for the Department of Rail and Public Transportation resulting from reduced procurement time is indeterminate.

This bill exempts rail construction or design from a review by the Department of General Services (DGS) prior to issuing a solicitation for and prior to awarding a high-risk contract. While the elimination of this additional review would save time during the procurement process, DGS provides additional expertise in reviewing procurement and contract proposals. There is potentially an increased risk of overpaying on high-risk contracts. The extent to which such risk would result in increased expenditures is indeterminate.

It is anticipated that this legislation will not have a fiscal impact to the DGS.

**9. Specific Agency or Political Subdivisions Affected:** Department of Rail and Public Transportation; Department of General Services

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.