

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1358

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Cline

3. Committee: General Laws

4. Title: Procurement of services by certain state agencies

5. Summary: This bill requires the Director of the Division of Purchases and Supply of the Department of General Services (DGS) to solicit from each state agency a list of all procurements conducted by an agency that were competed with the private sector by October 1, 2008, and then every two years thereafter. The bill also provides that upon a written determination made in advance by a state agency that the procurement of services from a commercial source is neither practicable nor fiscally advantageous, such service may continue to be performed by the state agency.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: Yes. Item 80, HB 30.

8. Fiscal Implications: The bill requires DGS to solicit from state agencies a list of all service procurements conducted with the private sector. All data from October 2006 to October 2008 is to be compiled and posted on DGS' website and then updated every two years thereafter. This requirement will increase the administrative and fiscal burden on state agencies and DGS. In order for DGS to accomplish this task, it will require an additional appropriation for one FTE general fund position. The agency estimates this cost to be approximately \$90,000 annually. Since DGS cannot absorb this cost, a budget amendment is needed. (See Item 7.) The additional administrative costs due to the increased workload on other agencies are not known.

9. Specific Agency or Political Subdivisions Affected: All state agencies and institutions.

10. Technical Amendment Necessary: No

11. Other Comments: None.

Date: 1/22/2008 dpb

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