

## Department of Planning and Budget

### 2011 Fiscal Impact Statement

**1. Bill Number:** SB1273

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:**    Obenshain

**3. Committee:** General Laws and Technology

**4. Title:**    Dept. of Minority Business Enterprise; small, women-owned, and minority-owned businesses.

**5. Summary:** Department of Minority Business Enterprise; small, women-owned, and minority-owned businesses; enhancement or remedial measures. Requires state contracts awarded pursuant to enhancement or remedial measures implemented to enhance participation by small, women-owned, and minority-owned businesses to include a requirement that no more than 60 percent of the work be subcontracted to another contractor except under certain circumstances. The bill authorizes the Department of Minority Business Enterprise to investigate complaints that the business has violated the contract provision and authorizes the Director to revoke the business's certification as a small, women-owned, or minority-owned business for a period of one year upon determination that the contract provision has been violated. The bill also provides that any enhancement or remedial measure require the state agency to solicit bids from all qualified vendors and not be limited to bids submitted by small, women-owned, and minority-owned businesses. Under the bill, any enhancement or remedial measure cannot exceed three percent of the total value of all vendor contracts calculated against the costs of accepting the lowest competent and qualifying bids.

**6. Budget Amendment Necessary:**    Yes, Item 78  
See Item 8.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:** See Item 8.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	0	-0-	GF
2012	514,000	5.0	GF
2013	449,000	-0-	GF
2014	449,000	-0-	GF
2015	449,000	-0-	GF
2016	449,000	-0-	GF
2017	449,000	-0-	GF

- 8. Fiscal Implications:** To implement this legislation, the agency's database and Expenditure Tracking system will need to be enhanced and the agency will require additional IT equipment, i.e., laptops, Blackberries, printers, monitors, and wireless internet cards. These one-time costs will total approximately \$70,000.

Ongoing costs are estimated to be \$449,000 annually for five positions (\$410,000); five leased automobiles (\$24,000); system maintenance (\$5,000); and telecommunications, VITA, and equipment charges (\$10,000).

- 9. Specific Agency or Political Subdivisions Affected:** DMBE

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** None

**Date:** 1/20/11

**Document:**

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