

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2360-01  
Bill No.: SB 952  
Subject: Administration, Office of; Contracts and Contractors  
Type: Original  
Date: February 1, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Economic Development** and the **Office of Administration – Divisions of Facilities Management and Purchasing and Materials Management** assume the proposed legislation would have no fiscal impact on their office.

Officials from the **Department of Conservation** assume the proposal would result in unknown fiscal impact depending on the determination of “qualified bidder.”

Officials from the **Department of Transportation (DHT)** assume the proposal would have a fiscal impact for all contracts that go through the Office of Administration for bid and award. DHT assumes the fiscal impact is unknown since the proposal changes the criteria for the award of a state contract.

Officials from the **Office of Administration - Division of Design and Construction (COA)** assume the proposal would likely have a positive effect which is not quantifiable. COA notes the proposal is likely to reduce the number of defaulted contracts and decrease the cost of contract administration.

**Oversight** assumes the proposal would not have any direct measurable fiscal impact and assigns a zero fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses may incur additional costs to satisfy the requirements of “qualified bidder.”

DESCRIPTION

Current law requires the state to let contracts for projects greater than \$25,000 to the lowest, responsive, responsible bidder. This proposal requires the state to use the lowest qualified bidder.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration  
Facilities Management  
Purchasing and Materials Management  
Design and Construction  
Department of Conservation  
Department of Transportation  
Department of Economic Development



Mickey Wilson, CPA  
Acting Director

February 1, 2002