

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Rules
Vote:	7 - 0 - 1
Yeas:	Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
Nays:	0
Exc.:	Cameron
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/3, 4/19

WHAT THE MEASURE DOES: Clarifies process for performing a cost analysis or making a feasibility determination before services estimated to exceed \$250,000 are procured. Allows contracting agency to make a feasibility determination after entering into a contract in an emergency. Requires contracting agency to include potential contractor profit in the cost analysis. Permits contracting agency to withhold information until after notice of intent to award contract is issued. Requires contracting agency to disclose information upon request to public employee collective bargaining unit if procurement will affect members of the unit. Declares an emergency; effective on passage and operative on the 91st day after the effective date.

ISSUES DISCUSSED:

- Inclusion of contractors' estimated profit in cost analysis
- Percentage of contracts that exceed \$250,000
- Cost in terms of time, money, delays to conduct cost analysis or feasibility determination
- Requirement for cost analysis or feasibility determination in collective bargaining contracts
- Clarification of existing law
- Potential creation of additional burden
- Interim work group

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 2867 (2009) requires a contracting agency to conduct a cost analysis or feasibility determination before procuring services with an estimated price that exceeds \$250,000. A work group was convened in the interim by the State Procurement Office of Department of Administrative Services to resolve issues with the legislation. The work group included legislators, union representation, local governments, and state agencies. House Bill 2062 implements recommendations of the work group.