

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Rules
Vote:	5 - 0 - 0
Yeas:	Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	4/5, 4/17

WHAT THE MEASURE DOES: Allows judicial review of contracting agency's cost analysis for procurement of services if violation of cost analysis process is alleged. Requires contracting agency include profit of potential contractor in cost analysis. Prohibits contracting agency from including proceeds or revenues from sale of long-term assets in cost analysis. Becomes operative January 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Intentions of House Bill 2867 (2009) to provide transparency in contracting agency procurement process
- Potential areas for improvement in cost analysis procedure
- Trend of selling district school bus fleet and using contractor for bussing services
- Economic benefits of contracting for certain services

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Legislative Assembly enacted House Bill 2867 in 2009, which requires a contracting agency, before conducting a procurement for goods or services with an estimated contract price that exceeds \$250,000, to demonstrate through a cost analysis or by other means that the cost of providing goods or performing service with a contracting agency's own personnel or resources is greater than the cost of procuring goods or services from a contractor.

Senate Bill 805 allows an employee of a contracting agency or the representative of the employee's bargaining unit, to seek judicial review of the determination if violations of the cost analysis process are alleged. The measure requires the contracting agency to include in its cost analysis the profit the potential contractor stands to realize, and it prohibits including proceeds or revenues from the sale or contracting of any of the agency's long-term assets, including capital assets, vehicles, or other durable goods.