

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0453

Date: January 24, 2011

Prime Sponsor(s): Rep. Kagan

Bill Status: House SVMA

Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE CREATION OF THE PROCUREMENT PROCESS IMPROVEMENT TASK FORCE TO DETERMINE WHETHER MODIFICATIONS ARE NECESSARY FOR A MORE PRODUCTIVE PROCUREMENT PROCESS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Legislative Department Cash Fund	potential increase	
State Expenditures		
General Fund	\$24,776*	
FTE Position Change	0.4 FTE	
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

* *This amount may be funded from the Legislative Department Cash Fund if no General Fund moneys are available and sufficient gifts, grants, and donations are received.*

Summary of Legislation

This bill creates a 9-member interim committee to study issues related to the state procurement code, make recommendations, and report its findings to the Legislative Council during the 2011 legislative interim. The committee is to consider whether the procurement process can be made more accessible and efficient, whether to centralize procurement in a single office, and how to maximize the participation of Colorado residents. In the event that no General Fund moneys are available, the committee is allowed to accept gifts, grants, and donations. Collections are credited to the Legislative Department Cash Fund, and if sufficient funds are received, can be used to pay the costs of the interim committee.

Background

Under current law, state procurement rules apply only to executive branch agencies, although the legislative and judicial branches of government, and political subdivisions may choose to opt in. Institutions of higher education are included in the procurement code unless they formally elect to

be exempted. Procurement is overseen by the State Purchasing Office of the Department of Personnel and Administration (DPA). In addition to its responsibility for ensuring compliance with state law, DPA has policy and rule-making authority for procurement. A portion of DPA's authority is often delegated to state entities in order to manage routine, local, or discretionary purchases. Typically, a state entity with "delegated purchasing authority" has dedicated staff responsible for knowing and applying procurement rules and overseeing the resulting purchases.

State Revenue

If General Fund moneys are not available, gifts, grants, and donations may be collected to fund costs under HB11-1099. As it is unknown how many gifts, grants, or donations would be received, the amount of potential revenue cannot be estimated.

State Expenditures

The legislature is budgeted each year with resources to support a limited number of interim committees of the General Assembly (5). If this interim committee is not designated by the Legislative Council to be one of the prioritized committees, or if the costs of this interim committee are not included in the budgeted amount, the Legislative Branch will incur additional costs to support the interim committee, as show in Table 1. If no General Fund moneys are available, gifts, grants, and donations may be accepted. However, if sufficient moneys are not received, the committee will not meet. The committee includes 6 legislators, all of whom are entitled to per diem and reimbursement for expenses.

Table 1. Expenditures Under HB11-1099	
Cost Components	FY 2011-12
Personal Services	
Senior Research Assistant (0.3 FTE) and Staff Attorney (0.1 FTE)	\$20,288
Committee Member Reimbursement	
(6 members * \$187 * 4 meetings)	4,488
TOTAL	\$24,776

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB11-1099**	
Cost Components	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,840
Supplemental Employee Retirement Payments	918
TOTAL	\$3,758

**More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

State Appropriations

No appropriations are required if this interim committee is prioritized by the Legislative Council. If the committee is not selected, in FY 2011-12, the Legislative Department will require \$24,776 and 0.4 FTE in either General Fund or gifts, grants, and donations deposited to the Legislative Department Cash Fund.

Departments Contacted

Legislative Branch

Personnel and Administration