

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0916
Prime Sponsor(s): Rep. Ryden
 Sen. Heath

Date: April 25, 2013
Bill Status: House Business, Labor, Economic and
 Workforce Development
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE CREATION OF THE PROCUREMENT IMPROVEMENT TASK FORCE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue General Fund	up to \$100,000	
State Transfers Transfer from the General Fund to the Legislative Department Cash Fund	up to \$4,752	
State Expenditures General Fund Cash Funds Legislative Department Cash Fund	at least \$23,645 up to 4,752	
FTE Position Change	0.4 FTE	
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates the Procurement Improvement Task Force within the Department of Personnel and Administration (DPA) to study and make recommendations on the state's public procurement system during the 2013 legislative interim. The 17-member task force consists of:

- four members of the General Assembly;
- three staff members from the DPA;
- three staff members from other state agencies, including two procurement directors selected by the DPA and the director of the Colorado Office of Economic Development; and
- eight citizen members selected by the Governor and who represent various stakeholder groups, such as business owners, contractors, and chambers of commerce.

The DPA is authorized to accept and expend gifts, grants, and donations and is required to notify the General Assembly by June 1, 2013, if sufficient revenues are received to pay the expenses of the task force through January 1, 2014. If such revenues are received, the bill authorizes the DPA to hire a consultant to assist the task force and directs the State Treasurer to transfer moneys to the Legislative Department Cash Fund to pay the expenses of legislative members. Legislative Council Staff, the Office of Legislative Legal Services, and the DPA are directed to assist the task force with its duties.

The task force is authorized to meet up to six times during the 2013 interim and must issue any recommendations to the Legislative Council by January 1, 2014. The bill directs the task force to consider and make recommendations on Colorado's procurement code and industry best practices, as well as how to:

- best support the state's economic growth through contracting;
- coordinate procurement data with the Secretary of State's database on Colorado businesses;
- streamline the state's procurement process; and
- incentivize state agencies to contract with Colorado companies.

State Revenue

State revenue may increase if gifts, grants, or donations are received. Any such revenue would be credited to Fund 100 within the General Fund. As of this writing, a contracting association has indicated that donations in the amount of up to \$100,000 may be available to support this task force.

State Transfers

If gifts, grants, or donations are received, the State Treasurer is authorized to transfer moneys to the Legislative Department Cash Fund to pay the costs of the task force's legislative members. As discussed in the State Expenditures section below, this analysis assumes this amount will be up to \$4,752 in FY 2013-14.

State Expenditures

This bill increases one-time state expenditures by at least \$23,645 General Fund and 0.4 FTE in FY 2013-14, although it may not require additional appropriations. Conditional upon receiving sufficient gifts, grants, and donations, the bill could also increase costs to pay per diem and reimburse costs expenses of legislative members, and to hire a procurement consultant.

Legislative staff support. Legislative Department appropriations support a limited number of interim committees each year. While HB13-1321 creates a task force rather than an interim committee, the task force includes legislative members, requires support from legislative service agencies, and is authorized to meet with the same frequency as an interim committee. For these reasons, the fiscal note assumes it could be considered as an interim committee for the purposes of determining whether to provide funding for the task force from existing appropriations. Funding is available for four committees during the 2013 interim. If the task force established by this bill is designated by the Legislative Council to replace one of the prioritized committees, no additional appropriation will be required. If this task force is not designated by the Legislative Council to replace one of the prioritized committees, or if the costs of this task force are not included in the budgeted amount, the Legislative Branch will incur additional costs of \$23,645 General Fund and 0.4 FTE.

Workload increases. Workload is increased for the DPA, the Colorado Office of Economic Development, and for the procurement directors selected by the DPA to serve on the task force. In addition, workload may increase for the Secretary of State's Office and the Governor's Office of Information Technology to respond to task force questions about connecting the state's procurement system to the database on Colorado businesses, as well as any other technical questions relating to procurement and the state's computer systems. No additional appropriations are required.

Conditional legislator costs. Conditional upon the receipt of sufficient gifts, grants, and donations to make a transfer to the Legislative Department Cash Fund, costs could also increase to reimburse legislators for per diem and actual expenses incurred. Standard costs are \$198 per legislator, per meeting. Assuming that each of the four legislators appointed to serve on the task force will meet up to six times, one-time costs will increase by up to \$4,752.

Conditional consulting costs. If sufficient gifts, grants, and donations are received, the DPA is authorized to hire a consultant to provide technical assistance to the task force. As of this writing, the potential cost of a consultant has not been estimated.

State Appropriations

If the task force is prioritized by the Legislative Council and included as part of the Legislative Department budget for FY 2013-14, no appropriation is required. If not, the bill requires a General Fund appropriation of \$23,645 and 0.4 FTE to the Legislative Branch in FY 2013-14. No appropriation is required for the conditional costs of \$4,752 to be paid from the Legislative Department Cash Fund, as this fund is continuously appropriated to the Legislative Branch. The bill provides authorization for the DPA to expend gifts, grants, and donations received for the task force's expenses, and, therefore, no additional appropriations are required.

Departments Contacted

Governor's Office
Office of Legislative Legal Services
State

Legislative Council Staff
Personnel and Administration