

THE DEPARTMENT OF PERSONNEL AND ADMINISTRATION
STATEMENT CONCERNING HB09-1165
HOUSE STATE AFFAIRS, VETERANS AND MILITARY AFFAIRS COMMITTEE
JANUARY 29, 2009

Good morning Representative Todd and members of the committee. My name is Rich Gonzales, Executive Director of the Department of Personnel and Administration.

Amendment 54 was approved by voters in November 2008, assigning responsibility to the Department of Personnel & Administration (DPA) to develop a system to capture and publish summary of sole-source government contracts with state government, and nearly 4,000 different political subdivisions of the state submitted by the sole contract holder (vendors). To comply technically with the wishes of the voters by December 31, 2008 DPA deployed a rudimentary system for intake and reporting of such data.

HB09-1165 reiterates the system requirements outlined in Amendment 54 and clarifies some technical aspects such as:

- Prompt reporting (3 business days after execution of a sole source contract)
- Timelines for DPA to publish a summary of the contract (3 business days after receipt)
- Database retention requirements (two years beyond duration of the contract)
- Website access (free of charge)
- Functionality (searchable)
- Availability of instructional information (other websites must advise of Amendment 54 requirements)

In addition, this bill provides for an associated cash funding mechanism to support the system's ongoing operation and requires an interface with existing campaign finance reporting systems managed by the Secretary of State. Finally, this bill requires the promulgation of rules for the more effective administration of the system.

In preparation for the 2008 general election DPA estimated a fiscal impact of the amendment at \$277,000 for FY 2008-09 for system development and necessary staffing. DPA estimated ongoing expenses of \$85,000 annually for staffing to administer the system and program. Based upon further analysis resulting from the implementation of the initial rudimentary system, the fiscal note for DPA is estimated to be \$184,640 and 1.0 FTE.

- \$73,402 for a General Professional IV to work with OIT during system development, manage vendor accounts, ensure compliance with the legislation, extract data and provide reports as needed, manage any vendor and public information inquiries, set vendor fees and administer the cash fund.
- \$6178 Operating Expenses
- \$60,000 Purchase of Services from the Computer Center/OIT
- \$45,060 for 4026 hours of Legal Services from the Attorney General's Office.

One significant change from the Blue Book analysis is in-house system development by the Governor's Office of Information Technology instead of contract development of the system.

Thank you for the opportunity to present these comments.