

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 24, 2015

Agency Submitting: Department of Administration

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Personnel (Expense)		\$182,906	\$247,875	\$495,750
Office expenses (Expense)		\$3,793	\$3,107	\$6,214
Furniture (Expense)		\$5,000		
Computer Hdwr/Sftwr (Expense)		\$7,812		
Travel (Expense)		\$4,000	\$4,000	\$8,000
Total	0	\$203,511	\$254,982	\$509,964

Explanation

(Use Additional Sheets of Attachments, if required)

This bill will impact the Purchasing division. Section 1(4)(a) and Section 2(2) of the bill require that the connection between a person submitting a proposal or bid and this State be evaluated. The Purchasing Division issued 148 solicitations in fiscal year 2014, with an average of 10 persons responding. The bill creates the potential of having to verify and validate 5 years of State and local, use, excise, property and governmental taxes; the number of buildings owned/leased and substantially occupied as a principle place of business; number persons employed or contracted; and the amount of goods produced in the State or supplied by a dealer on potentially 1,480 persons. The verification and validation process will require the addition of staff and will create a delay in the awarding of needed services and good to the using State agencies.

Section 1(4)(a) applies to all Requests for Proposals (RFP) issued, and therefore the requirement to verify and validate the connection of every person submitting a proposal applies to all State agencies that issue RFPs, not just the Purchasing Division.

The application of the connection to proposals and bids will create the potential for contract protests. This will also increase costs to the State and create an addition delay in the delivery of needed services and goods to using State agencies.

Name Evan Dale

Title Administrator

DEPARTMENT OF ADMINISTRATION'S COMMENTS

The agency's response appears reasonable.

Date Tuesday, March 24, 2015

Name James R. Wells

Title Director

BDR/Bill/Amendment Number: BDR 27-1024/SB 325
Name of Agency: Department of Administration
Division/Department: Purchasing Division
Date: 23-Mar-15

Narrative:

This bill will impact the Purchasing division. Section 1(4)(a) and Section 2(2) of the bill require that the connection between a person submitting a proposal or bid and this State be evaluated. The Purchasing Division issued 148 solicitations in fiscal year 2014, with an average of 10 persons responding. The bill creates the potential of having to verify and validate 5 years of State and local, use, excise, property and governmental taxes; the number of buildings owned/leased and substantially occupied as a principle place of business; number persons employed or contracted; and the amount of goods produced in the State or supplied by a dealer on potentially 1,480 persons. The verification and validation process will require the addition of staff and will create a delay in the awarding of needs services and good to the using State agencies.

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	Employee/Employer Paid				Employer Paid		
	Year 1	Year 2	Total for Biennium		Year 1	Year 2	Total for Biennium
Salary	\$ 128,459	\$ 176,713	\$ 305,172		\$ 113,801	\$ 156,574	\$ 270,375
Group Insurance	\$ 25,033	\$ 33,377	\$ 58,409		\$ 25,033	\$ 33,377	\$ 58,409
Retired Employees Group Insurance	\$ 3,417	\$ 4,701	\$ 8,118		\$ 3,027	\$ 4,165	\$ 7,192
Medicare	\$ 1,863	\$ 2,562	\$ 4,425		\$ 1,650	\$ 2,270	\$ 3,920
Retirement	\$ 18,627	\$ 25,623	\$ 44,250		\$ 31,864	\$ 43,841	\$ 75,705
Unemployment Compensation	\$ 167	\$ 230	\$ 397		\$ 148	\$ 204	\$ 351
Worker's Compensation	\$ 4,428	\$ 3,413	\$ 7,840		\$ 4,312	\$ 3,413	\$ 7,725
Payroll Assessment	\$ 180	\$ 247	\$ 427		\$ 159	\$ 219	\$ 379
Personnel Assessment	\$ 734	\$ 1,009	\$ 1,743		\$ 650	\$ 894	
Totals	\$ 182,906	\$ 247,875	\$ 430,780		\$ 180,644	\$ 244,956	\$ 425,600
Other Costs	\$ 20,605	\$ 7,107	\$ 27,712		\$ 20,605	\$ 7,107	\$ 27,712
Total Cost For Positions	\$ 203,511	\$ 254,982	\$ 458,492		\$ 201,249	\$ 252,063	\$ 453,312

* Worker's Comp Calculation assumes limit of \$36,000 and is based on calendar year
* Assumes that MSI in Year 2 will hit the same month that position is estimated to start either in July or October
* Other Costs Include (Furniture, Operating Suppleis, IT Expenses, Training and any other equipment needed

Other Costs	Year 1	Year 2	Total for Biennium	Year 1	Year 2	Total for Biennium
Operating Supplies	\$ 268	\$ 357	\$ 625	\$ 268	\$ 357	\$ 625
Non-State Printing Charges	\$ 20	\$ 27	\$ 47	\$ 20	\$ 27	\$ 47
State Printing Charges	\$ 100	-	\$ 100	\$ 100	-	\$ 100
Employee Bond Insurance	\$ 5	\$ 5	\$ 9	\$ 5	\$ 5	\$ 9
AG Tort Claim Assessment	\$ 480	\$ 480	\$ 960	\$ 480	\$ 480	\$ 960
Postage-State Mailroom	\$ 24	\$ 32	\$ 56	\$ 24	\$ 32	\$ 56
EITS Voicemail	\$ 118	\$ 157	\$ 275	\$ 118	\$ 157	\$ 275
EITS State Phone Line	\$ 432	\$ 576	\$ 1,008	\$ 432	\$ 576	\$ 1,008
Equipment- Phone	\$ 1,000	-	\$ 1,000	\$ 1,000	-	\$ 1,000
Furniture	\$ 5,000	-	\$ 5,000	\$ 5,000	-	\$ 5,000
EITS Email Service	\$ 242	\$ 322	\$ 564	\$ 242	\$ 322	\$ 564
EITS VPN	\$ 140	\$ 187	\$ 327	\$ 140	\$ 187	\$ 327
EITS Infrastructure Assessment	\$ 552	\$ 552	\$ 1,104	\$ 552	\$ 552	\$ 1,104
EITS Security Assessment	\$ 413	\$ 413	\$ 826	\$ 413	\$ 413	\$ 826
Travel	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000
Computer Software	\$ 2,780	-	\$ 2,780	\$ 2,780	-	\$ 2,780
Computer Hardware	\$ 5,032	-	\$ 5,032	\$ 5,032	-	\$ 5,032
Total	\$ 20,605	\$ 7,107	\$ 27,712	\$ 20,605	\$ 7,107	\$ 27,712