

BDR 27-920

AB 353

UNSOLICITED 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)		\$207,705	\$282,013	\$564,026
Office expense (Expense)		\$3,793	\$3,107	\$6,214
Furniture (Expense)		\$5,000		
Computer Hdwr/Sftwr (Expense)		\$7,812		
Total	0	\$224,310	\$285,120	\$570,240

Explanation

(Use Additional Sheets of Attachments, if required)

Review of AB 353 has identified a fiscal impact on the Purchasing Division. Section 1 and Section 2 of the bill requires all contracts over \$100,000 be awarded through the open, competitive bidding process. The solicitation waiver process is a valid means of awarding contracts, and is used across the nation by most jurisdictions. The Purchasing Division, by regulation (NAC 333.150[2][a][b][c]) is the only State agency authorized to approve solicitation waivers for professional services, sole sources and emergency purposes. The Purchasing Division vets all submitted solicitation waiver requests, approves a limited number of requests and posts all awarded solicitation waivers on its website for public review. Removing the State's ability to waive the solicitation requirements for contracts \$100,000 or greater will increase the solicitation workload of the Purchasing Division by approximately 50%, with the preponderance of waivers being for services.

Name Evan Dale

Title Administrator

BDR/Bill/Amendment Number: BDR 27-290/AB353
 Name of Agency: Department of Administration
 Division/Department: Purchasing Division
 Date:

Narrative:

Review of AB 353 has identified a fiscal impact on the Purchasing Division. Section 1 and Section 2 of the bill requires all contracts over \$100,000 be awarded through the open, competitive bidding process. The solicitation waiver process is a valid means of awarding contracts, and is used across the nation by most jurisdictions. The Purchasing Division, by regulation (NAC 333.150[2][a][b][c]) is the only State agency authorized to approve solicitation waivers for professional services, sole sources and emergency purposes. The Purchasing Division vets all submitted solicitation waiver requests, approves a limited number of requests and posts all awarded solicitation waivers on its website for public review. Removing the State's ability to waive the solicitation requirements for contracts \$100,000 or greater will increase the solicitation workload of the Purchasing Division by approximately 50%, with the preponderance of waivers being for services.

	Employee/Employer Paid				Employer Paid		
	Year 1	Year 2	Total for Biennium		Year 1	Year 2	Total for Biennium
Salary	\$ 149,083	\$ 205,292	\$ 354,375		\$ 132,108	\$ 181,907	\$ 314,014
Group Insurance	\$ 25,033	\$ 33,377	\$ 58,409		\$ 25,033	\$ 33,377	\$ 58,409
Retired Employees Group Insurance	\$ 3,966	\$ 5,461	\$ 9,426		\$ 3,514	\$ 4,839	\$ 8,353
Medicare	\$ 2,162	\$ 2,977	\$ 5,138		\$ 1,916	\$ 2,638	\$ 4,553
Retirement	\$ 21,617	\$ 29,767	\$ 51,384		\$ 36,990	\$ 50,934	\$ 87,924
Unemployment Compensation	\$ 194	\$ 267	\$ 461		\$ 172	\$ 236	\$ 408
Worker's Compensation	\$ 4,591	\$ 3,413	\$ 8,003		\$ 4,456	\$ 3,413	\$ 7,869
Payroll Assessment	\$ 209	\$ 287	\$ 496		\$ 185	\$ 255	\$ 440
Personnel Assessment	\$ 851	\$ 1,172	\$ 2,023		\$ 754	\$ 1,039	\$ 1,793
Totals	\$ 207,705	\$ 282,013	\$ 489,718		\$ 205,128	\$ 278,636	\$ 483,764
Other Costs	\$ 16,605	\$ 3,107	\$ 19,712		\$ 16,605	\$ 3,107	\$ 19,712
Total Cost For Positions	\$ 224,309	\$ 285,120	\$ 509,430		\$ 221,732	\$ 281,743	\$ 503,476

* 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 Supplies, 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
Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ 2,780	\$ -	\$ 2,780	\$ 2,780	\$ -	\$ 2,780
Computer Hardware	\$ 5,032	\$ -	\$ 5,032	\$ 5,032	\$ -	\$ 5,032
Total	\$ 16,605	\$ 3,107	\$ 19,712	\$ 16,605	\$ 3,107	\$ 19,712