

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4875-01
Bill No.: SB 1254
Subject: Political Subdivisions; Contracts
Type: Original
Date: March 10, 2008

Bill Summary: This proposal creates the "Political Subdivision Services Bidding Standards Act."

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Lincoln University, St. Louis County, Linn State Technical College, Administrative Hearing Commission, University of Missouri, Missouri State University, University of Central Missouri, Metropolitan Community College, Missouri Department of Transportation** and the **Department of Conservation** assume that there is no fiscal impact from this proposal.

Officials at the **City of West Plains** and the **City of Centralia** assume there would be costs added to the city.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL GOVERNMENT FUNDS

<u>Cost - bidding procedures</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act creates the "Political Subdivision Services Bidding Standards Act". Contracts for services by any political subdivision shall be advertised and bids solicited and awarded in compliance with any federal, state, and local law specifically written for such political subdivision. If a political subdivision is not covered by a specific federal, state, or local law, it

FISCAL DESCRIPTION (continued)

shall comply with the advertising and bidding requirements outlined in this act when soliciting bids and awarding contracts.

Contracts for services shall be advertised in advance of the acceptance of bids for a minimum of five days in an area newspaper, with the first ad appearing at least 30 days in advance of the stated deadline for acceptance of bids. For contracts for over \$50,000, bids shall also be advertised by providing information to at least one organization which regularly provides information to contractors providing the service needed. Ads and solicitations must include the submission deadline.

Unless otherwise specified by law, a contract shall be awarded to the lowest qualified responsible bidder. The bidder's qualification shall be determined by his or her education and training. However, the political subdivision may reject the low bidder based on the bidder's failure to provide a performance or payment bond, nonperformance on previous contracts, or other reasons specified as to the bidder's inability to adequately perform the contract. The reason for rejection shall be provided to the bidder within five business days of the rejection.

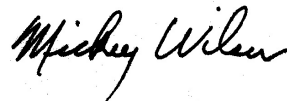
No contract shall be awarded in violation of certain requirements, including opening bids in advance of the advertising deadline, accepting bids that are unwritten, accepting bids after the advertised deadline, and failing to hold bids confidential. A person submitting a bid, or who would have submitted a bid except for such violations, may seek equitable relief and monetary damages for monetary losses.

Electronic bidding shall be allowed if it meets the standards of confidentiality. Nothing in this section shall require acceptance of a bid which exceeds the amount estimated by the political subdivision for the contract.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Lincoln University
St. Louis County
Linn State Technical College
Administrative Hearing Commission
University of Missouri
City of Centralia
City of West Plains
Missouri State University
Metropolitan Community College
Department of Conservation
University of Central Missouri
Missouri Department of Transportation



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Director
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