

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6256-01  
Bill No.: SB 981  
Subject: Office of Administration; Contracts and Contractors; State Departments  
Type: Original  
Date: March 21, 2014

---

Bill Summary: This proposal modifies the law relating to state contracting.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$60,777)	(\$72,813)	(\$73,630)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$60,777)</b>	<b>(\$72,813)</b>	<b>(\$73,630)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration's Division of Purchasing and Materials Management (DPMM)** assume this proposal will require any contracts awarded by DPMM to a private company be posted on the accountability portal. Also, DPMM will have to obtain the names and addresses of all subcontractors participating on the contract. If issuing a RFP for service currently provided by the state, DPMM would be required to notify the state employees currently providing the service 45 days before the RFP is due and give the affected state employees the opportunity to bid to provide the services. If DPMM awards a contract to a private company for services currently provided by state employees, DPMM must provide a notice to affected state employees and post the bid documentation on the accountability portal at least 45 days before the effective date of the contract.

**Oversight** assumes that DPMM can absorb the cost of the required notifications within their existing resources.

Officials at the **Office of Administration's Information Technology Services Division (ITSD)** assume this proposal applies to all state agencies and includes those not currently supported by ITSD. ITSD would be responsible for posting documents to the portal or creating links to the portal from various agency systems. It is anticipated to take one full time position (Information Technologist IV) to manage this process.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Information Technologist IV to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials at the **Department of Conservation** assume this would have an unknown fiscal impact greater than \$100,000 per year.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

**Oversight** assumes that the agencies would be able to absorb any costs of this proposal with existing resources. OA-ITSD will post the information on the portal and OA-DPMM will handle the notifications.

ASSUMPTION (continued)

Officials at the **Department of Corrections**, the **Department of Economic Development**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Revenue**, the **Department of Social Services** and the **Missouri Department of Transportation** each defers to the Office of Administration for fiscal impact.

Officials at the **Department of Agriculture**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Public Safety's Capitol Police**, the **Department of Public Safety's Alcohol and Tobacco Control**, the **Department of Public Safety's Division of Fire Safety**, the **Missouri Gaming Commission**, the **Missouri Highway Patrol**, the **Missouri National Guard**, the **Missouri Veterans Commission**, the **Office of Administration's Division of Accounting**, the **Office of the State Auditor**, the **Office of Prosecution Services**, the **Office of the Secretary of State**, the **Office of State Courts Administrator**, the **Office of State Treasurer**, the **Office of the State Public Defender** and the **State Emergency Management Agency** each assume there is no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Cost - Information Technology Service Division</u>			
Personal Service	(\$36,550)	(\$44,299)	(\$44,742)
Fringe Benefits	(\$18,642)	(\$22,595)	(\$22,821)
Equipment and Expenses	<u>(\$5,585)</u>	<u>(\$5,919)</u>	<u>(\$6,067)</u>
<u>Total Costs - ITSD</u>	<u>(\$60,777)</u>	<u>(\$72,813)</u>	<u>(\$73,630)</u>
FTE Change - ITSD	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>			
	<b><u>(\$60,777)</u></b>	<b><u>(\$72,813)</u></b>	<b><u>(\$73,630)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires the Office of Administration to post a copy of each request for proposal for goods and services and private contract entered into by the state on the Missouri accountability portal.

If the state issues a request for proposal for a service currently provided by state employees, the Office of Administration shall give notice to the employees of such issuance 45 days before the proposal is due. The employees may submit bids to continue to provide the service. Contracts may only be entered into if the costs are less than the current costs or less than the costs of proposals submitted by such employees.

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

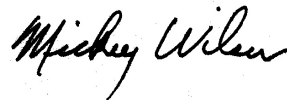
SOURCES OF INFORMATION

Department of Agriculture  
Department of Conservation  
Department of Corrections  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Natural Resources

JH:LR:OD

SOURCES OF INFORMATION (continued)

Department of Public Safety  
  Alcohol and Tobacco Control  
  Capitol Police  
  Division of Fire Safety  
Department of Revenue  
Department of Social Services  
Missouri Department of Transportation  
Missouri Gaming Commission  
Missouri Highway Patrol  
Missouri National Guard  
Missouri Veterans Commission  
Office of Administration  
  Division of Accounting  
  Division of Purchasing and Materials Management  
  Division of Information Technology Services  
Office of Attorney General  
Office of Prosecution Services  
Office of the Secretary of State  
Office of the State Auditor  
Office of State Courts Administrator  
Office of the State Public Defender  
State Emergency Management Agency



Mickey Wilson, CPA  
Director  
March 21, 2014

Ross Strope  
Assistant Director

L.R. No. 6256-01  
Bill No. SB 981  
Page 7 of 7  
March 21, 2014

March 21, 2014

JH:LR:OD