

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5032-02
Bill No.: Perfected SCS for SB 781
Subject: Construction; Contracts and Contractors
Type: Original
Date: March 31, 2016

Bill Summary: This proposal enacts new law relating to design-build contracts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume from this proposal there will most likely be significant savings to the City, although the amount of savings cannot be determined at this time. By allowing municipalities to use the design-build procurement method for Water Department facilities, the City will be afforded the opportunity to consider the most efficient method for building a project. As a result, the City will most likely see increased funds in its capital account which may allow the flexibility to consider more innovative approaches in facility design and operation.

Officials at the **Callaway County Commission** assume an unknown positive fiscal impact from this proposal.

Officials at the **Department of Natural Resources**, the **Office of Administration's Division of Purchasing and Materials Management** and the **Division of Facilities Management, Design and Construction** and the **Department of Economic Development** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, the **City of Columbia**, the **Stoddard County Public Administrator Office** and the **City of Jefferson** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at the **Laclede County Public Administrator Office** assumed no fiscal impact from this proposal.

Officials at the **University of Missouri System**, the **State Technical College of Missouri**, the **University of Central Missouri**, the **Missouri Western State University**, the **Northwest Missouri State University** and the **Missouri State University** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at the **Metropolitan Community College** assume no fiscal impact from this proposal.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and Truman State University did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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LOCAL POLITICAL SUBDIVISIONS

<u>Savings</u> - Local Political Subdivisions - use of design-build procurement method	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<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 authorizes any political subdivision to use a design-build contractor for waste water and water treatment projects. The Department of Economic Development is required to consider design-build waste water or water treatment projects when disbursing grants under the Community Development Block Grant program. The Department of Natural Resources is prohibited from precluding design-build or sole source contracts from being considered for funding from the Water and Wastewater Loan Fund.

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

City of Kansas City
Office of Administration
 Division of Purchasing and Materials Management
 Division of Facilities Management, Design and Construction
Department of Economic Development
Department of Natural Resources
St. Louis County
Callaway County Commission
Laclede County Public Administrator Office
City of Jefferson
Stoddard County Public Administrator Office
University of Missouri System
State Technical College of Missouri
University of Central Missouri
Missouri Western State University
Metropolitan Community College
Northwest Missouri State University
City of Columbia
Missouri State University

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Ross Strope

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