

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3115S.01I
 Bill No.: SB 940
 Subject: Capital Improvements; Contracts and Contractors; Roads and Highways;
 Transportation; Department of Transportation
 Type: Original
 Date: January 4, 2024

Bill Summary: This proposal requires publication of a cost estimate and project completion date for any work on the state highway system at the time bidding for a contract on the work first closes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation (MoDOT)** assume the following regarding this proposal:

MoDOT does not publish the Engineer’s Estimate to maintain the integrity of the confidential bidding system and to ensure fair competition among bidders. Publishing the Engineer’s Estimate would allow contractors to decipher MoDOT’s estimating methodology costs which would likely contribute to bid rigging and bidder collusion. This would result in an unfair advantage to some bidders, insufficient competition between bidders, increased construction costs and a poor and inefficient use of taxpayer funds.

Additionally, the Federal Highway Administration and USDOT Office of the Inspector General both recognize the dangers of publishing the Engineer’s Estimate and strongly caution against doing so to ensure adequate competition among bidders and a fair process for all bidders.

MoDOT assumes an unknown negative fiscal impact to the State Road Fund.

Oversight assumes the fiscal impact estimated by MoDOT would be a potential indirect impact; therefore, Oversight will not reflect a direct fiscal impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

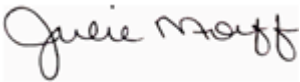
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

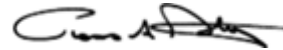
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation



Julie Morff
Director
January 4, 2024



Ross Strobe
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January 4, 2024