

HB 205 with HCA 1 -- ACQUIRING STATE ASSETS

SPONSOR: Curtman

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Government Efficiency by a vote of 10 to 1.

This bill requires all state purchases in excess of \$10,000, adjusted for inflation annually based on the dollar's value as of August 28, 2014, to be based on competitive bids with specified exceptions. Currently, all state purchases in excess of \$3,000 must be based on competitive bids with specified exceptions.

The bill requires the Commissioner of the Office of Administration to advertise and solicit bids on any state purchase with an estimated expenditure of \$100,000 or more, adjusted for inflation annually based on the dollar's value as of August 28, 2014. Currently, the commissioner must advertise and solicit bids on any state purchase on any purchase with an estimated expenditure of \$25,000 or more.

Currently, when the commissioner determines that the use of competitive bidding is either not practicable or not advantageous to the state, he or she is not required to base a purchase on a competitive proposal unless the purchase is in excess of \$5,000. The bill changes this to a purchase in excess of \$10,000 adjusted for inflation annually based on the dollar's value as of August 28, 2014. Currently, when the commissioner determines that the use of competitive bidding is either not practicable or not advantageous to the state, he or she is not required to advertise or solicit a proposal on any purchase where the estimated expenditure is \$25,000 or more. The bill changes this to an estimated expenditure of \$100,000 or more adjusted for inflation annually based on the dollar's value as of August 28, 2014. These provisions must not apply to specified reverse auctions.

Currently, the commissioner may waive the requirement of competitive bids or proposals for supplies when he or she has determined in writing that there is only a single feasible source for the supplies where the estimated expenditure is more than \$5,000. The bill changes this to where the estimated expenditure is more than \$10,000 adjusted for inflation annually based on the dollar's value as of August 28, 2014. Currently, the commissioner does not have to advertise or solicit proposals on any purchase of \$25,000 or more for supplies where the commissioner has determined in writing that there is only a single feasible source. The bill changes this to any purchase of \$100,000 or more adjusted for inflation annually based on the dollar's value as of August 28, 2014. These provisions must not apply to specified reverse

auctions.

The commissioner is authorized to hold reverse auctions for the purchase of specific commodities.

The State Vehicle Fleet Manager must develop and coordinate the implementation of a statewide vehicle fleet cost efficiency plan to ensure continuing progress toward statewide overall cost reduction in government vehicle costs. The bill specifies the information that the plan must include.

Each state agency that owns or leases vehicles must develop, implement, and submit to the fleet manager a vehicle fleet cost efficiency plan for its agency. The plan must include agency goals and statistics and a report of agency progress.

The bill requires the commissioner, after consultation with the State Courts Administrator, to procure a blanket bond or crime insurance policy as he or she deems necessary to protect the state against loss from the acts or omissions of any state-compensated person within the judiciary. Currently, the commissioner must procure surety bonds as required by statute and that he or she deems necessary after consultation with the administrator.

The commissioner may require a bond and fix the amount of the bond of any officer, employee, or agent of the state who has responsibility for or access to any money or property belonging to the state or in which the state may have an interest and who is not otherwise required by law to give a bond.

In lieu of individual bonds, the commissioner may elect to procure one or more blanket bonds or suitable crime insurance policies endorsed to include faithful performance or elect to assume the risk for any or all officers and employees of the state. Any bond or policy procured must contain the coverages, terms, conditions, coverage limits, and deductibles as the commissioner deems adequate to protect the interests of the state but not less than the aggregate coverage limits otherwise required by law. The procurement must constitute compliance with any law requiring any officer or employee of the state to be bonded. The costs of any blanket bond, crime insurance policy, or self-assumption program must be paid from the State Legal Expense Fund.

HCA 1 -- Prohibits the commissioner and any other agencies to which state purchasing law applies from contracting with a vendor or an affiliate if it has failed to pay its federal taxes as required by Title 26 of the United States Code and from considering more than two preferential categories for any single bid submitted

PROPONENTS: Supporters say that the bill will lead to greater transparency and accessibility of information and allow the state greater flexibility in purchasing equipment by using a variety of metrics, such as quality and long-term maintainable costs rather than just short-term purchasing price. The bill allows the state to participate in reverse auctions.

Testifying for the bill was Representative Curtman.

OPPONENTS: There was no opposition voiced to the committee.