

**LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0392
Prime Sponsor(s): Rep. Lawrence

Date: February 4, 2013
Bill Status: House Local Government
Fiscal Analyst: Kori Donaldson (303-866-4976)

TITLE: CONCERNING THE REQUIREMENT THAT A LOCAL GOVERNMENT USE COMPETITIVE SEALED BIDDING FOR PROCUREMENT CONTRACTS OVER A CERTAIN DOLLAR AMOUNT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None.		
Local Government Impact: Potential costs. See Local Government Impact section.		

Summary of Legislation

The bill requires local governments to use sealed competitive bidding for all contracts for goods and services, including construction, expected to exceed \$50,000. The bill allows an exception to the competitive sealed bidding requirement if the local government does not receive any bids, all bids have been rejected, and in emergency situations. The bill prohibits a local government from dividing the procurement of supplies, services, or construction into two or more separate projects for the sole purpose of falling below the \$50,000 threshold for competitive sealed bidding.

Local Government Impact

Local governments may have additional administrative costs associated with the requirement to use competitive sealed bidding for contracts over \$50,000. Additionally, it may take local governments longer to complete construction projects and supply purchases due to a more rigorous contracting process.

Departments Contacted

Counties

Personnel and Administration

Municipalities