

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0224
Prime Sponsor(s): Rep. Lawrence

Date: January 13, 2014
Bill Status: House Business, Labor, Economic
 and Workforce Development
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SHORT TITLE: BIDDING FOR COUNTY GOV PROCUREMENT CONTRACTS

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal impact. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None		

Summary of Legislation

The bill requires county governments to hold a competitive bid process if a single construction contract is reasonably expected to cost \$100,000 or more. The bid process may include any form of competitive contracting method that the county chooses. Invitations for bids, including the contractual terms of the project, must be issued with adequate public notice. Bids must be opened in the presence of two or more people on the date and time specified on the bid invitation. All bid rejections must be documented and all materials are open to public inspection.

Exceptions to the requirement may occur if the county does not receive any bids, or receives only one bid; if the county rejects all bids; or, if the project involves an emergency that threatens the public's well-being. Construction contracts may not be split into two or more separate projects to avoid the bid process. The bill applies to new contracts that have an invitation for bid issued on or after July 1, 2014.

State Expenditures

The Colorado Department of Local Affairs (DOLA) may experience a minimal increase in workload as a result of this bill. The DOLA contracts with counties that provide in-kind services as matching funds for the completion of some projects. These projects may be impacted as the contract must be posted for bid and DOLA will be required to review evidence of compliance with the bid advertisement and bid hearing. Any increase in workload is expected to be minimal and can be accomplished within existing appropriations.

Local Government Impact

Under current law, counties must place an advertisement in the newspaper if a contract for county road work costs \$5,000 or more. The majority of construction contracts entered into by counties involve county road work and are subject to this requirement currently. Since this bill requires advertisements for all construction contracts over \$100,000, county governments may see a reduction in advertising costs for contracts under \$100,000.

For contracts not already required to be advertised, county governments may experience increased administrative, legal, public notice, and hearing costs associated with the requirement to use a competitive bid process.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Local Affairs

Counties

Personnel and Administration

Municipalities