



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 22-0307 Date: February 9, 2022
Prime Sponsors: Sen. Kirkmeyer, Rep. Larson Bill Status: Senate SVMA
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Bill Topic: STATE AGENCY EMERGENCY PROCUREMENT MODIFICATIONS

Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill alters the requirements for the state emergency procurement process. It increases state expenditures on an ongoing basis, beginning in FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Current law specifies the process by which the state makes emergency procurements, including that emergency procurements must be made with competition as is practicable under the circumstances, and that a written determination of the basis for the emergency and selection of the contractor must be included in the contract file. The bill replaces these requirements, specifying that an emergency procurement requires three informal bids, and for an emergency procurement that exceeds \$150,000, the contract file must include:

- a written determination of the basis of the emergency;
a written determination of the selection of the vendor; and
a written attestation that the procurement was made free of any conflict of interest between the vendor and the procuring state agency.

State Expenditures

The bill increases expenditures in all state agencies beginning in FY 2022-23 when making emergency procurements.

Department of Personnel and Administration. The bill increases workload in the Office of the State Controller to update fiscal rules and to verify that state agencies are in compliance with the new requirements. This workload can be accomplished within existing appropriations.

All state agencies. The additional bidding and reporting requirements increase workload in proportion to the number of emergency procurements a state agency makes. Due to the small number of emergency procurements each state agency makes each year, this workload can be absorbed within existing appropriations. In some cases, the requirement to solicit three informal bids may delay an agency from obtaining emergency services. This may increase overall costs for certain repairs or emergencies situations.

Effective Date

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

State and Local Government Contacts

Corrections
Office of Information Technology
Public Health and Environment
Transportation

Human Services
Personnel and Administration
Revenue