

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1133 w/CS Governmental Efficiency/Productivity
SPONSOR(S): Davis, D.; Davis, M.
TIED BILLS: None. **IDEN./SIM. BILLS:** None.

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) State Administration	4 Y, 0 N w/CS	Bond	Everhart
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill requires the Department of Management Services to issue an invitation to negotiate a contract for a comprehensive review of state agency service contracts for the periodic repair, preventative maintenance, or enhancement of leased or owned office equipment, office systems, and other capital assets.

This bill appears to have a minimal nonrecurring fiscal impact in the current fiscal year. See fiscal comments. This bill does not appear to have a fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain: Not applicable.

B. EFFECT OF PROPOSED CHANGES:

Background

State departments and agencies purchase various goods and services to assist them in their duties. They may, in relation to those purchases, also purchase or contract for maintenance or service contracts. Such contracts offer the department or agency a fixed cost for maintenance and repair of equipment.¹

Currently, the Department of Management Services does not have a contract in place for maintenance and service agreements that would cover all state purchases. However, the Department, through the Division of State Purchasing, has reviewed and researched the benefits of having a state contract for equipment maintenance insurance. The Department anticipates releasing an invitation to negotiate for such services in the next 30 days. The intent of the Department’s current draft is very similar to the intent of the review of the bill, but it goes a step further by including the maintenance and repair insurance in the comprehensive review. If solicited and awarded, the state contract would be in place for each agency to individually purchase the review and insurance product. The Department would not bear the cost for all agencies, nor would it be required to be implemented by all agencies.²

Effect of Bill

This bill makes the legislative finding that “a complete review of state agency service contracts with respect to equipment and capital assets could produce immediate and long-term savings.”

This bill requires the Department of Management Services to issue an invitation to negotiate a contract for a comprehensive review of state agency service contracts for the periodic repair, preventative maintenance, or enhancement of leased or owned office equipment, office systems, and other capital assets.

C. SECTION DIRECTORY:

Section 1 of this bill makes legislative findings.

Section 2 requires DMS to issue an invitation to negotiate.

Section 3 provides an effective date of upon becoming law.

¹ Probably the most typical of such contracts is a copier maintenance agreement whereby all maintenance and repairs are furnished for a fixed price per month.

² Department of Management Services, analysis of HB 1133, dated March 7, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.

2. Expenditures:

The cost of issuing an invitation to negotiate is negligible. The Department of Management Services may enter into a contract as a result of this bill, but will only do so if the savings exceed the expenditure.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS:

The bill sponsor reports that there is at least one company that will perform the review contemplated by this bill on a contingency fee basis.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable.

2. Other: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 14, 2003, the Committee on State Administration adopted one "remove everything after the enacting clause" amendment. The amendment removed part of the legislative findings, changed from a requirement to contract to simply a requirement to issue an invitation to negotiate, and changed the effective date from July 1, 2003 to "upon becoming law." The bill was then reported favorably with a committee substitute.