



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 22-0307	<b>Date:</b>	May 19, 2022
<b>Prime Sponsors:</b>	Sen. Kirkmeyer Rep. Larson	<b>Bill Status:</b>	Postponed Indefinitely
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**Bill Topic:** STATE AGENCY EMERGENCY PROCUREMENT MODIFICATIONS

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill would have altered the requirements for the state emergency procurement process. It would have increased state expenditures on an ongoing basis, beginning in FY 2022-23.

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**Appropriation Summary:** No appropriation would have been required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

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## 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**

This bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 22, 2022.

## **State and Local Government Contacts**

Corrections  
Office of Information Technology  
Public Health and Environment  
Transportation

Human Services  
Personnel and Administration  
Revenue