

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6537

BILL NUMBER: HB 1242

NOTE PREPARED: Mar 1, 2022

BILL AMENDED: Feb 24, 2022

SUBJECT: State Purchasing.

FIRST AUTHOR: Rep. Miller D

FIRST SPONSOR: Sen. Perfect

BILL STATUS: As Passed Senate

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Requires the Indiana Department of Administration (IDOA) to determine the technological upgrades and other expenditures required to collect and compile information regarding purchases made by state agencies from the following: (A) A minority business enterprise. (B) A nonprofit agency for individuals with disabilities. (C) A veteran owned small business. (D) A women's business enterprise.
- (2) Provides that if a nonprofit agency for individuals with disabilities (qualified agency) withdraws from an IDOA pilot project through which the qualified agency sells products or services to governmental bodies through a third party contractor, the IDOA must award the qualified agency a quantity purchase agreement (QPA) for the same products and services and under the same terms under which the qualified agency had a QPA with the Department before participating in the pilot project.
- (3) Provides that the qualified agency must agree to provide the same products or services at a price less than the price provided for the products or services under the pilot project.
- (4) Requires a state agency to purchase supplies or services from a QPA for those supplies or services awarded to a qualified agency unless the state agency solicits quotes from three other sources for the supplies or services and receives a quote offering a price for the supplies or services that is less than the price under the QPA.
- (5) Provides the qualified agency with an opportunity to provide the supplies or services at a price less than the quote obtained by the state agency.
- (6) Requires the IDOA, in consultation with the Committee for the Purchase of Supplies and Services of Individuals with a Disability, to adopt administrative rules to establish a goal to procure in each state fiscal year at least 1.5% of state contracts with qualified agencies.
- (7) Provides that this goal must be administered so as not to diminish any other state contracting goals

established under existing law.

Effective Date: Upon Passage

Explanation of State Expenditures: The bill could increase the workload of the (1) IDOA to determine technology upgrades to collect and compile certain information and (2) the IDOA and the Committee for the Purchase of Supplies and Services of Individuals with a Disability to adopt administrative rules concerning procurement goals. These requirement is expected to be accomplished within existing resource and funding levels.

Qualified Purchase Agreement: The changes to qualified purchase agreements with nonprofit agencies could impact state contracting expenditures. The bill's impact on state expenditures is indeterminable.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDOA; Committee for the Purchase of Supplies and Services of Individuals with a Disability.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 317-232-9559.