

**No. 112. An act relating to evaluating net costs of government purchasing.**

(S.215)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. ECONOMETRIC ANALYSIS PILOT PROJECT

(a) The secretary of administration and the legislative economist shall design and implement a one-year pilot project to conduct an econometric analysis when evaluating government contracts for goods and services by the department of buildings and general services, the agency of natural resources, and the department of corrections. Each agency and department participating in the pilot project shall have the discretion to determine which contracts are appropriate for econometric analysis.

(b) When considering applicable contract bids for goods or services, each agency and department participating in the pilot project shall consider the interests of the state relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the state and the need to maintain and create jobs in the state. The commissioner or secretary, as applicable, shall utilize an econometric model that shall:

(1) account for the net fiscal impact to the state of all significant elements of bids, including the level of local employment, wages and benefits, source of goods, and domicile of bidder;

(2) be designed to be easily updated from year to year; and

(3) be designed such that state employees administering bid processes can easily utilize the model in an expedient fashion.

Sec. 2. REPORT

On or before January 15, 2014, the secretary of administration shall submit a report to the house and senate committees on government operations and on natural resources and energy, the house committee on corrections and institutions, and the senate committee on institutions on the results of the econometric analysis pilot project and any further legislative or policy recommendations for expansion, adaptation, or elimination of econometric analysis in government contracting.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2012.

Approved: May 8, 2012