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FISCAL IMPACT REPORT

SPONSOR _	Silva	DATE TYPED	02/06/04	HB	516
SHORT TITL	E Electronic Property E	Bid Proposals		SB	

ANALYST Geisler

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY04	FY05	FY04	FY05	or Non-Rec	Affected
			Unknown		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: SB 522

SOURCES OF INFORMATION

General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 516 authorizes electronic submission of bids and proposals, and provides for a reverse auction bidding process in the Procurement Code.

Significant Issues

Allowing electronic submission of bids and proposals would modernize the Procurement Code, and save time and costs for government entities and for vendors. Reverse auction is a purchasing strategy where bids are entered and visible electronically during a prescribed period. Bidders can see their competitors' bids, anonymously, in real time over the internet. This is a purchasing option used in spend management, which is part of a major initiative during the past year to enhance competition and save money for government entities

House Bill 516 -- Page 2

FISCAL IMPLICATIONS

Allowing electronic receipt of bids and proposals, where appropriate, would save money on paper products and postage for government entities and for vendors doing business with them.

Reverse auction is an increasingly popular method to increase competition and get better prices for goods and non-professional services.

PERFORMANCE IMPLICATIONS

The Purchasing Division is currently participating with a spend management contractor to establish procedures that leverage the state's purchasing power.

AMENDMENTS

GSD suggests a technical correction: on page 8, line 1, delete the word "highest" and insert in lieu thereof the word "lowest".

GGG/lg