

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 408 amends the Procurement Code. The bill increases the amount state agencies and local public bodies can pay for architectural or engineering services by increasing the amount from \$650,000 to \$2 million dollars. It also provides a not to exceed amount for multiple construction contracts increasing it from \$12.5 million dollars to \$30 million dollars in a ten-year period. A single purchase order may not exceed \$7 million dollars (currently \$4 million dollars). Procurements for all contracts for one firm shall not exceed \$15 million dollars (currently \$7 million) in any four-year period for architectural and engineering services or \$30 million (currently \$12.5 million) in a ten-year period (currently three years).

FISCAL IMPLICATIONS

Contracts awarded under indefinite delivery indefinite quantity (IDIQ) agreements enable agencies to procure services more efficiently. The threshold increases under this legislation provides agencies with enhanced terms and greater flexibility by updating the procurement code to reflect current market conditions and rising costs.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

n/a

ADMINISTRATIVE IMPLICATIONS

n/a

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Unknown

TECHNICAL ISSUES

n/a

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Agencies will remain subject to the existing procurement thresholds and limits, which restrict contracts to amounts below current procurement code thresholds. This constraint may hinder projects and work from alignment with current market prices.

AMENDMENTS