

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 272** HLS 18RS 785

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|   |         |                                   |
|---|---------|-----------------------------------|
| <b>Date:</b> May 10, 2018                                 | 7:15 PM | <b>Author:</b> HALL               |
| <b>Dept./Agy.:</b> Education                              |         | <b>Analyst:</b> Alan M. Boxberger |
| <b>Subject:</b> Provides with respect to group purchasing |         |                                   |

PUBLIC CONTRACT/BIDS

EN SEE FISC NOTE LF EX See Note

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Provides with respect to group purchasing of materials, equipment, and supplies

Present law authorizes any public school district or public school to enter into an agreement with a group purchasing organization for the purchase of materials, equipment and supplies, including any installation thereof; requires that any such agreement requires the organization to submit a price list and that prices quoted remain in effect for a stated period of time, not less than three months; requires that any such price list be considered a valid and binding bid; provides that the price list shall not be a public record; and authorizes a school board to purchase equipment from a qualified group purchasing organization if the price is less than that for the same or substantially similar equipment on the state bid list.

Proposed law provides that price lists become public record when the purchase contract is executed; authorizes school boards to purchase materials, equipment or supplies from or through a group purchasing organization if there is no applicable state contract or bid list or if the price is lower; and authorizes public school districts and public schools to consider a previously submitted price list to be a valid and binding bid for such solicitation.

| <b>EXPENDITURES</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| <b>Annual Total</b> |                |                |                |                |                |                      |

  

| <b>REVENUES</b>     | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>2022-23</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

Proposed law may result in a nominal decrease of local funds expenditures if certain education-related governmental entities utilize group purchasing to acquire lower prices for materials, equipment or supplies. Proposed law expands and clarifies present law, allowing school boards to purchase from group purchasing organizations without bid if there is no state contract available. Proposed law clarifies that school districts and public schools may use group purchasing organizations directly. Proposed law allows consideration of a prior price list to be accepted as a valid bid, even if a newer price list is available.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**