

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 882** HLS 16RS 1205
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 25, 2016 8:27 AM	Author: ARMES
Dept./Agy.: Division of Administration	Analyst: Zachary Rau
Subject: 10% of Evaluation Points for Veterans in RFPs and ITBs	

PUBLIC CONTRACT/BIDS OR INCREASE GF EX See Note Page 1 of 1

Provides for the percentage of total evaluation points awarded to certain veterans in requests for proposals for state procurements and public contracts

Present law authorizes 10% of the total evaluation points in a Request For Proposal (RFP) be awarded to offerors who are certified veterans and service-connected disabled veteran-owned small businesses. Proposed law makes awarding of the 10% of the total evaluation points on RFPs mandatory, and expands its application to Invitations to Bids (ITB), and other advertisements for bids unless the inclusion jeopardizes funding for procurement or violates any other provision of law.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may increase expenditures for the Division of Administration (DOA) by an indeterminable amount. The proposed legislation makes awarding 10% of the total evaluation points on a Request For Proposal (RFP) associated with certified veteran-owned firms mandatory rather than discretionary, and expands the mandatory 10% award to Invitations to Bids (ITBs) and other advertisements for bids provided the inclusion does not jeopardize funding for procurement.

DOA does not anticipate a material cost increase associated with a mandatory award 10% of total evaluation points for RFPs, as the division reports that they already include the award during the RFP process. However, DOA anticipates a material cost increase associated with awarding veteran-owned firms contracts associated with ITBs and other bids because the state's specifications are more stringent and associated with costs, rather than other non-cost criteria such as during the RFP process. The division anticipates that awarding 10% of evaluation points for veteran-owned firms will lead to an increase in expenditures associated with ITBs and other bids, as DOA would be compelled to award a contract to a veteran-owned firm's bid if it is up to 10% more expensive than one from a non-veteran-owned firm. As a result, DOA's expenditures associated with ITBs would increase by an indeterminable amount under the proposed legislation. The DOA further anticipates indeterminable cost increases for both the division and state agencies associated with protests of awards given to veteran-owned firms in situations where they were not the low bidder.

REVENUE EXPLANATION

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

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director