

Updated for all amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	145,800			
TOTAL FUNDS	148,800			

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 371, as amended, is the Transparency in Government Procurement Act.

Section 2 states Legislative findings.

Section 3 required the Department of Administrative Services (DAS) to create an annual report that includes the following:

- Total number and value of contracts awarded by the department;
- Total number and value of contracts awarded by the department to contractors within the state;
- Total number and value of contracts awarded by the department to foreign contractors;
- Total number of contracts awarded by the department for which a preference was given under section 73-101.01

The first such report shall be submitted to the Governor and the Legislature before September 1, 2015. Subsequent reports shall be submitted on or before September 1 of each year thereafter. The reports shall be submitted electronically and be made available to the public through publication on the department's web site.

Section 4 requires each contract awarded beginning July1, 2014 by DAS to require that contractors provide any and all information needed for compliance with section 3.

As amended by AM1863, the bill excludes the Office of the Nebraska Capitol Commission.

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 371 AM1863

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Administrative Services

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	145,800	_____	_____	_____
TOTAL FUNDS	<u>145,800</u>	_____	<u>0</u>	_____

Explanation of Estimate:

Department of Administrative Services:

LB371, as amended by AM1863, excludes the Office of the Nebraska Capitol Commission from the required annual reporting of contracts awarded to contractors and suppliers, the total number and values of the contracts and further identification of subsets of (1) contracts awarded to foreign contractors and suppliers, (2) contracts awarded to contractors and suppliers of Nebraska, and (3) contracts for which a preference was given under section 73-101.01.

Currently the data required for the annual report is not available electronically in the State's ERP system (EnterpriseOne). Programming changes would need to be completed by AS State Accounting to create four new reports and to make the necessary system configuration changes. The total cost is estimated to be \$145,800 (\$60,000 for the development of new reports + \$85,800 for system configuration = \$145,800).

Cost estimates for LB371 for State Accounting:

Cost for report development:

Report 1. Contract usage report (header) by year	\$15,000
Report 2. Contract usage report (detail) by year	\$15,000
Report 3. Current contracted vendors (header)	\$15,000
Report 4. Current contracted vendors (detail)	\$15,000

(Based on 120 hours per report x consultant cost \$125/hr. = \$15,000)

Cost for system configuration includes:

System setup	\$85,800
Security	
Testing	
Package Builds	
Documentation	

(Based on 3 months (520 hrs. x hourly rate \$165 = \$85,800)

Total cost of LB371 implementation for State Accounting \$145,800

The bill as amended will require all divisions of Administrative Services to indicate with the State's ERP system (EnterpriseOne) if new contracts are awarded to an in-state – Nebraska, out-of-state or a "foreign" contractor, or if such contracts are awarded with a preference given pursuant to section 73-101.01. The requirements of the amended bill can be met by the changes to EnterpriseOne listed above and by requiring vendors to provide the necessary information via the bidding process.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			145,800	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			145,800	0