

# FISCAL NOTE

Requested by Legislative Council

01/15/2003

Amendment to: HB 1113

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$76,000		(\$14,000)
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would allow the DOT to accept bids electronically for highway construction bid openings. After the initial, one time third party processor costs of \$52,000 and the one-time data conversion costs of \$38,000, the DOT would save approximately \$14,000 per biennium.

It is expected the construction industry would realize some savings and benefits such as increased bid accuracy resulting in lower review costs, and the ability to modify bids up to the bid deadline.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The DOT conducts about 20 construction bid openings per biennium. The DOT should realize savings of approximately \$14,000 per biennium as a result of reduced time for the bidding process, bid data entry, and bid checking (20 bid openings X 35 hrs. per bid opening X \$20 per hour).

In addition, it is possible the DOT will realize other savings such as reduction in paper usage, reduction in filing and data retrieval costs, and a reduction in needed storage space. However, we have no way of determining the extent of such benefits and thus we cannot determine an amount for those items at this time.

The first biennium the DOT will experience a net increase in expenditures of approximately \$76,000 as a result of the initial, one-time third party processor costs of \$52,000, the one-time data conversion costs of approximately \$38,000, and the offsetting

\$14,000 biennial cost savings (\$52,000 third party processor costs + \$38,000 data conversion costs - \$14,000 per biennium cost savings = \$76,000).

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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