

# Fiscal Analysis

## WAIVER OF COMPETITIVE BIDDING FOR BULK PURCHASING



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**Bill/Sponsor**                      **HOUSE BILL 4722 BILL VERSION HERE** , Rep. John R. Moolenaar

**House Committee**                Education

### **Analysis**

#### **Summary**

Currently, school districts and intermediate school districts must obtain competitive bids to purchase an item or group of items costing \$12,500 or more. HB 4722 would waive this requirement for items purchased through a cooperative bulk purchasing program operated by the Department of Management and Budget. This bill does not take effect unless HB 4720, which requires the Department of Management and Budget to create a cooperative purchasing program, also takes effect.

#### **Fiscal Impact**

Exempting competitive bidding requirements would have no state fiscal impact, but could have a potential local impact. Many school districts already participate in local cooperative bulk purchasing programs. However, to the extent that eliminating the requirement to competitively bid increases purchasing of less-expensive items in bulk, it would save districts money. Also, a reduction in competitive bidding could result in a local savings of staff time and other resources involved in conducting competitive bidding.

### **Analyst(s)**

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COMMITTEE ANALYSIS - 10/7/03

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