

Legislative Analysis



STATE PURCHASING: DISCLOSE CURRENT COSTS TO BIDDERS

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4707

Sponsor: Rep. Greg MacMaster

Committee: Oversight

Complete to 6-10-13

A SUMMARY OF HOUSE BILL 4707 AS INTRODUCED 5-9-13

House Bill 4707 would amend the Management and Budget Act (MCL 18.1261) to modify state purchasing procedures when the state is soliciting bids for services currently provided by state employees.

The bill requires that if the Department of Technology, Management, and Budget (or any state agency exercising delegated purchasing authority) solicits bids for services that are currently provided by state employees, then the department (or state agency) must disclose to potential bidders the current actual costs of providing those services, including all labor costs, continuing obligations, and associated administrative costs.

FISCAL IMPACT:

House Bill 4707 would not have a significant direct fiscal impact on the Department of Technology, Management, and Budget (DTMB) and would have an indeterminate fiscal impact on state agencies soliciting bids for services that are currently provided by state employees, contingent on the competitiveness of the industry providing the services which are being bid for and how potential bidders respond to the disclosure of the state's actual costs of providing those services.

Legislative Analyst: J. Hunault
Fiscal Analyst: Paul Holland

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