

HCS HB 1794 -- STATE PURCHASES AND CONVEYANCES

SPONSOR: Deeken

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Government Affairs by a vote of 7 to 0.

This substitute allows the Commissioner of the Office of Administration to use the reverse auction procurement method to purchase goods and nonprofessional services if the commissioner believes the method will result in savings to the state. The reverse auction procurement method allows bidders to bid on specified goods or nonprofessional services through real-time electronic bidding. Bidders' prices are revealed, and they have an opportunity to modify their bid prices during the bidding period.

The purchase amount requiring competitive bids is increased from \$3,000 to \$10,000; and the purchase amount requiring advertising is changed from \$25,000 to \$100,000. The substitute lists categories that do not require a single feasible source determination.

Obsolete provisions of Chapter 34, RSMo, are repealed.

The substitute also requires any leasehold interest in state-owned property being conveyed to be negotiated at no less than the prevailing fair market value. The commissioner is authorized to negotiate the value for a conveyance to a nonprofit entity.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown in FY 2009, FY 2010, and FY 2011. Estimated Income on Other State Funds of Unknown in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill will allow bidders to bid online and to see other bids. Monetary figures have not been adjusted since 1975. With the Internet, all requests for bids are posted regardless of dollar amounts. Vendors would have to be pre-qualified before bidding.

Testifying for the bill were Representative Deeken; and Office of Administration.

OPPOSERS: There was no opposition voiced to the committee.