



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-0640 • RFA.SC.GOV/IMPACTS

| | | |
|------------------------|-----------------------|---------------------------------|
| Bill Number: | S. 0530 | Introduced on February 19, 2019 |
| Author: | Leatherman | |
| Subject: | Procurement Code | |
| Requestor: | Senate Finance | |
| RFA Analyst(s): | Gallagher and Gardner | |
| Impact Date: | March 7, 2019 | |

Fiscal Impact Summary

This fiscal impact statement is pending, contingent upon a response from the State Fiscal Accountability Authority (SFAA), the Department of Administration, and the Judicial Department.

Explanation of Fiscal Impact

Introduced on February 19, 2019

State Expenditure

This bill amends several statutes to reflect the restructuring provisions of Act 121 of 2014. This bill requires SFAA to maintain and post publicly a running list of all exemption actions taken by the board regarding the purchasing procedures required in this bill. The bill provides that any new SFAA-granted exemption sunsets after five years, unless SFAA renews the exemption, or promulgates it as a regulation.

This bill increases the threshold for direct procurements, allows the Director of Procurement Services to authorize an increase in an agency's base procurement, and deletes Section 11-35-1520(8), which eliminates discussion with bidders for the purpose of clarifying bid requirements. This bill increases the threshold for no competition purchases and service contract limits for small architect-engineer (AE), construction management, and land surveying services. For small purchases less than \$25,000 and less than \$100,000 of off-the-shelf products and construction, respectively, this bill requires three written quotes that must be documented with the purchase requisition. Alternatively, if adequate public notice is provided in the South Carolina Business Tribunal, agencies do not need to include these written quotes in the purchase requisition at the aforementioned threshold limits.

This bill authorizes SFAA staff to conduct competitive negotiations with multiple offerors before evaluation and ranking. SFAA is tasked with issuing interim regulations to govern these negotiations. This bill exempts small purchases of commercially available products from regulations concerning unauthorized aliens and public employment, contracts for legal or consultant services, and certain requirements regarding contracting with discriminatory businesses. It also exempts these purchases from the Iran Divestment Act, the Drug-Free Workplace Act, and any other provision of law identified by regulation of the board.

This bill replaces indefinite delivery contracts with task order contracts for AE and land-surveying services. The bill allows the state to require construction performance and payment in

bonds in phases where appropriate. This bill expands on criteria behind supplier suspension and disbarment and tasks the chief procurement officers (CPOs) with maintaining and updating a public list of debarred and suspended persons.

This bill establishes that appeals from the Procurement Review Panel go directly to the Court of Appeals. Furthermore, members or employees of the panel assigned to render a decision or to make findings of fact and conclusions of law in a matter pending before the panel are forbidden from communicating in connection with any issue of fact. An individual who violates these provisions is guilty of a misdemeanor offense punishable by a fine of not more than \$250 or imprisonment for not more than six months upon conviction. This bill allows a CPO or the Procurement Review Panel to file a certified copy of an un-appealed final ruling with a clerk of the circuit court, or a court of competent jurisdiction. The certified ruling has the same effect as a judgment of the court.

This bill allows for cooperative purchasing with other states. This bill requires that any procurement by a governmental body from any other public procurement unit be reported to the Division of Procurement Services quarterly and tasks the Division of Procurement Services with reporting to the board annually on such procurements. This bill eliminates the annual audit of the department's internal procurement operation by the Materials Management Office. The bill tasks the Department of Administration with several, enumerated duties regarding assessing and evaluating state needs associated with information technology.

The expenditure impact of this statement is pending, contingent upon a response from SFAA, the Department of Administration, and the Judicial Department.

State Revenue

This bill stipulates that members of the Procurement Review Panel or employees of the panel assigned to render a decision or to make findings of fact and conclusions of law in a matter pending before the panel are forbidden from communicating in connection with any issue of fact. An individual who violates these provisions is guilty of a misdemeanor offense punishable by a fine of not more than \$250 or imprisonment for not more than six months upon conviction.

The revenue impact of this bill is pending, contingent upon additional responses and information.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director