



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3747	Introduced on January 19, 2023
Author:	Erickson	
Subject:	Construction Contract Extensions	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Bryant	
Impact Date:	February 1, 2023	

Fiscal Impact Summary

This bill amends §57-5-1630, relating to the extension of construction contracts awarded by the Department of Transportation (DOT). Currently, construction contracts may not be extended to include work not contemplated in the original reward unless approved in advance by the Department of Transportation Commission, except under special circumstances. This bill provides that the commission is not required to provide preapproval of construction contract extensions. However, the commission must ratify any contract extensions at the next commission meeting.

The overall fiscal impact of this bill on DOT is undetermined. While the bill will have no expenditure impact, the proposed changes in the contract extension process could save time on projects by allowing the agency to respond more quickly and efficiently. However, any cost savings will be dependent upon the size, scope, and length of time saved over the life of the project. Therefore, any potential cost savings are undetermined.

Explanation of Fiscal Impact

Introduced on January 19, 2023

State Expenditure

This bill amends §57-5-1630, relating to the extension of construction contracts awarded by DOT. Currently, construction contracts may not be extended to include work not contemplated in the original reward unless approved in advance by the commission, except under special circumstances. This bill provides that the commission is not required to provide preapproval of construction contract extensions. However, the commission must ratify any contract extensions at the next commission meeting. The bill also deletes the requirement that the extension of a contract to include additional work in advance of the approval of the commission may not exceed fifty percent of the total amount of the original contract being so extended or the sum of \$150,000, whichever amount is less.

Department of Transportation. The overall fiscal impact of this bill on DOT is undetermined. While the bill will have no expenditure impact, DOT indicates that the proposed changes in the contract extension process could save time on projects by allowing the agency to respond more quickly and efficiently. However, any cost savings will be dependent upon the size, scope, and

length of time saved over the life of the project. Therefore, any potential cost savings associated with this bill are undetermined.

State Revenue

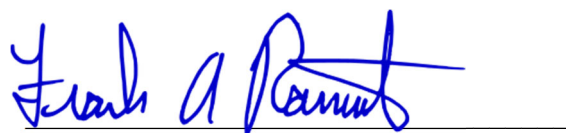
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director