

Sponsor Statement
CS SB 218
State Procurement Pilot Program

The proposed committee substitute for SB 218 will extend the sunset date on the state procurement pilot program authorized by the passage of HB 313 last legislative session (HB 313 was the House companion bill to the prior version of SB 218). HB 313/SB 218 was to authorize the Department of Administration to enter into a pilot program under which the department contracts with a person/entity from the private sector to provide for the delivery of procurement services and electronic commerce tools to the state.

The timeframe proposed in the legislation envisioned an initial 3-year pilot for the program, but unfortunately the state competitive RFP process and labor union appeals lasted nearly a year, effectively using up the first year of the proposed pilot. The CS for SB 218 would extend the sunset date for the pilot from July 1, 2006 until July 1, 2009, to allow the state (at its sole discretion) to continue the pilot until that time.

Now that the procurement pilot program is moving toward implementation, indications are that the cost savings for state government through the utilization of specialized supply chain management and electronic commerce tools will be significant.