

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 14, 2012
 PHONE: 471-0054

LB 1006

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1006 affects vending facility contracts in state-owned buildings or property controlled by the state with the exception of the Game and Parks Commission or the University of Nebraska. Current law provides for blind persons to be given priority in the awarding of vending facility contracts if the bid submitted is comparable in price to other bids and the qualifications and capabilities are similar. The bill changes current law to give priority to blind persons in the awarding of vending facility contracts if the product price in the bid is similar to the product price in other bids.

The Department of Administrative Services (DAS) and the Commission for the Visually Impaired indicate vending facility leases are currently in place for the next two years for the affected state-owned buildings and properties and blind vendors have not been awarded contracts for the vending facilities.

DAS is using a request for proposal basis (RFP) to award vending contracts. The department evaluates bids based upon several factors, not just the price of products. Competitive bids are evaluated based upon: product price; variety of products; quality and energy saving ability of machines; a vendor's management plan; and, the rent to be paid. Revenue received from vending facility rentals is deposited in a revolving fund and used for enhancements of state buildings and properties. Giving preference to bids submitted by blind vendors which are competitive based only on product price may have a fiscal impact in terms of decreased rental revenue beginning in FY2014-15. No fiscal impact can be determined.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	2/21/12	PHONE 471-2526
COMMENTS			
COMM. FOR THE BLIND AND VISUALLY IMPAIRED – No fiscal impact.			
DEPT. OF ADMINISTRATIVE SERVICES – The proposed language in this bill would require SD to give a blind and/or visually impaired vendor priority even if his bid for rent were \$1, as long as he lists prices for products that were comparable in price to other bidders. This could result in a loss of all revenue for such vending contracts currently received by SBD.			

JAN 24 2012

2012

Please complete ALL (5) blanks in the first three lines.

LEGISLATIVE FISCAL

LB⁽¹⁾ 1006 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Commission for the Blind and Visually Impaired

Prepared by: ⁽³⁾ Pearl Van Zandt, Director Date Prepared: ⁽⁴⁾ January 20, 2012 Phone: ⁽⁵⁾ 402-471-8100

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Leases are already in place on relevant State property for the next two (2) years.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
None	0	0		
	0	0		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			0	0

2012 Legislative Bill Proposal Fiscal Note

RECEIVED

JAN 24 2012

LEGISLATIVE FISCAL

Bill #: 1006

State Agency: Administrative Services – State Building Division

Prepared by: Dennis Summers

Date Prepared: 1/9/2012

Phone: 402-471-8351

Approved by:

Estimate of Fiscal Impact – State Agencies

	FY 2012-13		FY 2013-14	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	0	0	0	0

Explanation of Estimate: The proposed statute changes the conditions when the priority to be given to blind persons in the awarding of vending facilities contracts. Priority is only given when the product price submitted is comparable to other bids submitted for products sold in similar buildings or on similar properties and the qualifications and capabilities of the vendors are also similar.

In recent years, vending contracts have been awarded by a “Request for Proposal” (RFP) basis. Factors included in the evaluation of the RFP responses were: the quality and energy saving ability of the machines, the variety of products to be offered, the vendor’s management plan, the cost of products offered, and the amount of rent to be paid for the vending space by the bidders. Currently, for Lincoln SBD and Capitol facilities, the annual rent revenue received is \$39,600 per year (\$10,380.00 for the Capitol and \$29,220.00 for Lincoln SBD). This revenue is used to fund other enhancements to state buildings for the benefit of the employees.

Typically, the cost of items for sale in the machines in the proposals has risen along with the rent offered by vendors. The bill as proposed bill could have the effect of drawing down product price, by doing so it may also draw down the amount of rents offered by the vendors, which would result in a loss of revenue.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			2012-13	2013-14
	12-13	13-14		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					