



Senate

General Assembly

File No. 401

February Session, 2010

Senate Bill No. 390

Senate, April 8, 2010

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING COOPERATIVE PURCHASING PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4a-53 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Commissioner of Administrative Services may join with
4 federal agencies, other state governments, political subdivisions of this
5 state or nonprofit organizations in cooperative purchasing plans when
6 the best interests of the state would be served thereby.

7 (b) The state, through the Commissioner of Administrative Services,
8 may purchase equipment, supplies, materials and services from a
9 person who has a contract to sell such property or services to other
10 state governments, political subdivisions of this state, nonprofit
11 organizations or public purchasing consortia, in accordance with the
12 terms and conditions of such contract.

13 [(b)] (c) The Commissioner of Administrative Services, in
14 conjunction with the Department of Environmental Protection and
15 within available appropriations, shall make known to the chief
16 executive officer of each municipality the existence of cooperative
17 plans for the purchase of recycled paper.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4a-53

GAE *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
All Agencies	All Funds - Savings	Potential	Potential

Municipal Impact:

Municipalities	Effect	FY 11 \$	FY 12 \$
Various Municipalities	Savings	Potential	Potential

Explanation

The state is expected to achieve savings to the extent that the authority to purchase goods and services off of existing cooperative contracts, as provided by the bill, is utilized. It is anticipated that municipalities that rely on DAS contracts for certain goods or services would also realize savings.

An analysis of the 50 most-frequently purchased industrial supplies indicates that state agencies could realize an estimated 30% savings if able to use the existing Western States Contracting Alliance (WSCA) contract. It should be noted, however, that DAS is already working to negotiate entrance into this contract under existing statutory authority when this contract expires in November 2010. As the bill would allow entrance into the contract prior to November 2010, a pro-rated savings of approximately \$50,000 in FY 10 and approximately \$1 million in FY 11 can only be attributed to the bill.¹ Other existing cooperative contracts that would likely achieve savings for state agencies include

¹ The annual savings for joining WSCA is estimated at \$2.4 million, however only savings derived from joining the existing contract through November 2010 are attributed to the bill.

the Enterprise Car Rental contract (\$17,000 annually) and the Small Packages Deliveries contract (\$78,000 annually) until contract renewal. To the extent that other existing cooperative contracts can be identified additional savings may be realized.

Allowing DAS to utilize existing cooperative purchasing contracts would also save the administrative costs associated with the preparation of solicitations, evaluation, negotiation, and award of alternative state contracts.

It should be noted that there is \$50 million in savings in the FY 11 Budget to implement the Enhancing Agency Outcomes Commission recommendations. Cooperative purchasing was one of the Commission's recommendations.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 390*****AN ACT CONCERNING COOPERATIVE PURCHASING PLANS.*****SUMMARY:**

The bill authorizes the Department of Administrative Services (DAS) commissioner, on the state's behalf, to purchase equipment, supplies, materials, and services by joining existing purchasing contracts with other states, Connecticut political subdivisions, nonprofit organizations, or public consortia. The state would be subject to the existing contracts' terms and conditions.

Under current law, the DAS commissioner can join with other governmental entities and nonprofit organizations to make cooperative purchases when doing so is in the best interest of the state but does not have the explicit authority to join an existing purchasing contract.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 15 Nay 0 (03/22/2010)