



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 478

PRINTERS NO. 503

PRIME SPONSOR: Dush

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
Political Subdivision Funds	\$0	\$0
Municipal Authority Funds	\$0	\$0
Transportation Authority Funds	\$0	\$0

SUMMARY: Creates the Public Contract Bid Nonreceipt Act to authorize political subdivisions and authorities to enter into contracts for services when two consecutive advertisements fail to induce bids. This legislation would take effect in 60 days.

ANALYSIS: This legislation Amends Act 78 of 1979 to establish the Public Contract Bid Nonreceipt Act.

The legislation requires a political subdivision, municipal authority, or transportation authority to advertise for bids in order to enter into a contract for services. If there are no bids received, a political subdivision or authority may advertise for bids a second time. If no bids are received within 15 days of the second advertisement, the political subdivision or authority may initiate negotiations for a contract for services with any provider not otherwise disqualified by law or an enactment or policy of the governing body.

Prior to execution of the contract, this legislation requires the political subdivision or authority to disclose at a regular or special public meeting the following information:

- Identity of the parties;
- The proposed contract price; and
- A summary of the other terms and conditions relating to the proposed contract in order to demonstrate that the services sought are consistent with those previously advertised.

The misuse of the provisions of the act to evade advertising requirements would subject a member of the governing body to the same penalties that exist in the applicable competitive bidding law.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or local funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: February 4, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.