

Fiscal Estimate Narratives

DOA 2/9/2010

LRB Number 09-2797/2	Introduction Number AB-0654	Estimate Type Original
Description Requiring local units of government to use the qualifications-based selection process for certain public works consulting contracts		

Assumptions Used in Arriving at Fiscal Estimate

2009 Assembly Bill (AB) 654 requires that local governmental units, as defined by the bill, use a qualification-based selection system when hiring a consultant for a project that is under a public works contract, including the inspection of local bridges. The bill covers projects that are estimated to cost at least \$250,000, state government provides part of the financing of the project, and the consultant will provide planning, study, design or construction inspection or administration of the work or building. The bill does not cover contracts or work for the actual construction, repair, remodeling or repair of the building.

There is no anticipated state fiscal effect. Currently, the Department of Administration's Division of State Facilities uses a qualification based selection process when hiring design consultants. The costs of this process are not appreciably different than the costs of a lowest-bid selection process. It is difficult to quantify costs savings because there are so many variables.

The cost to local government units is indeterminate. It is not possible to identify how many local projects would meet the criteria under AB 654 and, of those projects, how many would be subject to one of the exceptions.

Long-Range Fiscal Implications