



Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bill 4831 (Substitute H-1 as passed by the House)

Sponsor: Representative Sarah Lightner

House Committee: Oversight

Ways and Means

Senate Committee: Appropriations

Date Completed: 9-1-20

### **CONTENT**

The bill would amend the Management and Budget Act to require State agencies that opted to continue a procurement contract to get written approval from the DTMB before exercising that option.

Currently, the DTMB delegates its procurement authority to other State agencies within dollar limitations and for designated types of procurement. The Department may withdraw that authority if it finds that a State agency did not comply with departmental procurement directives. The bill would amend the Act to specify that if a State agency that had been delegated procurement authority by DTMB chose to exercise an option under an existing procurement contract to continue that procurement contract, it first would have to obtain written approval from the DTMB that exercising the option was in the best interest of the State.

MCL 18.1261

### **FISCAL IMPACT**

The bill could have a minimal cost saving to the State associated with the proposed requirement to obtain written approval from the DTMB before exercising an option to continue a procurement contract. The Department currently employs staff to review and grant procurement requests and the proposed changes in the bill likely would not affect those costs for the Department significantly. However, savings could be achieved if the DTMB determined that continuing or extending a contract were not in the best interest of the State.

The bill would have no fiscal impact on local units of government.

Fiscal Analyst: Joe Carrasco, Jr.

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