

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 625**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires Oregon Department of Administrative Services to establish pilot program for evaluating use of challenge-based procurement to conduct certain information technology procurements.

Government Unit(s) Affected:

Department of Administrative Services, Information Technology, Department of Justice

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Administrative Services		
Other Funds		
Personal Services	\$203,517	\$58,148
Services and Supplies	\$163,708	\$4,058
Total Other Funds	\$367,225	\$62,206
Total Fiscal Impact	\$367,225	\$62,206
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	0.25

Analysis:

SB 625 directs the Department of Administrative Services (DAS) to establish a two-year pilot program to evaluate the utility, feasibility and effectiveness of using a challenge-based procurement method for conducting information technology procurements. The program must solicit the expertise of a contractor or public agency that is familiar with challenge-based procurement to help design the program; identify potential procurements that are best suited for challenge-based procurement, prioritizing low-risk projects that are about to begin solicitations and that can be completed and evaluated within the two-year span of the pilot program; and use challenge-based procurement to conduct at least five procurements, each with an anticipated contract price of between \$150,000 and \$2 million. DAS is to report to the Governor and the interim committees of the Legislative Assembly related to public procurement by December 31, 2025. The measure takes effect on the 91st day after the Legislature adjourns sine die, is operative January 1, 2024, and sunsets January 2, 2026.

DAS anticipates hiring one full-time, limited duration State Procurement Analyst (0.88 FTE in 2023-25 and 0.25 FTE in 2025-27) at a total cost of \$217,225 Other Funds in the 2023-25 biennium, and \$62,206 Other Funds in the 2025-27 biennium. This position would oversee pilot program implementation and evaluation. DAS would also contract with a consultant familiar with challenge-based procurement as directed under the measure at an estimated cost of \$150,000 Other Funds. Other Funds are derived from the DAS assessment on state agencies, and some of these funds originate as General Fund.

There is no fiscal impact for the Department of Justice.