

INTRODUCED BY J. RICE, FRITZ

INTRODUCED AND REFERRED TO COMMITTEE
ON STATE ADMINISTRATION.

COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

PRINTING REPORT.

SECOND READING, DO PASS.

ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 96; NOES, 3.

TRANSMITTED TO SENATE.

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

RETURNED TO HOUSE.

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 43
2 INTRODUCED BY John Fritz
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE
5 CONDITIONS UNDER WHICH A STATE AGENCY MAY PURCHASE OFFICE
6 SUPPLIES DIRECTLY FROM A SUPPLIER; AND AMENDING SECTION
7 18-4-302, MCA."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 18-4-302, MCA, is amended to read:

11 "18-4-302. **Methods of source selection.** (1) Unless
12 otherwise authorized by law, all state contracts for
13 supplies and services must be awarded by competitive sealed
14 bidding, pursuant to 18-4-303, except as provided in
15 18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of
16 this title, and subsections (2) and (3) of this section.
17 Supplies or services offered for sale, lease, or rental by
18 public utilities are exempt from this requirement if the
19 prices of the supplies or services are regulated by the
20 public service commission or other governmental authority.

21 (2) At the time that the department or a purchasing
22 agency opens bids or proposals, if a supplier's current
23 publicly advertised or established catalog price is received
24 at or before the time that the bids or proposals are opened
25 and is less than the bid of the lowest responsible and

1 responsive bidder or offeror or improves upon the conditions
2 for the best proposal received using the same factors and
3 weights included in the proposal, the department or
4 purchasing agency may reject all bids and purchase the
5 supply from that supplier without meeting the requirements
6 of 18-4-303 through 18-4-306.

7 (3) An office supply procured by the department's
8 central stores program through bulk purchase or procured
9 under a term contract may be purchased by a purchasing
10 agency, without meeting the requirements of 18-4-303 through
11 18-4-306, from a supplier whose publicly advertised or
12 price, established catalog price, or discount price offered
13 to the purchasing agency is less than the price offered by
14 the central stores program or under the term contract and if
15 the office supply conforms in all material respects to the
16 terms, conditions, and quality offered by the central stores
17 program or under the term contract. A state office supply
18 term contract must include a provision by which the
19 contracting parties acknowledge and agree to the provisions
20 of this subsection."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0043, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act expanding the conditions under which a state agency may purchase office supplies directly from a supplier; and amending Section 18-4-302, MCA.

ASSUMPTIONS:

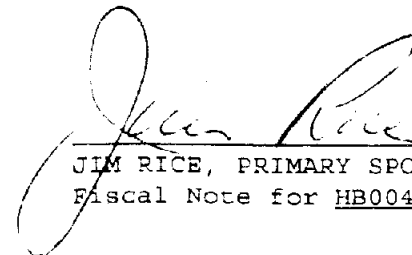
1. Agencies currently are permitted to purchase office supplies off the state procurement system if the price offered by the vendor is less than central stores and is a price offered by the vendor to the general public.
2. Under the proposed legislation, agencies will be permitted to purchase office supplies off the state procurement system if the price offered by the vendor is less than central stores but is not a price offered by the vendor to the general public.

FISCAL IMPACT:

The proposed legislation is likely to cause some degree of downward pressure on state agencies' costs for office supplies. There is no information available at this time for projecting how much volume may shift from central stores to private vendors, savings for state agencies, or change in central stores operations.

 12-3

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 12-4-93

JIM RICE, PRIMARY SPONSOR DATE
Fiscal Note for HB0043, as introduced

HB 43

SECOND READING

1 House BILL NO. 43
2 INTRODUCED BY J. R. Fritz
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE
5 CONDITIONS UNDER WHICH A STATE AGENCY MAY PURCHASE OFFICE
6 SUPPLIES DIRECTLY FROM A SUPPLIER; AND AMENDING SECTION
7 18-4-302, MCA."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 18-4-302, MCA, is amended to read:

11 "18-4-302. Methods of source selection. (1) Unless
12 otherwise authorized by law, all state contracts for
13 supplies and services must be awarded by competitive sealed
14 bidding, pursuant to 18-4-303, except as provided in
15 18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of
16 this title, and subsections (2) and (3) of this section.
17 Supplies or services offered for sale, lease, or rental by
18 public utilities are exempt from this requirement if the
19 prices of the supplies or services are regulated by the
20 public service commission or other governmental authority.

21 (2) At the time that the department or a purchasing
22 agency opens bids or proposals, if a supplier's current
23 publicly advertised or established catalog price is received
24 at or before the time that the bids or proposals are opened
25 and is less than the bid of the lowest responsible and

1 responsive bidder or offeror or improves upon the conditions
2 for the best proposal received using the same factors and
3 weights included in the proposal, the department or
4 purchasing agency may reject all bids and purchase the
5 supply from that supplier without meeting the requirements
6 of 18-4-303 through 18-4-306.

7 (3) An office supply procured by the department's
8 central stores program through bulk purchase or procured
9 under a term contract may be purchased by a purchasing
10 agency, without meeting the requirements of 18-4-303 through
11 18-4-306, from a supplier whose publicly advertised or
12 price, established catalog price, or discount price offered
13 to the purchasing agency is less than the price offered by
14 the central stores program or under the term contract and if
15 the office supply conforms in all material respects to the
16 terms, conditions, and quality offered by the central stores
17 program or under the term contract. A state office supply
18 term contract must include a provision by which the
19 contracting parties acknowledge and agree to the provisions
20 of this subsection."

-End-

HOUSE BILL NO. 43

INTRODUCED BY J. RICE, FRITZ

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE
CONDITIONS UNDER WHICH A STATE AGENCY MAY PURCHASE OFFICE
SUPPLIES DIRECTLY FROM A SUPPLIER; AND AMENDING SECTION
18-4-302, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 18-4-302, MCA, is amended to read:

"18-4-302. **Methods of source selection.** (1) Unless
otherwise authorized by law, all state contracts for
supplies and services must be awarded by competitive sealed
bidding, pursuant to 18-4-303, except as provided in
18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of
this title, and subsections (2) and (3) of this section.
Supplies or services offered for sale, lease, or rental by
public utilities are exempt from this requirement if the
prices of the supplies or services are regulated by the
public service commission or other governmental authority.

(2) At the time that the department or a purchasing
agency opens bids or proposals, if a supplier's current
publicly advertised or established catalog price is received
at or before the time that the bids or proposals are opened
and is less than the bid of the lowest responsible and

responsive bidder or offeror or improves upon the conditions
for the best proposal received using the same factors and
weights included in the proposal, the department or
purchasing agency may reject all bids and purchase the
supply from that supplier without meeting the requirements
of 18-4-303 through 18-4-306.

(3) An office supply procured by the department's
central stores program through bulk purchase or procured
under a term contract may be purchased by a purchasing
agency, without meeting the requirements of 18-4-303 through
18-4-306, from a supplier whose publicly advertised or
price, established catalog price, or discount price offered
to the purchasing agency is less than the price offered by
the central stores program or under the term contract and if
the office supply conforms in all material respects to the
terms, conditions, and quality offered by the central stores
program or under the term contract. A state office supply
term contract must include a provision by which the
contracting parties acknowledge and agree to the provisions
of this subsection."

-End-