

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1130**

**Bill Subtitle: TO AMEND ARKANSAS PROCUREMENT LAW; TO REGULATE THE PROCUREMENT OF PASSENGER MOTOR VEHICLES AND TRUCKS; AND TO ALLOW A STATE AGENCY TO PURCHASE PASSENGER MOTOR VEHICLES AND TRUCKS FROM A SOURCE OUTSIDE OF A STATE CONTRACT.**

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**Basic Change :**

Rep. Lampkin,

Bill amends the law regarding the state procurement of passenger motor vehicles and trucks. This bill would amend Ark. Code Ann. § 19-11-222 by removing "passenger motor vehicles and trucks" from the Office of State Procurement's exclusive state purchasing jurisdiction. The bill also would amend Ark. Code Ann. § 19-11-223 to add a new subsection that would give state agencies the option to buy passenger motor vehicles from vendors other than the one(s) awarded state contracts if the agencies can show that they can obtain passenger vehicles at the same price as offered under the state contract.

**Revenue Impact :**

None

**Taxpayer Impact :**

OSP can see this as having a negative fiscal impact as it could decrease the level of competition in bidding for state vehicle contracts, and state agencies pursuing such an option could conceivably end up paying more.

**Resources Required :**

None

**Time Required :**

None

**Procedural Changes :**

None

**Other Comments :**

The Office of State Procurement believes this will undermine state contracts for vehicles, and would most likely decrease the level of vendor participation on such contracts. The margins on such contracts are slim as it is, and vendors may no longer be able to receive special pricing from manufacturers that they have been getting because of expected volume sales. The dealer depends on that volume to make it worth their time and effort.

With respect to page 2, line 17 of the bill, to whom will these state agencies be justifying buying vehicles not under state contract? Any salesman can undercut a given price and then possibly add costs in other areas on the back end. With all the options, it would be hard to compare apples to apples each time & to monitor these purchases.

**Legal Analysis :**

None