

## STATEMENT OF PURPOSE

### RS22583

This bill contains two supplemental appropriations to the Department of Administration for fiscal year 2014 in the total amount of \$164,800 for the Purchasing Program.

The first supplemental appropriation is in the amount of \$64,800. The appropriation will be paid from the Administration and Accounting Services Fund to retrofit mail processing equipment necessary to comply with U.S. Post Office requirements that were changed in April 2013. The bill appropriates \$52,800 in one-time funds to pay for the purchase of the equipment and \$12,000 in ongoing funds to operate and maintain the equipment. Compliance will allow the state to continue receiving discounts from the federal postal service. The total discounts received in fiscal year 2013 were \$550,000.

The second supplemental appropriation is in the amount of \$100,000 (one-time). The appropriation will be utilized for a new software license for the statewide E-Procurement system and will be paid from the Administration and Accounting Services Fund. Replacement is necessary due to the bankruptcy of the current vendor. The request is one-time and will pay for the license that will cost approximately \$50,000, as well as the final settlement of the current contract which is expected to be less than \$50,000. The current contract is subject to unexpected swings in expenses, whereas the new contract will be based on fixed costs assessed on the number of users (\$1,100 per user for unlimited access to the purchasing system), rather than on volume of transactions. The end effect of the change is an overall lower cost, a better system of payment, and a predictable method to forecast future expenses.

### FISCAL NOTE

	FTP	Gen	Ded	Total
FY 2014 Original Appropriation	146.75	7,539,400	18,513,700	26,053,100
1. Mail Processing Equipment	0.00	0	64,800	64,800
2. Statewide E-Procurement System	0.00	0	100,000	100,000
FY 2014 Total Appropriation	146.75	7,539,400	18,678,500	26,217,900
Chg from FY 2014 Orig Approp	0.00	0	164,800	164,800
% Chg from FY 2014 Orig Approp.	0.0%	0.0%	0.9%	0.6%

**Contact:**

Robyn Lockett  
Budget and Policy Analysis  
(208) 334-4745