

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 1606
Version:	Engrossed
Author:	Representative McNiel/ Senator Coates
Date:	4/1/2010
Impact:	Estimated State Savings – \$45,000 Annually

Bill Summary

Research Analyst: Dante Giancola

The engrossed version of SB1606 amends the Public Competitive Bidding Act by increasing from \$50,000 to \$100,000 the minimum contract amount that requires a bond, workers compensation insurance, and letter of credit.

The title and enacting clause are off the bill.

Fiscal Summary

Fiscal Analyst: Terry McKenna

ESB **relates** to the Public Competitive Bidding act of 1974. The measure modifies contract limit for governing the requirement of a bond or an irrevocable letter of credit provided by the contractor to the awarding public agency from \$50,000 to \$100,000.

Fiscal Analysis

The Department of Central Services advises that for many small construction contracts, this change would increase competition by allowing more small businesses to participate in the bid process. Based on 2009 data, it would save the State of Oklahoma approximately \$45,000 (150 public projects X \$75,000 average X 4% cost of bonds).

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director