

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6856

BILL NUMBER: HB 1589

NOTE PREPARED: Feb 19, 2013

BILL AMENDED: Feb 19, 2013

SUBJECT: Ports of Indiana.

FIRST AUTHOR: Rep. Ober

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill makes the following provisions:

- (1) Increases the threshold at which the Ports of Indiana (Ports) is required to publicly bid construction projects or purchases of equipment, materials, and supplies from \$25,000 to \$150,000.
- (2) Provides that if an emergency is declared, the Ports may: (1) contract for a construction project or the purchase of equipment, materials, or supplies, without advertising for bids, if bids or quotes are invited from at least three persons; (2) reject all bids or quotes submitted; and (3) contract with the lowest and best bidder or quoter for the construction project or purchase.
- (3) Prohibits the Ports from making separate contracts for a construction project or purchase of equipment, if the aggregate of the contracts is more than \$150,000 (under current law the Ports are prohibited from making separate contracts that total more than \$25,000).
- (4) Provides that a contract for construction or a contract for the purchase of materials or supplies, may proceed immediately after the Ports approves the contract.

Effective Date: (Amended) May 15, 2013.

Explanation of State Expenditures: (Revised) The bill would potentially result in cost savings for the Ports by allowing the Ports greater flexibility in the bidding and awarding process in relation to construction projects and/or purchases of equipment.

(Revised) **Background:** The Ports is a quasi-governmental agency that operates three ports - one on Lake Michigan and two on the Ohio River. The Ports operates under the direction of a seven-member board appointed by the Governor. The Ports generates its own operating budget from port leases, dock fees, and

foreign-trade-zone licensing.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Ports of Indiana.

Local Agencies Affected:

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