

SB 196-FN - AS INTRODUCED

2025 SESSION

25-0243

06/05

SENATE BILL ***196-FN***

AN ACT relative to the exemption from competitive bidding requirements for certain state agency projects.

SPONSORS: Sen. Watters, Dist 4; Sen. Birdsell, Dist 19; Sen. Fenton, Dist 10; Sen. Pearl, Dist 17; Rep. S. Smith, Sull. 3; Rep. St. Clair, Belk. 5; Rep. Moffett, Merr. 4

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill exempts certain agency projects of not more than \$1,000,000 from the department of administrative services competitive bidding requirements. The current statute exempts such projects if the estimated total cost is not more than \$500,000. The bill also provides that the change in law is contingent on additional staffing within the department of military affairs and veterans services.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the exemption from competitive bidding requirements for certain state agency projects.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Department of Administrative Services; Major Projects. Amend RSA 21-I:80, I(b) to read as
2 follows:

3 (b) Projects for the department of fish and game, the ~~adjutant general's~~ department **of**
4 **military affairs and veterans services**, and the department of natural and cultural resources,
5 whose estimated total cost is not more than ~~[\$500,000]~~ **\$1,000,000**. The commissioner may grant
6 other agencies an exclusion for specific projects whose estimated cost is not more than ~~[\$500,000]~~
7 **\$1,000,000** if he or she concludes to do so is in the best interests of the state. Such projects may be
8 done on a force account basis, by contracts awarded through competitive bidding, by short term
9 rental of construction equipment, or by any combination of these methods. These departments are
10 authorized to rent construction equipment for periods not exceeding 6 months at rates the
11 departments deem competitive through the use of quotes or bids.

12 2 Contingency. Section 1 of this act shall take effect on the date the department of military
13 affairs and veterans services receives sufficient funding for 2 positions required to carry out the
14 contracting duties, as certified by the adjutant general to the director of legislative services and the
15 secretary of state. If the department of military affairs and veterans services does not receive such
16 funding, section 1 of this act shall not take effect.

17 3 Effective Date.

18 I. Section 1 of this act shall take effect as provided in section 2 of this act.

19 II. The remainder of this act shall take effect 60 days after its passage.

**SB 196-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the exemption from competitive bidding requirements for certain state agency projects.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$160,000 Decrease	\$170,000 Decrease	\$180,000 Decrease
<i>Revenue Fund(s)</i>	Department of Administrative Services, Division of Public Works Earned Revenue			
Expenditures*	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill exempts certain agency projects of not more than \$1,000,000 from the Department of Administrative Services competitive bidding requirements. The current statute exempts such projects if the estimated total cost is not more than \$500,000.

This bill raises the threshold, from \$500,000 to \$1,000,000, for projects that are exempt from the competitive bid requirement of the Department of Administrative Services, Division of Public Works Design and Construction (DPW). It changes the Adjutant General's Department to read as the Department of Military Affairs and Veterans Affairs to coincide with Chapter 273, 2019 in renaming the Department. Additionally, the bill also provides that the change in law is contingent on the funding for two additional positions to carry out contracting duties within the Department of Military Affairs and Veterans Services. The Department states that they can handle the additional workload of contracts up to \$1,000,000 in house with current staff. Therefore, they have sufficient funding to support the changes in this bill and do not require additional positions.

The Department of Administrative Services (DAS) has indicated that increasing the project threshold for the National Guard from \$500,000 to \$1,000,000 would lead to a revenue decrease

for the Division of Public Works Design and Construction (DPW). Currently, 25% of DPW's operations are funded by revenue generated from agencies adhering to RSA 21-I:80, which mandates payment for DPW services. The remaining 75% of DPW's funding comes from General Funds.

With the higher threshold, DAS anticipates fewer projects will go through DPW. In the calendar years 2022-2023, the National Guard had 12 projects managed by DPW. These projects ranged in value from \$194,000 to \$5,358,000, with six of them below the \$1,000,000 mark. Those six projects accounted for \$152,530 in potential DPW fees, which is approximately 14% of the total potential fees for all 12 projects. Although current statutes exempt the National Guard from projects under \$500,000, they still submitted four projects below this threshold to DPW in 2023. The DAS estimates DPW revenue will decrease by \$160,000 in FY 2026, \$170,000 in FY 2027 and \$180,000 in FY 2028. It is assumed the DPW would need additional general funds to offset, at least partially, the loss in revenue.

It is assumed that any fiscal impact would occur after FY 2025.

AGENCIES CONTACTED:

Department of Administrative Services and Department of Military Affairs and Veterans Services