

EXECUTIVE AGENCY
 FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 4, 2005

Agency Submitting: Department of Administration

Items of Revenue or Expense, or Both	Fiscal Year 2004-05	Fiscal Year 2005-06	Fiscal Year 2006-07	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

Regarding BDR 27-65, the Nevada State Purchasing Division is concerned that the wording "any contract" is overly broad and that the effect such language will have is both substantial and far-reaching. Certain products such as PC's PC monitors, clothing, shoes and certain raw materials used out at Corrections are not available strictly from US sources. Even commodities and goods have services attached or included in the "supply chain" and therefore, are impossible to restrict in this manner.

It's difficult to know how to attach an appropriate and defensible fiscal note to this proposed legislation, as at this point, it's impossible to determine a vendor list that can supply products/services per the restrictions. I can assure you that the impact of such legislation would be immense. The State of Colorado was considering similar language and estimated the fiscal impact at "tens of millions of dollars."

Some examples of the complexity of this broad language are: Testimony by a banking representative in Colorado before a sub-committee, stated that it would be difficult to imagine any banking institution being able to comply with such language. Microsoft is currently building a research and development facility in Ireland and it's expected that much of their software development work will go through that facility. Ford trucks have transmissions manufactured in Mexico... and the list goes on and on.

In addition to the huge financial impact, this type of legislation as currently crafted would be difficult and in some cases impossible to administer and monitor.

Name Greg Smith

Title Administrator, Purchasing

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date April 07, 2005

The agency's estimate/comments appear reasonable.

Name John P Comeaux

Title Director