



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### Present situation

The Department of Management Services has contracted with a provider for a web-based e-procurement system, commonly known as MyFloridaMarketPlace, as prescribed in section 287.057, F.S. The operation of the procurement system and the department's program costs are funded by the current one percent transaction fee imposed for use of the system as permitted in section 287.057(23)(c), F.S. Current law permits the department to authorize the procurement system provider to collect the fee and retain a portion of the fee as compensation for services after remitting to the department an amount sufficient to cover the department's program costs. Section 215.31, F.S., requires that all fees received under the authority of state law are to be deposited in the State Treasury. The current fee authorized under s. 287.057, F.S., is not being deposited into the State Treasury.

##### Effect of bill

The bill amends current law to require that all fees charged for use of the on-line procurement system be deposited into the Grants and Donations Trust Fund. The bill amends current law to state that if the Department of Management Services contracts with a provider for an on-line procurement system, the department shall compensate the provider from the fee collections after satisfying the department's program costs. The bill requires the provider of the system to report transaction data to the department each month so that the department can determine the amount of fee revenue due from each vendor.

The bill adds a provision requiring vendors using the on-line procurement system to remit the user fee to the state within 40 days after the receipt of payment for which the fee is due. For fee revenue not remitted timely to the state, the bill provides that interest be charged at the rate established under s. 55.03(1), F.S.

#### C. SECTION DIRECTORY:

Section 1 amends s. 287.057, F.S., to require that all fees and surcharges imposed on the use of an on-line procurement system be deposited in the Grants and Donations Trust Fund, to change the procedure for compensating the provider of an on-line procurement system, to require the provider of the system to provide a monthly report of transaction data, and to establish a timeframe and a penalty for remittance by vendors of the fee or surcharge to the state.

Section 2 provides an effective date of July 1, 2005

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

	<u>FY 2005/06</u>	<u>FY 2006/07</u>
1. Revenues:		
Department of Management Services		
Grants and Donations Trust Fund		
Vendor Surcharge	\$4,000,000	\$4,000,000
2. Expenditures:		
Department of Management Services		
Grants and Donations Trust Fund		
Special Category –		
Web-Based e-Procurement System	\$4,000,000	\$4,000,000

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:  
None.
2. Expenditures:  
None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

The Special Category – Web-Based e-Procurement System is included in the proposed General Appropriations Act.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:  
None.
2. Other:  
None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

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- A. HOUSE PRINCIPLES ANALYSIS:
  
- B. EFFECT OF PROPOSED CHANGES:
  
- C. SECTION DIRECTORY:

### **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

- E. FISCAL IMPACT ON STATE GOVERNMENT:
  - 3. Revenues:
  
  - 4. Expenditures:
  
- F. FISCAL IMPACT ON LOCAL GOVERNMENTS:
  - 3. Revenues:
  
  - 4. Expenditures:
  
- G. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:
  
- H. FISCAL COMMENTS:

### **III. COMMENTS**

- D. CONSTITUTIONAL ISSUES:
  - 1. Applicability of Municipality/County Mandates Provision:
  
  - 2. Other:

E. RULE-MAKING AUTHORITY:

F. DRAFTING ISSUES OR OTHER COMMENTS:

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**