

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13
 LAST UPDATED 03/14/13 HB 408/aHJC/aSJC

SPONSOR Larrañaga

SHORT TITLE County Procurement Code Exemptions SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		None				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public School Facilities Authority (PSFA)
 Attorney General’s Office (AGO)
 Public Regulation Commission (PRC)
 Department of Finance and Administration (DFA)
 New Mexico Corrections Department (NMCD)

No Response Received From

General Services Department (GSD)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to House Bill 408 exempts from the Procurement Code a county with a population in excess of 500,000 as long as the new code is adopted by ordinance and approved by the state purchasing agent. The amendment also provides that the state purchasing agent shall approve the new code if it is *equivalent* to the state’s Procurement Code.

Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 408 exempts from the Procurement Code a county with a population in excess of 500,000 as long as the new code is adopted by ordinance and approved by the state purchasing agent. The amendment also provides that the state purchasing agent shall approve the new code if it is *substantially* equivalent to the state’s Procurement Code.

Synopsis of Original Bill

House Bill 408 amends Section 13-1-98 NMSA 1978 to exempt class A counties with a population in excess of 500,000 from the Procurement Code.

FISCAL IMPLICATIONS

NFI

SIGNIFICANT ISSUES

The bill exempts Bernalillo from the state's Procurement Code upon enacting its own purchasing ordinance, and obtaining approval from the General Services Department (GSD).

This amendment would treat a county that meets the population threshold and that obtains approval from the GSD to enact their own purchasing ordinances, similar to a municipality that has adopted home rule status and has enacted their own purchasing ordinances. There are no population limitations for municipalities to declare home rule to enact their own purchasing ordinances.

PERFORMANCE IMPLICATIONS

Bernalillo County is the only county whose population meets the threshold of 500,000.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 182 adds procedures for sole source and emergency procurements, restricts who may make emergency procurements, expands who may protest a sole source procurement award, and increases penalties for willful violations.

SB 134 would no longer exempt from the Procurement Code municipalities that have adopted home rule charters and enacted their own purchasing ordinances for the selection of architects, engineers, landscape architects and surveyors.

TECHNICAL ISSUES

The Attorney General's Office (AGO) notes it is unclear whether the county has to obtain permission from the GSD in order to have their own procurement ordinance or whether the GSD has to approve the county's procurement ordinance. If the latter, the bill does not explain the criteria involved in the GSD's review.

OTHER SUBSTANTIVE ISSUES

In 2011, the Bernalillo County's procurement system processed 8,000 purchase orders per fiscal year and procured all professional, non-professional contracts, bids and purchase cards. The County feels that the state's Procurement Code is a sound base but would like the ability to customize certain areas within the system to make it more efficient and more cost effective.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Class A counties with a population of 500,000 would remain bound by the Procurement Code.

AHO/svb