

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

Original x **Amendment** _____
Correction _____ **Substitute** _____

Date Matthew Lovato
Bill No: SB 206

Sponsor: Sen. Michael Padilla
 Rep. Patricia A Lundstrom
Short Title: _____

Agency Name and Code EMNRD 521
Number: _____
Person Writing: Matthew Lovato
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

None

Duplicates/Relates to Appropriation in the General Appropriation Act:

No duplicates

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB206 amends the state procurement code to raise the minimum amounts for certain local and state public works projects. The bill requires agencies to submit two names for Chief Procurement Officer certification and increases exemption limits for certain purchases. It also introduces exemptions for information technology services, capital equipment, and software contracts. SB206 raises the small purchase limits that are excluded from central purchasing agencies with certified procurement officers and allows these contracts to extend beyond one year. Additionally, SB206 changes the requirements for posting and publishing invitations to bid and modifies expenditure thresholds. It mandates that professional service contracts be reviewed by the State Purchasing Agent or a designee from the General Services Department. The bill also increases the purchase limits for certain transactions managed by the Central Purchasing Agent, enabling state agencies or local public bodies to issue certain direct purchase orders, and allows professional service contracts to last up to eight years.

FISCAL IMPLICATIONS

No fiscal impact on EMNRD.

SIGNIFICANT ISSUES

SB206 increases the purchase limits for certain items, which reduces the workload involved in generating purchase orders and speeds up the state government's purchasing process. However, some exemptions in SB206 do not address essential operational costs that the Energy, Minerals, and Natural Resources Department (EMNRD) must still bid on before making purchases. These include services like sewer pumping, internet services, and propane, which, though considered utilities in modern terms, are not classified as publicly regulated utilities. SB206 exempts only publicly regulated or publicly provided utilities, meaning it doesn't ease the procurement bid process currently handled by EMNRD's purchasing staff. Additionally, EMNRD State Parks operates the Living Desert Zoo, which requires park staff to seek multiple bids for zoo supplies and animal feed. Since these items are not covered by the procurement exemptions, managing the zoo becomes more challenging.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

Adding additional language to certain exemption codes within the bill allow EMNRD to improve the procurement processes for specific required operational costs. Without the added language EMNRD will continue to be task with cumbersome bidding process for purchases that are required

to ensure public safety and health for all customers who EMNRD provides services to.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The state government's purchasing process will become more cumbersome due to inflation, as the dollar thresholds for goods and services have not kept pace with rising costs. As a result, agencies will be required to process more Requests for Proposals (RFPs), which will slow down the procurement of general operational purchases.

AMENDMENTS

On Page 7, lines 5-7 amend Section 6D to read:

D. purchases of publicly provided or publicly regulated gas, electricity, water, internet services, propane, sewer, sewer pumping, and refuse collection

On Page 7, lines 17-19 amend Section 6G to read:

G. purchase of animal feed, animal zoo supplies, livestock at auction rings or procurement of animals to be used for research and experimentation or exhibit.

On Page Page 11, lines 14-17 amend Section 6DD to read:

DD. the purchase for resale by the state fair commission or state agencies that have animal or zoo displays of feed and other items necessary for the upkeep of livestock.