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FISCAL IMPACT REPORT

SPONSOR: SCONC DATE TYPED: 03/01/01 HB _____
 SHORT TITLE: Corrections Contracts Exemptions SB 842/SCONCS
 ANALYST: Trujillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files
 Corrections Department (CD)

SUMMARY

Synopsis of Bill

SB842/SCONCS would amend Section 13-1-98 NMSA 1978 (Exemptions from the Procurement Code), adding contracts entered into by CD with a private independent contractor for the operation, or provision and operation, of a corrections facility, to those items already exempted from the procurement process.

Significant Issues

CD reports the bill will make it easier for the department to comply with the Independent Board of Inquiry's (IBI) recommendation that the contracts with Lea County and Guadalupe County for the private prisons in Hobbs and Santa Rosa be amended to provide for a direct contract between CD and Wackenhut. The bill will also result in lessening the administrative burden on staff who would otherwise be required to issue a Request for Proposals and evaluate the responses.

FISCAL IMPLICATIONS

CD reports this bill may have a positive fiscal implication since the lessened administrative burden in adhering to the procurement code for securing contracts for the provision and operation of prison facilities would be lessened with a concomitant fiscal savings due to administrative personnel spending

less time securing and monitoring private contractors for the operation of correction facilities under the present procurement code requirements.

ADMINISTRATIVE IMPLICATIONS

CD indicates this bill would lessen the administrative burden imposed upon CD by eliminating the need to follow the procurement code for securing private contractors to operate corrections facilities.

SUBSTANTIVE ISSUES

This bill exempts CD from the standard procurement process when contacting with a private, independent contractor for operating or providing a corrections facility.

LAT/prr