NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Hurt	DATE TYPED:	02/01/02	НВ	
SHORT TITLE	E: Emergency Response	e Plan		SB	149
			ANALY	YST:	Carrillo

APPROPRIATION

Appropriation Contained		1		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1 Indeterminate		Recurring	GSF/OSF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Corrections Department
General Services Department
Department of Game and Fish
State Highway and Transportation Department
Department of Public Safety
Office of the Attorney General
Energy, Minerals and Natural Resources Department

SUMMARY

Synopsis of Bill

Senate Bill 149, Emergency Response Plan, proposes to add fires and acts of terrorism to the list of possible emergency situations listed in the Procurement Code. The bill also provides that expenditures related to an emergency situation will be reported to the Department of Finance and Administration (DFA) and the Legislative Finance Committee within 60 days after the end of the fiscal year.

Significant Issues

According to Energy, Minerals and Natural Resources Department (EMNRD), the Forestry Division; has responsibility under the Forest Conservation Act (Section 68-2-8 NMSA 1978) to conduct fire suppression on 42.5 million acres of non-municipal, non-federal lands in New Mexico. Each year, the Forestry Division takes action on over 900 fires averaging 135,000 acres burned annually. The Forestry Division uses emergency procurement to respond to fires to protect public health, welfare, safety or property.

Staff from the General Services Department (GSD) notes fires and acts of terrorism would be covered in the current emergency condition language under "or similar events", as would planning for any emergency when it occurs (e.g., how to combat a flood, fire, etc.). GSD knows of no reason to exempt from fair competition any planning and preparation for events that have not yet happened and are therefore not time-sensitive.

GSD staff explains exempting planning and preparation activities that are not time sensitive would erode the basic foundation of the Procurement Code – to ensure all vendors have equal opportunity to compete for government business. It is possible that vendors who enter into price agreements and other competitive processes now would be more reluctant to participate in the future if exemptions are allowed that are not truly emergencies.

Additionally, GSD staff notes an understanding that approximately \$15 million in federal funds may be available to New Mexico to enhance planning and preparation for emergency situations. Many purchases to be made in association with these activities can already be purchased under existing price agreements (e.g., furniture, computers). The State Purchasing Division (GSD) provides support to agencies with special needs, and would assist in emergency response planning and preparedness activities.

FISCAL IMPLICATIONS

GSD staff notes the fiscal implication is unknown. Purchases made on an emergency basis cost more than when competitive process like price agreements and bids are used.

OTHER SUBSTANTIVE ISSUES

GSD staff notes emergency situations would already be covered by the emergency procurements language in Section 13-1-127 NMSA 1978, and purchases that are not time-sensitive would be subject to competition.

WJC/prr