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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/07
 LAST UPDATED 3/15/07 HB 650/aSFC

SPONSOR Maestas

SHORT TITLE State Fair Livestock Upkeep Procurement SB _____

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Purchasing Division of General Services Department
 State Fair Commission/Expo New Mexico

SUMMARY

Synopsis of SFC Amendment

House Bill 650 as amended includes language stating that in preparing specifications the state purchasing agent or central purchasing office shall not include any specific component that would limit competition. The amended language is in Section 13-1-164 of the NMSA 1978 (being Laws 1984, Chapter 65, Section 137) which will read:

“13-1-164. SPECIFICATIONS—MAXIMUM PRACTICABLE COMPETITION.—All specifications shall be drafted so as to ensure maximum practicable competition and fulfill the requirements of state agencies and local public bodies. In preparing specifications, if, in the opinion of the state purchasing agent or central purchasing office, a proposed component is of a nature that would restrict the number of responsible bidders or responsible offerors and thereby limit competition, if practicable, the state purchasing agent or central purchasing office shall draft the specifications without the component and procure the component by issuing a separate invitation for bids or request for proposals or by entering into a sole source procurement.”

Synopsis of Original Bill

House Bill 650 exempts the New Mexico State Fair from the procurement code for purchases made for resale of items necessary for the upkeep of livestock.

SIGNIFICANT ISSUES

This change will allow the State Fair to serve as a retailer of livestock upkeep items. Being exempt from the Procurement Code the State Fair can make purchases for resale of feed and other items necessary for the upkeep of livestock. The flexibility allows the fair to freely bid on items to be resold which will accelerate the bidding process and ensure resale prices are competitive with prices set by private retailers.

GSD has expressed concern that if the competitive process is eliminated the fair may not get the best combination of quality and price that the procurement code is designed to require.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The State Fair Commission will still be required to purchase feed under the requirements of the Procurement Code via competitive invitation to bid. The fair will also be unable to compete with prices set by private livestock supply retailers, which may deter business from the State Fair feed store.

JL/nt