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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/13

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Investigate Predatory Pricing SJM 48

ANALYST Chavez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Unknown				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

### SUMMARY

#### Synopsis of Bill

The Senate Joint Memorial 48 (SJM 48) requests that the Attorney General, the Secretary of the Department of Finance and Administration and the Secretary of the General Services Department investigates predatory pricing practices within the state and ensure that awards of procurement contracts not overlook small businesses in New Mexico.

### SIGNIFICANT ISSUES

According to SJM 48, small businesses have been overlooked through the request for proposal process particularly in the area of business supplies; when awarding contracts the state should provide a weighted system that does not treat small business owners of New Mexico unfairly.

SJM 48 also notes that there has been no investigation of the most recent awards to out-of-state vendors related to their pricing practices and that no oversight or monitoring of awarded contracts has been conducted, and as such, should be investigated for predatory pricing practices.

The AGO adds that SJM 48 is not seeking a preference to small local business. It simply seeks an equal treatment. An equal treatment can be determined only after an objective review and monitoring of the procurement system is done and final accounting is performed.

**ADMINISTRATIVE IMPLICATIONS**

The AGO notes that SJM 48 may require expenditure of time and resources to conduct this investigation.

KC/svb