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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/14

SPONSOR Neville LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Bid & RFP Training for State Contracts SJM 17

ANALYST Daly

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

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Minimal	Minimal	Minimal	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HJM 11

### SOURCES OF INFORMATION

LFC Files

Response Received From

General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 17 requests the Secretary of General Services perform two activities: 1) develop guidance and secure qualified training for employees of state agencies and local public bodies by persons with experience with specifications and contractual terms in bids and requests for proposals (RFPs) that will not impede and will enable fair competition for New Mexico resident businesses and contractors; and 2) identify any resident business and contractor who may be vendors on statewide price agreements as such, as well as on any vendor list maintained by GSD's purchasing division.

### FISCAL IMPLICATIONS

GSD suggests that providing new vendor lists could have a small monetary impact on it.

### SIGNIFICANT ISSUES

GSD first comments that the fourth "Whereas" clause ("state agencies and local public bodies include mandatory requirements in bids and requests for proposals that unnecessarily and unfairly place New Mexico resident businesses and contractors at a competitive disadvantage") provides no identification of the mandatory requirements that give rise to this concern, although this assertion provides the predicate for the Memorial itself.

Further, GSD advises that listing contractors who are New Mexico resident businesses on contracts could be a valuable informational tool for legislators and the public. However, it is concerned that creating a new list of New Mexico resident businesses, businesses which already receive a favorable preference on invitations to bid and RFPs serves no easily identifiable purpose and, in fact, could lead to a belief that such businesses are receiving some sort of favorable treatment in the procurement process beyond that which is legally allowable in violation of the fairness and transparency required by the Procurement Code.

**PERFORMANCE IMPLICATIONS**

New methodologies will have to be developed to comport with the strictures of the Memorial such as creating a new database to list vendors and a process for listing them on contracts.

MD/svb