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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/13

SPONSOR Cervantes LAST UPDATED _____ HB _____

SHORT TITLE Qualifications-Based Procurements SB 134

ANALYST Hanika Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Unknown				Other State Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)
 New Mexico Municipal League (NMML)
 Public School Facilities Authority (PSFA)
 General Services Department (GSD)
 Department of Finance and Administration (DFA)
 Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

Senate Bill 134 (SB 134) amends Section 13-1-98 NMSA 1978 to no longer exempt from the Procurement Code municipalities that have adopted home rule charters and enacted their own purchasing ordinances for the selection of architects, engineers, landscape architects and surveyors using a sealed qualifications-based proposal submission process.

Section 2 replaces the term “state agency or local public body” with the term “public body” to encompass both and includes a definition.

FISCAL IMPLICATIONS

The competitive sealed qualification-based proposal process is designed so that a contract is awarded based on expertise and experience of a firm rather than on price.

The bill could either increase or decrease costs for municipalities, the fiscal impact is unknown.

The UNM believes its procurement method saves 0.5 percent to 2 percent over others.

The AOC notes the judicial branch currently complies with the provisions in the bill.

SIGNIFICANT ISSUES

The bill supports a consistent and statewide policy approach to procuring certain services when factors other than price are considered.

Section 1 (K) requires home-ruled municipalities to amend rules that govern the selection of architects, engineers, landscape architects and surveyors.

Section 1(N) changes terminology; persons with “handicaps” are now persons with “disabilities”.

Section 1(S) changes the word “service” to “services”.

Section 2(B) defines the term “public body”.

PERFORMANCE IMPLICATIONS

The NMML sees this legislation as an infringement on rights granted to municipalities that elect to become home rule municipalities.

ADMINISTRATIVE IMPLICATIONS

Home-ruled municipalities and local public bodies that have adopted rules that differ will be required to change their rules to abide with the provisions in the bill.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Municipalities that have adopted home rule charters will continue to follow their own purchasing ordinances.

AHO/svb