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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number	<u>HB430</u>	Sponsor	<u>Trujillo, L.</u>
Tracking Number	<u>.212549.1SA</u>	Committee Referrals	<u>HLLC/HJC; SJC</u>
Short Title	<u>Library Procurement Code Exemption</u>		
Analyst	<u>Terrazas</u>	Original Date	<u>2/6/19</u>
		Last Updated	<u>3/7/19</u>

BILL SUMMARY

Synopsis of Bill

House Bill 430 (HB430) would amend the Procurement Code to allow public, school, and state libraries to purchase print, digital, or electronic format library materials for access by the public. Further, the Cultural Affairs Department (DCA) would be able to procure publishing and distribution services for materials produced and intended for resale by the department.

FISCAL IMPACT

The bill does not contain an appropriation.

DCA indicates the bill's provisions would likely result in cost savings because libraries would be able to purchase materials in a way that lowers administrative and operational costs. The bill would also allow the Museum of New Mexico Press (MNMP) to maximize earned revenues.

The General Services Department (GSD) indicates the State Purchasing Division's (SPD) statewide pricing agreements provide a competitive procurement process and a collective purchasing power advantage. Purchases through SPD result in cost savings for the state compared with purchases of goods and services by individual entities such as public schools and state libraries. GSD notes the bill further erodes centralized purchases under the procurement code.

SUBSTANTIVE ISSUES

According to DCA, libraries can only purchase materials in certain formats and are required to purchase materials directly from publishers and copyright holders, which often forces libraries to purchase materials from subpar vendors and limits their ability to lower administrative and operational costs. HB430 would allow libraries to lower overall costs by selecting materials based on the quality of value added services, such as integrated book reviews, physical processing options, high quality catalog records, and integration with the library's online catalogs.

To procure the most cost-efficient services, MNMP is required to seek three bids for specialized publishing services. However, DCA notes that because MNMP operates on its own earned revenues with minor support from the general fund, the MNMP already has incentive to procure the most cost-efficient services for the quality of books it is publishing. The existing process delays the publishing schedule, which can be costly. For example, if a selected vendor unexpectedly became unavailable, the MNMP would need to identify another suitable vendor that is able to meet the necessary turnaround. In general, publishers have a pool of vendors in place with money encumbered to allow quick assignments and turnaround of assignments. Publishers typically procure such vendors without a bidding process.

DCA indicates HB430 would allow MNMP to quickly respond to any possible future changes in distribution and allow MNMP to enter into long-term agreements, improving efficiency, stability, and maximizing earned revenues.

SOURCES OF INFORMATION

- LESC Files
- Cultural Affairs Department (DCA)
- General Services Department (GSD)

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