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### FISCAL IMPACT REPORT

SPONSOR:	Kissner	DATE TYPED:	02/04/00	HB	21
SHORT TITLE:	Remove Minimum Construction Cost Requirement			SB	
				ANALYST:	Carrillo

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Fiscal Impact Section			

(Parenthesis ( ) Indicate Expenditure Decreases)

\*See Fiscal Impact Section.

Duplicates/Conflicts with/Companion to/Relates to

## **SOURCES OF INFORMATION**

Department of Environment

General Services Department

## **SUMMARY**

### Synopsis of Bill

House Bill 21 proposes to amend Section 13-1-119.1 NMSA 1978 by removing the \$10 million minimum construction cost requirement for design and build projects provision.

### Significant Issues

According to General Services Department staff, if certain conditions are met, the design and build methodology could be utilized for public works projects with a maximum allowable construction cost exceeding \$200.0

## **FISCAL IMPLICATIONS**

The staff from the General Services Department states that there would be costs incurred by the department if the legislation is enacted. Reference is given to promulgation of rules as referred to in Subsection D. The current rule would need to be rewritten and appropriately published in order to effect the change.

## **ADMINISTRATIVE IMPLICATIONS**

General Services Department staff time would be required to modify the existing rule, conduct the required public hearing and file the rule change as statutorily required.

## **TECHNICAL ISSUES**

The General Services Department staff notes not all public works projects lend themselves to the design and build methodology. The initial intent of Section 13-1-119.1 NMSA 1978 when enacted was to limit the "determination" to use design and build for a singular or specific project. "Determination" is defined in Section 13-1-52 NMSA 1978 and means the written documentation of a decision of a procurement officer including findings of fact to support a decision.

The General Services Department staff suggests leaving the phrase "on a specific project" in the provision and inserting a period after the word "project".

## **OTHER SUBSTANTIVE ISSUES**

According to General Services Department staff, 13-1-119.1(F) NMSA 1978 sets forth procedures to follow when utilizing the design and build methodology for projects of less than \$200,000. This legislation, if passed, would affect those proposed projects anticipated to exceed \$200,000.

WJC/njw