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FISCAL IMPACT REPORT

SPONSOR Smith DATE TYPED 02/16/04 HB _____

SHORT TITLE Electronic Property Bid Proposals SB 522/aSJC

ANALYST Geisler

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			Unknown		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB 516

SOURCES OF INFORMATION

General Services Department (GSD)

SUMMARY

Synopsis of SJC Amendments

The Senate Judiciary Committee amendments to Senate Bill 522 insert a new subsection G:

“G. The reverse auction process may not be used for the procurement of:

1. construction contracts, construction services, construction maintenance contracts or construction contracts based on unit pricing; or
2. construction materials to be used in any contract or service specified in Paragraph (1) of this subsection.”.

The amendments also strike Section 9 in its entirety. Section 13-1-119.1 NMSA 1978 (being Laws 1997, Chapter 171, Section 5, as amended Public Works Project Delivery System—Design and Build Projects Authorized).

Synopsis of Original Bill

Senate Bill 522 authorizes electronic submission of bids and proposals, and provides for a reverse auction bidding process in the Procurement Code.

Significant Issues

Allowing electronic submission of bids and proposals would modernize the Procurement Code, and save time and costs for government entities and for vendors. Reverse auction is a purchasing strategy where bids are entered and visible electronically during a prescribed period. Bidders can see their competitors' bids, anonymously, in real time over the internet. This is a purchasing option used in spend management, which is part of a major initiative during the past year to enhance competition and save money for government entities.

FISCAL IMPLICATIONS

Allowing electronic receipt of bids and proposals, where appropriate, would save money on paper products and postage for government entities and for vendors doing business with them.

Reverse auction is an increasingly popular method to increase competition and get better prices for goods and non-professional services.

PERFORMANCE IMPLICATIONS

The Purchasing Division is currently participating with a spend management contractor to establish procedures that leverage the state's purchasing power.

AMENDMENTS

GSD suggests a technical correction: on page 8, line 1, delete the word "highest" and insert in lieu thereof the word "lowest".

GGG/lg:yr