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FISCAL IMPACT REPORT

Gallegos, DM/
 Stapleton/Campos/
SPONSOR Payne/Sanchez **ORIGINAL DATE** 2/10/2020
LAST UPDATED 2/18/2020 **HB** 319/aHLLC/aHF1#1/ec

SHORT TITLE Multiple Source Contracts Amount Limits **SB** _____

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	No Fiscal Implications					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

New Mexico Municipal League

SUMMARY

Synopsis of HF1 #1 Amendment

The House Floor #1 Amendment to House Bill 319 as amended, includes language stating that “a state agency or local public body may procure multiple indefinite quantity construction contracts, giving consideration to qualified local contractors[.]” The House Floor Amendment to House Bill 319 removes “giving consideration to qualified local contractors”

Synopsis of HLLC Amendment

The House Local Government, Land Grants and Cultural Affairs Committee amendment to House Bill 319 removes the exemption for local public bodies from the total amount limit on multiple source contracts for architectural and engineering services as follows:

Summary of HLLC Amendment changes

	Original	HLLC Amendment
Multiple architectural/engineering services for multiple projects	6,000,000	7,500,000
Single contract not to exceed	500,000	650,000
Multiple indefinite quantity construction contracts	10,000,000	12,500,000
Single purchase limit	1,000,000	4,000,000
4-year cap on architectural/engineering services	6,000,000	7,500,000
3-year cap on construction	10,000,000	12,500,000

Neither GSD nor the Department of Finance and Administration responded to a request for analysis on the HLLC amendment.

Synopsis of Original Bill

House Bill 319 (HB319) exempts local public bodies from the total amount limit on multiple source contracts for architectural and engineering services. HB319 requires state agencies and local public bodies report the aggregate amount of contracts to be spent under each multiple source contract to the Legislative Finance Committee on an annual basis and to the General Services Department on at least a quarterly basis.

FISCAL IMPLICATIONS

HB319 will not appreciably change costs for local public bodies, therefore the bill is scored no fiscal impact.

SIGNIFICANT ISSUES

HB319 will eliminate all barriers for local public bodies to award unlimited contracts to selected vendors without any applicable statutory maximum dollar limit or timeframe.

CJ/sb/rl