

LFC Requester:

Joseph Simon

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/27/2026 Check all that apply:  
**Bill Number:** SB153 Original  Correction   
 Amendment  Substitute

**Agency Name  
and Code**

**Sponsor:** Senator Michael Padilla **Number:** ECECD 61100  
**Short Title:** **Person Writing Analysis:** Elizabeth Groginsky  
Procurement Changes **Phone:** 505-231-2997 **Email:** Elizabeth.groginsky@ecd.nm.gov

**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

SB 153 proposes multiple changes to state procurement laws, including but not limited to:

- Increasing the exemption maximum amount from \$10,000 to \$100,000 for purchases consisting of magazine subscriptions, web-based or electronic subscriptions, conference registration fees, and other similar purchases where prepayments are required
- Increasing the small purchases maximum amount excluded from required procurement by the State Purchasing Agent from \$1,500 to \$10,000
- Increasing the small purchases maximum amount from \$60,000 to \$100,000 for services, construction, items of tangible personal property, and professional services procured by a Central Purchasing Office
- Increasing the small purchases maximum amount from \$20,000 to \$60,000 for services, construction, and items of tangible personal property procured by a state agency or a local public body
- Increasing the expenditure amount from \$20,000 to \$100,000 for required public notice of competitive sealed bids
- Limiting sole source contracts to a term of four years, including extensions and renewals, and reducing the amount of notice of intent that must be provided by the State Purchasing Agent before awarding a sole source contract from 30 days to 15 days
- Requiring that prospective contractors submit cost or pricing data when required by the State Purchasing Agent or Central Purchasing Office
- Increasing maximum contract term limits from four to eight years for professional services; tangible personal property, construction, or services in an amount under \$25,000; and multiple source contracts for architectural engineering services in an amount under \$7,500,000
- Increasing maximum contract term limits from three to 10 years for multiple source contracts for construction services

In addition, SB 153 proposes that a state or local public body may exceed the monetary limitations for contracts if the Governor has declared a state of emergency or disaster. The contracts must be multiple source contracts, architectural and engineering services contracts, or indefinite quantity construction contracts that are directly related to disaster response or recovery and relief efforts. The contracts may remain in effect only for the duration of the declared emergency and its recovery period, which may not exceed 24 months following the termination of the emergency declaration. The state agency or local public body must document the necessity for exceeding statutory limits, obtain written approval from the State Purchasing Agent before executing the contract, and report the procurement to the State Purchasing Agent within 30 days of executing the contract.

SB 153 also proposes to allow for prepayment of child care assistance services. The Central Purchasing Office or the Chief Procurement Officer must certify in writing that prepayment is necessary because the services cannot be reasonably obtained without prepayment due to

customary business practices, demonstration of undue hardship, or special operational needs of the person providing the child care assistance services. Any child care assistance contract requiring prepayment must be applied uniformly, must not be used to confer a competitive advantage, and must include provisions to protect state money, such as refund requirements.

## **FISCAL IMPLICATIONS**

Note: Will require updates to policies and procedures in the procurement area. Costs should be minimal.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

## **SIGNIFICANT ISSUES**

By increasing the minimum thresholds for certain local and state public works projects and raising exemption limits for specific purchases, SB153 empowers state agencies and local public bodies to pursue larger, more impactful initiatives without being constrained by outdated procurement requirements. This flexibility enables agencies to accelerate investments in critical infrastructure, advanced technology, and essential services that directly benefit communities. Additionally, extending the maximum term for professional services contracts to eight years provides agencies with the ability to secure long-term partnerships that deliver stability and predictability. While longer contracts commit funds over an extended period, they also lock in competitive rates, reduce administrative overhead, and generate cost efficiencies that strengthen fiscal stewardship over time.

Section 13-1-158 A(3) would allow child care providers to be paid at the beginning of a service period rather than being reimbursed after services are delivered. Allowing prospective payments aligns with generally accepted payment practices in the private sector, where child care providers are typically compensated in advance of providing services. Aligning with customary business practices will encourage more high-quality providers to participate in the child care assistance program, ultimately expanding access to safe, high-quality child care for families.

In addition, SB153 includes safeguards to protect state money by requiring refund provisions and written certification from the Chief Procurement Officer explaining why the prospective payment is being made.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**