

LFC Requester:	
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to 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: 01/27/2026 *Check all that apply:*

Bill Number: SB153 Original Correcti
 Amend Substitu

Agency Name and Code Number: General Services Department/35000

Sponsor: Michael Padilla
Procurement Changes

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Short Title: _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	N/A	N/A	N/A	N/A	N/A	N/A
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(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

Senate Bill 153 makes changes to the Procurement Code as follows:

- Reduce the number of taxpaying years required for certain resident businesses and contractors;
- Provide definitions for “Best Obtainable Price”, “Notice of Invitation for Solicitation,” “Notice of Request for Proposal,” “Continuing Education Units;”
- Clarify the definition of “Central Purchasing Office;”
- Amend the definition of “Small Business” to conform to federal law;
- Increase chief procurement officers to 2;
- Raise thresholds for small purchases from \$1,500 dollars to \$10 thousand dollars;
- Increase professional service contracts from 4 years to 8 years;
- Increase sole source contract from 1 year to 4 years;
- Allow continuing education classes to be used for recertification;
- Provide requirements for exemption determinations;
- Increase exemption amounts, small purchase amounts, and certain purchases by a central purchasing agent;
- Change requirements for bid posting and publication and expenditure amounts;
- Address identical sealed bid awards;
- Require cost of pricing data from prospective contractors;
- Provide exemptions for disaster related contracts procured during a state of emergency;
- Provide for prepayment of childcare assistance services contracts.

FISCAL IMPLICATIONS

A well-run procurement program can save an organization 5 percent to 10 percent on costs. The removal of guardrails on professional service contracts would drive up prices by a moderate 5 percent, the fiscal impact is likely to be at least \$55 million, based on the \$1.1 billion in professional service contracts processed by GSD’s Contract Review Bureau. The impact of the bill extends beyond professional services contracts and lifts restrictions on childcare assistance contracts—representing \$308 million in spending—small purchases, small public works projects and direct purchase orders. The overall costs could be substantially higher.

Electronic Procurement: Encouraging electronic submission of bids and proposals could reduce costs associated with printing, mailing, and manual processing, while improving efficiency and transparency.

Increased Small Purchase Limits: Raising the small purchase threshold from \$60,000 to \$100,000 allows state agencies and local public bodies to procure goods and services more efficiently without requiring extensive procurement processes. This could reduce administrative costs and expedite smaller purchases.

Streamlined Certification Process: Reducing the number of taxpaying years required for resident business and contractor certification (from three or five years to one year) could encourage more businesses to apply for certification, increasing competition and potentially lowering services and goods costs.

SIGNIFICANT ISSUES

Senate Bill 153 updates the New Mexico procurement code, the last major updates were done approximately twenty years ago. The changes are necessary to streamline processes and allow for greater flexibility for state agencies and local public bodies.

PERFORMANCE IMPLICATIONS

Section 1. Currently applications for a resident business certification require documentation showing that the business has paid property taxes. Page 3, Section 13-1-22 adds motor vehicle excise tax and changes tax documentation from three years prior to “the year” immediately preceding submission.

Section 2. New language for "Best Obtainable Price" This definition is consistent with §13-1-125 and provides needed guidance regarding §13-1-125(C).

Section 3. New language. The definition of “Notice of Invitation for Solicitation” is consistent with §13-1-70.2

Section 4. New language provides a definition for “Notice of Request for Proposals.” This definition provides guidance regarding §13-1-70.3

Section 5. changes the definition of “small business” to follow the federal Small Business Act.

Section 6B(3) provides that sealed bids shall be submitted electronically and shall be opened in accordance with Section 13-1-107.

Section 7A Chief Procurement Officers Reporting Requirement—Training—Certification. This language requires each state agency and local public body to submit to the state purchasing agent no more than two names (currently one) of certified chief procurement officers. The requirement for identifying a state agency’s or local public body’s central purchasing office is already specified in NMSA 1978 §13-1-97, this will allow for a backup and second chief procurement officer for each agency and local public body. This section also provides clean-up language.

Section 7 E(1) clarifies that determinations will be made pursuant to the Procurement Code and adds language that provide that an exemption determination shall include the facts relied upon in the making of the determination. The new language attempts to ensure public body personnel perform their exempt procurements ethically and subject to the penalties of the Procurement Code.

Section 8 adds new language requiring that determinations used for granting an exemption must be provided by either the state purchasing agent or the central purchasing office responsible for making the exemption. This change authorizes the agency chief procurement officer to determine whether a purchase or procurement meets the requirements for the use of an exemption.

Section 8 J increases magazine subscriptions, web-based or electronic subscriptions, conference registration fees and other similar purchases threshold from \$10,000 to one-hundred thousand dollars (\$100,000).

Section 8 V adds new language to exclude broad strategic marketing activities, market research, branding, campaign planning or content development. This new language clarifies that these activities are not allowed.

Section 9 B increase the threshold for small purchases from \$1,500 dollars to \$10,000 dollars. The increase is needed to match the growth in the value of the dollar over the last 20 years.

Section 10 A Requires that public notice shall be published in no less than two newspapers of general circulation; this change is from at least three newspapers. This change will also require publishing on the state purchasing agent's website.

Section 10 B increases the threshold from \$20,000 to \$100,000 for invitation for bid notices.

Section 11 A provides clean-up language to include the correct Procurement Code citations.

Section 11 C. delete paragraph C. award to a resident manufacturer if the identical low bids are submitted by a resident manufacturer and a resident business. No preferences are currently applicable for resident manufacturers.

Section 12 is clean-up language. Removed language referring to the General Services Department and adds the state purchasing agent or designee. This change allows for consistency for the state purchasing agent.

Section 13 A changes the threshold from \$60,000 to \$100,000 for small purchases.

Paragraph C Increases thresholds from \$20,000 to \$60,000 to allow agencies and local public bodies to procure services, construction or items of tangible personal property.

Section 14 F Extends the term of a sole source contract to a four-year term this includes extensions and renewals. This change allows sole source providers ample time to finish projects.

Section 15 A sole source contract awards can be awarded in 15 days (currently 30 days). This change will allow for a shorter posting period so that projects can be awarded sooner. The notice of award will also be posted sooner, allowing interested bidders or stakeholders to view sooner.

Section 16 Language is changed to allow the state purchasing agent or a central purchasing office to request the prospective contractor to submit cost or pricing data regardless of cost.

Section 17 A. The bill changes multi-year contracts from four years to eight years. This change along with the increase in compensation will provide the time needed for large projects.

Section 18 A 3 Multiple Source Contracts for architectural and engineering services term is changed to 8 years, previously 4 years for contracts that do not exceed \$7.5 million dollars. This includes all extensions and renewals. This change will allow projects of larger size to be completed without having to resolicit the project.

Section 18 C 3 changes the contract term to eight years but not to exceed ten years.

Section 18 D 1 change current language from a four-year period to a ten-year period for architectural or engineering services.

Section 18 is new Notwithstanding language.

Section 18 G(1) allows a state agency or local public body to exceed monetary limitations for multiple source contracts, architectural and engineering services contracts or indefinite quantity construction contracts when the Governor declares a State of Emergency or Disaster; the procurement is directly related to disaster response, recovery or relief efforts, including infrastructure repair, temporary facilities, essential public services or mitigation measures; and the state agency or local public body obtains written approval from the state purchasing agent prior to executing a contract and reports the procurement to the state purchasing agency within thirty days of executing the contract. Contract will remain in effect only for the duration of the declared emergency and the recovery period, not to exceed twenty-four months following the termination of the emergency declaration. The addition of emergency to the procurement code allows agencies to enter into procurements for natural disasters and bring in contractors for immediate recovery and remediation efforts.

Section 19 removes language related to a county. This change clarifies this section of the procurement code for all entities and not just counties.

Page 39 clean-up language.

Section 20 Provides clean-up language changing agency to chief procurement officer. This change gives the chief procurement officer the authority to certify that services are received and specifications are met. New language is added to provide for prepayment of childcare assistance services . Requirements include provision to protect state money; that it be applied uniformly; and to avoid preference.

Section 20 E removes the New Mexico Public Utility Commission or the State Corporation Public Relation Commission. This change provides the correct agency name.

ADMINISTRATIVE IMPLICATIONS

Once passed, GSD will have to update the New Mexico Administrative Code (NMAC). The bill's effective date is set for July 1, 2026, which provides some time for updates to NMAC implementation. However, some provisions, such as the certification program for Chief Procurement Officers and electronic procurement guidelines, may require time for preparation and resources to implement effectively.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Procurement spending limits will continue at a reduced level. The adjustment to thresholds enables costs to remain competitive with inflation. This bill offers essential clarification and improvements, enhancing both the efficiency and effectiveness of the procurement process. These changes are necessary to streamline procedures and grant state agencies as well as local public entities increased flexibility. Without enactment of this legislation, state and local governments would not benefit from streamlined administrative processes. These enhancements are essential for maintaining safe communities, supporting economic development, and ensuring

efficient delivery of public services.

AMENDMENTS