

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: SB 153 Original Correction
 Amendment Substitute

Sponsor: M. Padilla **Agency Name and Code Number:** Department of Cultural Affairs – 505
Short Title: Procurement Changes **Person Writing:** Greg Geisler
Title: _____ **Phone:** 505-470-9056 **Email:** Greg.geisler@dca.nm.gov

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		
0	0	0	N/A	NA/

(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	0	0	0	0	N/A	N/A

(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 provides a comprehensive modernization of the New Mexico Procurement Code by implementing the following key changes:

- **Resident Preference:** Reduces the residency and taxpaying history requirements for resident businesses, resident contractors, and Native American resident businesses to 1 year.
- **New Definitions:** Establishes "Best Obtainable Price, requiring quotes and documentation of negotiations; creates "Notice of Invitation for Solicitation," and "Notice of Request for Proposals" establishing publication requirements.
- **Small Business Alignment:** Amends the definition of "Small Business" to conform to the federal Small Business Act.
- **Procurement Governance:** Allows agencies to have two certified Chief Procurement Officers (CPOs) and mandates a certification and recertification program maintained by the state purchasing agent.
- **Exemption Transparency:** Mandates that any exemption determination from the Procurement Code must include the specific facts relied upon in making that determination.
- **Threshold Increases:** Raises the maximum amount for various purchases, including prepayments for subscriptions and conference fees from \$10,000 to \$100,000 reflecting current cost environments and increased reliance on web-based subscriptions.
- **Clarification of Procurement Exemption for Advertising:** limits use of the exemption for purchasing of advertising, excluding purchases of activities that are services.
- **Small Purchase Exclusion:** Increases the value of small purchases excluded from the requirement of procurement through the state purchasing agent from \$1,500 to \$10,000.
- **Notice Requirements:** Modernizes public notice for competitive sealed bids, allowing for website posting and requiring publication in no less than two newspapers.
- **Professional Services Review:** Clarifies that professional services contracts must be reviewed for form and legal sufficiency by the state purchasing agent or a designee.
- **Other Purchase Limits:** Increases requirements for competitive sealed bids from \$20,000 to \$100,000; the threshold for small purchases of services, construction, or tangible personal property from \$60,000 to \$100,000 in accordance with small purchase rules; and increases direct procurement of services, construction, or tangible personal property from \$20,000 to \$60,000.
- **Sole Source Limits:** Limits the term of a sole source contract to four years, including all extensions and renewals. The period for protests of sole source contracts would be reduced from thirty to fifteen days.

- **Contract Term Extensions:** Increases the maximum term for most multi-term contracts, including professional services, from 4 years to 8 years.
- **Emergency Exceptions:** Directly related to disaster response or relief during a declared state of emergency by providing a pathway for agencies to exceed statutory monetary and term limits for contracts.
- **Prepayment for Child Care:** Authorizes prepayment for child care assistance services when necessary, due to customary business practices or to prevent undue hardship.

FISCAL IMPLICATIONS

The bill does not require new agency expenditures, but increases several purchasing thresholds, which will facilitate greater governmental efficiency by reducing the frequency of complex formal solicitations for mid-range purchases.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

Governmental efficiency is improved by modernizing outdated definitions and accelerating procurement timelines. Raising thresholds and extending contract terms allows agencies to maintain continuity with high-performing vendors, reducing the administrative burden of frequent re-solicitation.

ADMINISTRATIVE IMPLICATIONS

The bill significantly benefits small and New Mexico-based businesses by lowering barriers to entry for resident certification. By reducing the taxpaying history requirement to a single year, the bill allows newer local businesses to compete more effectively for state contracts. Furthermore, aligning the state's "small business" definition with federal law creates a more consistent and equitable standard for local enterprises.

Transparency and accountability are strengthened by requiring documented facts for all exemption determinations and "best obtainable price" negotiations. It also ensures designated Chief Procurement Officers remain current with the new certification and continuing education requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Procurement processes will continue to be governed by outdated codes that do not reflect modern

fiscal realities. Thresholds will remain low, necessitating more frequent and costly formal procurement processes for minor needs, and New Mexico-based businesses will continue to face more stringent residency certification requirements.

AMENDMENTS

None