

NMDOT BILL ANALYSIS 2024 REGULAR SESSION

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 1/25/2024

Bill No. SB 61

Sponsor: David M. Gallegos
and Pete Campos

Agency/ Code: NMDOT - 805 – Office of General Counsel

Short Title Procurement Contract Limit
Increase

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SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Impact Report					

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 61 (SB 61) amends NMSA 1978, Section 13-1-154.1 to raise the cap for multiple source contracts for architectural and engineering services, as awarded under a single request for proposals, from \$7.5 million to \$15 million, and raises the cap for any one contract, including renewals, from \$650,000 to \$2 million. SB 61 also raises the cap for multiple source indefinite quantity contracts for construction services, as awarded under a single request for proposals, from \$12.5 million to \$30 million, and raises the cap for any one purchase order from \$4 million to \$10 million. Last, SB 61 raises the cap for the total value of contract work that may be awarded to any particular vendor pursuant to the multiple source contracts, from \$7.5 million to \$15 million for architectural and engineering services, and from \$12.5 million to \$30 million for construction.

SB 61 will be effective July 1, 2024, if enacted.

FISCAL IMPLICATIONS

SB 61 may have direct fiscal implications to the NMDOT, but quantification at this time would be speculative.

SIGNIFICANT ISSUES

None at this time.

PERFORMANCE IMPLICATIONS

Implementation of SB 61 allows for more work to be performed under each multiple source award contract and can decrease the number of “request for proposal” (RFP) solicitations needed to support the NMDOT engineering and design programs. NMDOT uses RFP-derived, multiple source contracts to quickly address multi-discipline engineering needs for highway construction and maintenance, support of internal design forces and to address emergency needs. Increasing the per-contract cap applicable to engineering services allows for more work to be performed under its contracts and will help NMDOT expedite larger projects. Because of this, NMDOT anticipates a potential reduction in the number of solicitations for multiple source contracts for engineering and architectural services.

SB 61 also raises the caps on certain multiple source, indefinite quantity construction service contracts, which are procured through a single RFP. Implementing SB 61 for these construction services contracts is unlikely to impact NMDOT programs because NMDOT currently does not use multiple source indefinite quantity construction services contracts let through the RFP process. Rather, to procure multiple source award construction contracts, the NMDOT relies on the “invitation to bid” (ITB) process, which is not subject to Section 13-1-154.1(B) cap.

ADMINISTRATIVE IMPLICATIONS

Implementation of SB 61 will require minimal changes to the NMDOT contract administration and reporting process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None at this time.

TECHNICAL ISSUES

SB 61 does not specifically exclude GRT from being included in the “not to exceed” valuation for contracts.

In general, the term limit for contracts is four years. *See* NMSA 1978, Section 13-1-150. The four-year term limit for multiple source engineering and architectural services in Section 13-1-154.1 (A) corresponds with Section 13-1-150, whereas the three-year term for multiple source indefinite quantity construction contracts in subsection (B) does not. NMDOT suggests amending subsection (B) so that the terms for multiple source contracts are the same in both subsections. *See* “Amendments” below.

OTHER SUBSTANTIVE ISSUES

None at this time.

ALTERNATIVES

None at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT will continue to follow the existing Procurement Code provisions for its purchases.

AMENDMENTS

NMDOT suggests amendments to Section 1 (B) that would reflect a four-year contract, as opposed to three years (single underline reflects SB 61; double underline used to show proposed amendments):

B. A state agency or local public body may procure multiple indefinite quantity construction contracts pursuant to a price agreement for multiple projects under a single request for proposals; provided that the total amount of a contract and all renewals does not exceed [~~twelve million five hundred thousand dollars (\$12,500,000)~~] thirty million dollars (\$30,000,000) over ~~three~~ four years and the contract provides that any one purchase order under the contract may not exceed [~~four million dollars (\$4,000,000)~~] ten million dollars (\$10,000,000).