

<b>LFC Requester:</b>	<b>Fischer</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.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}*

Check all that apply:  
**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** 1/31/2024  
**Bill No:** SB 61

**Sponsor:** David Gallegos/Pete Campos  
**Short Title:** Procurement Contracts Limit Increase

**Agency Name and Code** New Mexico State University/954  
**Number:** \_\_\_\_\_  
**Person Writing** Clayton Abbey  
**Phone:** 505-239-8821    **Email** nmsufir@nmsu.edu

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<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:

This Bill amends the Procurement Code to:

- increase the limit for architectural or engineering services contracts with a single contractor from \$7.5M to \$15M;
- increase the limit for a single contract from \$650K to \$2M; and
- for construction contracts, increase the limit from \$12.5M to \$30M for a single contractor over three years and increases the purchase order limit \$4M to \$10M

The amendment provides an annual adjustment to the limits based on Producer Price Index (PPI).

The effective date of this bill is July 1, 2024.

**FISCAL IMPLICATIONS**

The change could significantly reduce the administrative burden related to contracting and reduce time to execute a contract. It also could eliminate the need to perform mid-project proposals allowing for more timely completion of projects. However, the university must have a mechanism in place to ensure best available pricing. Often times, it will be necessary to require an additional solicitation to ensure best pricing. However, this change provides flexibility that could be beneficial in the course of doing business.

Note: major assumptions underlying fiscal impact should be documented.

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

**SIGNIFICANT ISSUES**

**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**