

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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(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: 2-27-25

Check all that apply:

Bill Number: SB 206/aSTBTC

Original ☐ Correction ☐

Amendment ☒ Substitute ☐

Sponsor: M Padilla

Agency Name
and Code

Department of Culture Affairs-505

Short Title: Procurement Changes

Number:

Person Writing

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Title:

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 217

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of Senate Tax, Business and Transportation Committee Amendment

Amendment changes including the correction of an issue where procurements under exemption are not subject to provisions which cover anti-bribery, campaign contribution disclosures, civil penalties, and kickbacks and penalties by making sections 13-1-190 through 13-1-199 applicable to all procurements exempt from the procurement code. The amendment strikes the proposed change in the definition of local and state public works projects as projects costing \$50,000 to those costing \$100,000. The amendment also strikes the proposed modification of the exemption for purchases of advertising to exclude marketing purchases and strikes the reduction in notice from ten days to 3 days. The amendment exempts public-private partnership agreements from length of agreement limitations contained in Section 13-1-150 NMSA for multi-term contracts.

Synopsis:

Senate Bill 206 updates the procurement code including raising procurement caps, adding procurement exemptions and updating requirements.

FISCAL IMPLICATIONS

None Identified.

SIGNIFICANT ISSUES

Senate Bill 206 provides critical updates to the procurement code to improve the efficiency of procurement. These changes respond to years of inflationary cost growth impacting goods and services. Changes include:

- Raising the cap on small purchases from \$60,000 to \$100,000 which benefits small businesses, who could compete with a simple quote or proposal instead of staff- and time-intensive detailed responses to ITBs and RFPs.
- Changing the definition of certain state and local public works projects that use architectural or engineering services from \$50,000 to \$100,000. This creates more opportunities for smaller companies to compete while allowing smaller projects to be awarded using vendor quotes instead of a request for proposals.
- Increases the cap on direct purchase orders from \$20,000 to \$60,000 which again increases the competitiveness of smaller vendors, while allowing entities to make purchases with fewer quotes from vendors.
- Raising the cap of small purchases not subject to central purchasing jurisdiction from \$1,500 to \$10,000, which will allow agencies to make small purchases quicker and reduce the volume of approvals for central purchasing staff.
- Increases the allowable length of professional services contracts from four to eight years.
- Clarifies that sole source contracts can be issued for up to four years instead of a single year. Currently, certain products and services can only be provided by a single vendor. This change will eliminate the paperwork burden on vendors to do an annual time-consuming sole source procurement.

- The procurement exemption for the purchase of subscriptions, conference registrations, and other similar purchases is increased from \$10,000 to \$100,000, reflecting cost inflation.
- Several exemptions are added to the procurement code reflecting the reality that competitive procurement can be difficult or impractical, including contracts for day care, enterprise services, slots for family childcare services and appraisals and surveys.
- The period that bids must be advertised dropped from 10 to 3 days, reflecting the wide publication of notices on websites and generating saving on advertisements.
- The period that sole source procurements are subject to protest is reduced from 30 to 15 days, which makes procurements faster.

PERFORMANCE IMPLICATIONS

These changes will increase the ability of small vendors to compete for state goods and services while improving government efficiency.

ADMINISTRATIVE IMPLICATIONS

Changes proposed to allow a second Chief Procurement Officer (CPO) appointment will improve efficiency by providing backup capacity to approve transactions. Changes to broaden acceptable continuing education for CPOs will help ensure that the requirements for continuing education are met.

Adding the Cultural Affairs Secretary as a “responsible individual” will ease procurement of architectural, landscape architecture, engineering, or surveying services, reflecting that the Department of Cultural Affairs owns and maintains its own properties.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 217, which clarifies the Department of Information Technology’s role in approving information technology projects.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

The complexity of invitation to bids, request for proposals and statewide purchasing agreements procurement processes are beyond the capacity of many small businesses. Increasing the dollar size of allowable procurements using the quote process will increase the level of competition and will likely save the state money on small to mid-size capital improvement or repair projects as well as the purchase of equipment.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Efficiency opportunities will be lost, particularly the need to increase cost ceilings to reflect inflation in the costs of goods and services.

AMENDMENTS

None identified.