

LFC Requester:

Joseph Simon

AGENCY BILL ANALYSIS - 2025 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: 1/31/2025 *Check all that apply:*
Bill Number: SB 206 Original X Correction
 Amendment Substitute

Sponsor: Representative Michael Padilla; Representative Patricia A. Lundstrom; Representative Joy Garratt
Agency Name and Code Number: ECECD
Person Writing Analysis: Elizabeth Groginsky
Short Title: Procurement Changes **Phone:** 505-231-2997 **Email:** Elizabeth.Groginsky@eccd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI		

(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						
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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

SB206 amends procurement laws by amending the definition of “local public works project,” and “state public works project,” to increase the minimum cost of professional services from \$50,000 to \$100,000. SB206 adds definitions for "public-private partnership agreement,” and “best obtainable price” within the Procurement Code.

State agencies and local bodies would be required to designate up to two certified chief procurement officers (CPO). SB206 amends requirements for certified CPOs to maintain their certification by adding an option for a CPO to obtain sixteen continuing education units in lieu of passing a recertification examination.

SB206 proposes raising exemption limits of magazine subscriptions, web-based or electronic subscriptions (but not software licenses or maintenance agreements) from \$10,000 to \$100,000, and exempts marketing purchases from the procurement exemption for advertising.

SB206 proposes to add the following exemptions to the procurement code:

- contracts entered into by the early childhood education and care department with licensed child care businesses;
- contracts to acquire and replace capital licenses used to provide enterprise services pursuant to Section 9-27-11 NMSA 1978;
- contracts for the digitization of state or federal records;
- contracts for appraisals or surveys for the sale or purchase of real property; and
- slots for child care assistance for eligible families procured by or through the early childhood education care department.

SB206 also proposes small purchase amounts excluded from central purchasing are increased from \$1,500 to \$10,000. Bidding and publication requirements are modified to change the requirement that invitation for bids shall be published within three days of the opening of the bids (instead of ten days), and changes the requirement that the notice be published in three newspapers of general circulation to two newspapers or by posting the invitation on the state purchasing agent’s website. SB206 allows a bidder to contact the procurement manager or the individual identified for notices to correct or withdraw bids. A definition for “responsible individual” is added.

SB206 proposes increasing the maximum amount for small purchases from \$60,000 to \$100,000.00, and increases the maximum amount for services, construction or items of tangible personal property from \$20,000 to \$60,000. The number of days required to provide notice of intent to award a sole source contract is reduced from 30 to 15 days. The maximum term for professional services contracts is extended to eight years, and sole source contracts shall not exceed four years.

FISCAL IMPLICATIONS

By increasing the minimum amounts for certain local and state public works projects and raising exemption limits for specific purchases, SB206 would allow state agencies and local public bodies to undertake larger projects and make bigger purchases without undergoing standard procurement procedures; this would give agencies more leeway to invest in needed infrastructure, technology, and services.

Extending the maximum term for professional services contracts to eight years means that agencies can enter into longer commitments; longer contracts commit funds for extended periods, but they also lock in favorable rates and offer cost savings over time.

SIGNIFICANT ISSUES

The exemption proposed for contracts for licensed child care businesses and for child care assistance would reduce administrative burdens and barriers for providers in expanding infant and toddler care and aligns child care assistance payment practices with private pay tuition practices. This would support ECECD in meeting a new federal requirement to contract directly with child care providers for infant and toddler care, care for children with disabilities, and care for children in underserved geographic areas.

PERFORMANCE IMPLICATIONS

The changes proposed by SB206 aims to streamline procurement processes and provide greater flexibility for public agencies. The emphasis on public-private partnerships could encourage innovative collaborations and solutions for community projects.

ADMINISTRATIVE IMPLICATIONS

By lessening time-bound requirements in the procurement process, and raising monetary limits for certain procurement exemptions, SB206 would significantly streamline and expedite a state agencies' ability to procure and process contract requests. If enacted, SB206 would significantly reduce the administrative burden of contract procurement.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The procurement exemption contemplated by SB206 for the procurement of child care services for the Early Childhood Education and Care Department is also included in SB58, the Child Care Facility Licensing Act.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS