

LFC Requester:

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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/31/25 *Check all that apply:*  
**Bill Number:** SB 217 Original  Correction   
 Amendment  Substitute

**Sponsor:** Sen, Padilla/Rep. Sarinana **Agency Name and Code Number:** NM DoIT - 361  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<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: Senate Bill 217 (SB 217) would amend the Department of Information Technology Act, Section 9-27-6 NMSA 1978, to remove the requirement for the Secretary of Information Technology (the Secretary) to approve executive agency information technology (IT) procurements and contracts. The bill would amend the requirements for the Secretary to approve executive agency IT projects prior to procurement and promulgate rules for oversight of executive agency IT projects. The amendments would also require the Secretary to verify compliance with the state information architecture and the state information technology strategic plan before approving agency IT projects.

#### **FISCAL IMPLICATIONS**

This bill would not have a negative fiscal impact on DoIT. These changes would allow DoIT to focus available resources on reviewing executive agency IT projects prior to procurement, and helping agencies manage IT projects, without the need to focus on procurement approval.

#### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

SB 217 would increase efficiency in the executive branch by eliminating redundant processes and enabling existing resources to be more effectively utilized to improve project management. The General Services Department (GSD) and the Department of Finance Administration (DFA) have oversight authority for executive branch procurements. Under the current law, there is a third layer of oversight for IT procurements with the DoIT requirements. This includes IT procurements that require a request for proposal (RFP), sole source determination, statewide price agreement, or other process subject to the Procurement Code. DoIT is also required to approve IT contracts for executive agencies. These IT procurement oversight responsibilities take a significant amount of time and administrative resources for DoIT's Enterprise Project Management Office (EPMO), which greatly limits the amount of time that EPMO can spend on management of agency IT projects.

In FY 24, DoIT approved 248 procurements, totaling \$352.9 million. This included 211 contracts, 27 amendments, and 10 RFPs.

Of the **248** FY 24 procurements:

- **31** or 12.5% were greater than \$1 million, totaling \$307.1 million, including 26 contracts (\$225.2 million) and 5 amendments (\$81.9 million).
- **217** procurements or 87.5% were less than \$1 million, totaling \$45.8 million, including 195 contracts (\$44.6 million), 22 amendments (\$1.2 million), 10 RFP (\$0), and zero RFI.

In FY23, DoIT approved 204 procurements, totaling \$473.5 million. This included 156 contracts, 22 amendments, 5 RFPs, and 1 request for information (RFI).

Of the 184 FY 23 procurements:

- **32** or 17.3% were greater than \$1 million, totaling \$440.0 million, including 30 contracts (\$430.0 million) and 2 amendments (\$10.0 million).
- **152** procurements or 82.6% were less than \$1 million, totaling \$33.5 million, including 126 contracts (\$31.4 million), 20 amendments (\$2.1 million), 5 RFP (\$0), and 1 RFI (\$0).

In FY22 DoIT approved 225 procurements, totaling \$314.2 million. This includes 146 contracts, 69 amendments, and 10 RFPs.

Of the 225 FY 22 procurements:

- **39** or 17.3% were greater than \$1 million, totaling \$262.9 million, including 30 contracts (\$215.2 million), and 9 amendments (\$47.7 million).
- **186** procurements or 82.7% were less than \$1 million, totaling \$51.3 million, including 116 contracts (\$48.0 million), 60 amendments (\$3.3 million), and 10 RFP (\$0).

Removing the requirement for the DoIT Secretary to approve IT contracts and procurements, will enable the EPMO to focus time on IT project planning and approval before IT projects go to procurement. This will enable IT projects to be better planned and budgeted by the time the procurements go to GSD and DFA for procurement approvals. It will also allow EPMO to better track IT project progress and help to address project issues in a more thorough and timely manner.

## **ADMINISTRATIVE IMPLICATIONS**

DoIT will engage with agencies during development of the contract Statement of Work (SOW) in advance of agency submittal to the State Purchasing Division (SPD). Once the collaborative development of the SOW is complete, EPMO will notify the Agency that the contract SOW is approved, and the contract can be released for final review and processing by SPD.

DoIT will be using SharePoint site for agencies to use as a workspace for contract SOW development. While most agencies have access to the centralized SharePoint site, there are a limited number of agencies that do not have access. For these agencies, an alternate for transmittal of contract SOW for EPMO review will be identified.

SPD intends to consolidate and reduce the total number of available contract templates. The contract template used for the IT Professional Services Statewide Price Agreement is unique and specific to that agreement. Special attention must be given to not removing or modifying the template used for this price agreement.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Failure to enact this bill will result in continuing current state processes. With the need for additional agency project management support and oversight, additional staffing resources will be required for EPMO to provide both support reviews of RFPs, RFI's, and contracts while providing optimum levels of project management oversight and support.

### **AMENDMENTS**