Davidson

## AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

<u>AgencyAnalysis.nmlegis.gov</u> and email to <u>billanalysis@dfa.nm.gov</u> (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:	February 17, 2025	Check all that apply:		
<b>Bill Number:</b>	SB408	Original X	Correction	
		Amendment _	Substitute	

	David M. Gallegos, Pete Campos, Roberto "Bobby" J.	Agency Name and Code	
Sponsor:	Gonzales	Number:	General Services Department - 350
Short	State Architectural and	<b>Person Writing</b>	Dorothy Mendonca
Title:	Engineering Contracts	Phone: 505-819-705	5 Email Dorothy.mendonca@gsd.nm.gov

#### SECTION II: FISCAL IMPACT

#### **APPROPRIATION** (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY25	FY26	or Nonrecurring		
NA	NA	NA	NA	

(Parenthesis () indicate expenditure decreases)

#### **REVENUE** (dollars in thousands)

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

(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	NA	NA	NA	NA	NA	NA

(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 408 amends the Procurement Code. The bill increases the amount state agencies and local public bodies can pay for architectural or engineering services by increasing the amount from \$650,000 to \$2 million dollars. It also provides a not to exceed amount for multiple construction contracts increasing it from \$12.5 million dollars to \$30 million dollars in a ten-year period. A single purchase order may not exceed \$7 million dollars (currently \$4 million dollars). Procurements for all contracts for one firm shall not exceed \$15 million dollars (currently \$7 million) in any four-year period for architectural and engineering services or \$30 million (currently \$12.5 million) in a ten-year period (currently three years).

### FISCAL IMPLICATIONS

Contracts awarded under indefinite delivery indefinite quantity (IDIQ) agreements enable agencies to procure services more efficiently. The threshold increases under this legislation provides agencies with enhanced terms and greater flexibility by updating the procurement code to reflect current market conditions and rising costs.

#### **SIGNIFICANT ISSUES**

# PERFORMANCE IMPLICATIONS n/a

ADMINISTRATIVE IMPLICATIONS n/a

# CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP Unknown

TECHNICAL ISSUES n/a

**OTHER SUBSTANTIVE ISSUES** 

#### ALTERNATIVES

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

Agencies will remain subject to the existing procurement thresholds and limits, which restrict contracts to amounts below current procurement code thresholds. This constraint may hinder projects and work from alignment with current market prices.

## AMENDMENTS