

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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

**[AgencyAnalysis.nmlegis.gov](http://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 206 Original X  Correction   
 Amendment  Substitute

**Sponsor:** M Padilla **Agency Name and Code** Department of Culture Affairs-505  
**Short Title:** Procurement Changes **Number:** \_\_\_\_\_  
**Person Writing** Greg Geisler  
**Phone:** 505-827-1222 **Email** Greg.geisler@dca.nm.gov

**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
<b>Total</b>						

(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:

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.