

LFC Requester:

Joseph Simon

**NMDOT BILL ANALYSIS
2025 REGULAR SESSION**

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Date Prepared: February 20, 2025

Original Amendment

Bill No. SB 408

Correction Substitute

Sponsor: David M. Gallegos, Pete Campos
and Roberto "Bobby" J. Gonzales

Agency/ Code: NMDOT - 805 - OGC

Short Title State Architectural and
Engineering Contracts

Person Writing Analysis: Greg Cole, Asst. General Counsel

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Not applicable.

REVENUE (dollars in thousands)

Not applicable.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Impact Report	-	-	-	-	-

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 408 (SB 408) amends NMSA 1978, Section 13-1-154.1 to raise the cap for multiple source contracts for architectural and engineering services, as awarded under a single request for proposals (RFP), including renewals, from \$650,000 to \$2 million. SB 408 also raises the cap for "all" multiple source indefinite quantity contracts for construction services, as awarded under a single RFP, from \$12.5 million to \$30 million for a "period of no more than ten years," and raises the cap for any one purchase order from \$4 million to \$7 million. Last, SB 408 raises the cap for

the total value of contract work that may be awarded to any particular vendor pursuant to the multiple source contracts, from \$7.5 million to \$15 million for architectural and engineering services, and from \$12.5 million to \$30 million for construction.

SB 408 does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

SB 408 may have direct fiscal implications to NMDOT, but quantification at this time would be speculative.

SIGNIFICANT ISSUES

SB 408 could define more clearly what “all contracts” under 13-1-154.1(A) represents. This could be read to be “all contracts” for a state agency or local public body, or “all contracts” under a single RFP. If the prior, this would be more restrictive than what is currently allowed under law. NMDOT suggests amending subsection (B) so that the existing language of “a contract” be left intact as opposed to being changed to “all contracts”.

In general, the term limit for contracts is four years. However, for professional services relating to the design and engineering of a state public works project, this time frame may be extended as necessary and subject to DFA Secretary approval. *See* NMSA 1978, Section 13-1-150. The ten-year term limit for multiple source engineering and architectural services in Section 13-1-154.1(A) corresponds with Section 13-1-150.

PERFORMANCE IMPLICATIONS

Implementation of SB 408 allows for more work to be performed under each multiple source award contract and can decrease the number of RFP solicitations needed to support NMDOT engineering and design programs. NMDOT uses RFP-derived, multiple source contracts to quickly address multi-discipline engineering needs for highway construction and maintenance, support of internal design forces and to address emergency needs. Increasing the per-contract cap applicable to engineering services allows for more work to be performed under its contracts and will help NMDOT expedite larger projects. Because of this, NMDOT anticipates a potential reduction in the number of solicitations for multiple source contracts for engineering and architectural services.

SB 408 also raises the caps on certain multiple source, indefinite quantity construction service contracts, which are procured through a single RFP. Implementing SB 408 for these construction services contracts is unlikely to impact NMDOT programs because NMDOT currently does not use multiple source indefinite quantity construction services contracts let through the RFP process. Rather, to procure multiple source award construction contracts, the NMDOT relies on the invitation to bid (ITB) process, which is not subject to Section 13-1-154.1(B) cap.

ADMINISTRATIVE IMPLICATIONS

Implementation of SB 408 will require minimal changes to NMDOT contract administration and reporting process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 408 is a duplicate of House Bill 456, Architect & Engineering Svcs. & Construction.

TECHNICAL ISSUES

See Significant Issues above.

Also, SB 408 does not specifically exclude GRT from being included in the “not to exceed” valuation for contracts.

OTHER SUBSTANTIVE ISSUES

None at this time.

ALTERNATIVES

None at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT will continue to follow the existing Procurement Code provisions for its purchases.

AMENDMENTS

NMDOT suggests an amendment to Section 1(B) that would reflect the existing statutory language of **a contract**, as opposed to **all contracts**, and thereby negate any risk of interpretation regarding how “all contracts” is or is not limited, that in turn might contradict legislative intent:

B. A state agency or local public body may procure multiple indefinite quantity construction contracts pursuant to a price agreement for multiple projects under a single request for proposals; provided that the total amount of **a contract** and all renewals does not exceed [~~twelve million five hundred thousand dollars (\$12,500,000) over three~~] thirty million dollars (\$30,000,000) in a period of no more than ten years and the contract provides that any one purchase order under the contract may not exceed [~~four million dollars (\$4,000,000)] seven million dollars (\$7,000,000).~~