Purchasing and Materials Management

Special Edition - Procurement Changes

During the 2013 Legislative Session, four (4) legislative bills that affect procurement were passed and signed by Governor Susana Martinez. The Senate Bills (SB) are SB182, SB266, SB340 and SB443. This special edition newsletter is to provide the NMSU Community information regarding the procurement changes that we are required to comply with. Additional detailed information will be updated in the Business Procedures Manual, chapter 4. For federal purchases, contact Purchasing regarding these new requirements.

SB 182- Formal Bid Limit Increases
SB 182 establishes that Formal Bid/RFP procurement is when only one source (vendor) possesses the unique ability or capability of supplying a good or service. A department is required to fill out a sole source justification form that documents and explains why this is the only source for the requirement. SB 182 requires that sole source procurements be posted on the NMSU website for 30 days prior to award. This allows vendors to view and possibly challenge the sole source recommendation. If a department is pursuing sole source procurement, the Buyer will need a sole source justification form, specifications/scope of work of goods or services, proposed vendor and amount of purchase. If the 30 day waiting period elapses without a challenge, your sole source purchase can be made. If your sole source is challenged, Purchasing will follow protest guidelines and your purchase may require a formal bid/RFP.

Departments will need to plan well in advance of a sole source purchase. Your sole source justification forms will be subject to public scrutiny and will require more documentation to justify why it is required and why other substitutes are not acceptable.

Sole Source Notification

Sole Source Procurement is utilized when only one source (vendor) possesses the unique ability or capability of supplying a good or service. A department is required to fill out a sole source justification form that documents and explains why this is the only source for the requirement. SB 182 requires that sole source procurements be posted on the NMSU website for 30 days prior to award. This allows vendors to view and possibly challenge the sole source recommendation. If a department is pursuing sole source procurement, the Buyer will need a sole source justification form, specifications/scope of work of goods or services, proposed vendor and amount of purchase. If the 30 day waiting period elapses without a challenge, your sole source purchase can be made. If your sole source is challenged, Purchasing will follow protest guidelines and your purchase may require a formal bid/RFP.

Departments will need to plan well in advance of a sole source purchase. Your sole source justification forms will be subject to public scrutiny and will require more documentation to justify why it is required and why other substitutes are not acceptable.

Fourth Degree Felony

Senate Bill 182 makes a willful violation of procurement code a fourth degree felony for purchases over $50,000, and a misdemeanor offense for purchases less than $50,000. This part of SB 182 will have no impact on Departments, provided a purchase order is in place before receiving goods or services or notification of emergency is given to Purchasing. By obtaining the Purchase Order prior to purchase, the Buyers will ensure compliance with Procurement Code.

Emergency Purchase

SB 182 established that Emergency Procurements must be posted within 3 business days after award. Purchasing is establishing a form and it will be posted on the NMSU website for the required time frame. Departments must contact Purchasing prior to directing a vendor to provide goods or services for an emergency.

Architectural & Engineering On Call Services

SB 266 increased the maximum amount for an Architectural & Engineering On Call Contract. Previously the total amount allowed for contract and all renewals was $200,000, SB 266 increased this amount to $2,000,000 for contract and all renewals within a 4 year period.

Design and Build Projects

Design and Build Construction projects involve two primary parties, the government/owner and the contractor. The contractor is a single party responsible for design services, construction and all associated risks. SB 340 eliminated the $10,000,000 minimum threshold to utilize design build construction procurement.