



Office of the Governor

MICHELLE LUJAN GRISHAM

Expanding Buy New Mexico: Keeping state dollars local

The state of New Mexico and local public bodies spend billions of dollars every year to buy goods and services - everything from office supplies and remodeling to car maintenance and legal needs. Why not keep those dollars right here in New Mexico? As part of the Lujan Grisham administration's broader Buy New Mexico initiative, the governor is proposing to increase the advantage received by New Mexico businesses that bid for state contracts.

The governor also proposes to change the law to make Native American-owned businesses operating on tribal land in New Mexico eligible to receive in-state preference, which is not allowed under current law, helping these businesses thrive and create jobs.

Increasing the bidding advantage for New Mexico-based businesses seeking state and local contracts



WHY NOW?

Under current law, certified New Mexico businesses receive only a 5% bidding advantage when seeking state and local contracts for goods and services.

Businesses were hit hard by the COVID-19 pandemic, but they are bouncing back and we are doing everything we can to maintain that momentum, including by keeping more state and local government contracting dollars in New Mexico.

And we are determined not to leave anyone behind. Under current law, businesses operating on Native American land in New Mexico cannot qualify as certified New Mexico resident businesses. And like other minority-owned businesses, Native American-owned businesses have historically been under-represented in public sector contracting. These factors put Native American-owned businesses at a disadvantage for obtaining capital, increasing revenue and pay and expanding and creating jobs.

HOW IT WORKS

This legislation will **increase the bidding advantage from 5% to 8% for New Mexico-based businesses seeking state and local contracts for goods and services.** The legislation also would change state law to **allow Native American-owned and tribal-owned businesses operating on Native American land to qualify as certified New Mexico resident businesses.**

In addition, the governor's proposal will also **further support state procurement preference for New Mexico veteran-owned businesses**, removing a current sunset on 10% resident-veteran preference and removing the \$3 million revenue cap per veteran business.

These efforts are part of a broader state initiative that includes outreach to business groups, tribal governments, and others to increase the number of certified New Mexico resident businesses registered to receive invitations to bid and requests for proposals from the State Purchasing Division.

BUILDING ON OUR SUCCESS

In 2020, the State Purchasing Division began identifying certified New Mexico resident businesses in its online listing of businesses with statewide price agreements. This, coupled with increased outreach efforts, resulted in 434 certified New Mexico resident businesses getting registered with the state in FY21 – a 9% increase over FY19. Around 30% of state price agreements are with New Mexico certified businesses, and we want to keep increasing that number.



**Keeping
New Mexico
dollars in
New Mexico**