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Doing Business With State Benefits Government, Private Contractors

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To serve the people of New Mexico, state government relies on goods and services provided by private-sector businesses. To ensure it spends taxpayer dollars responsibly and gets the best products at the best price, the state uses a competitive purchasing system.

Thousands of businesses each year participate in this \$5 billion economy, selling the state everything from cars, trucks, pencils and supercomputers to support services for crime victims, architectural services and museum exhibits.

These businesses all start by learning how to navigate the procurement system — a set of procedures designed to protect public resources. The process isn't complicated, but it can take time.



Creating Efficiency

Governor Martinez created the Procurement Reform Task Force in early 2011. Led by the General Services Department, it has produced dramatic system improvements.

All chief purchasing officers from state agencies and local governments are now required to register with the State Purchasing Agent. And starting in January, 2015, chief purchasing officers must pass a certification exam to make purchases for their agencies.

The Task Force also increased the threshold for small purchases from \$20,000 to \$60,000. With this new ceiling, small businesses use a simplified purchase order for goods and services instead of a more complicated and lengthy contract.

The Process

The process begins with a product or service that a business can offer to one or more of the agencies, commissions, schools, colleges or other entities that fall under the state government's umbrella. Each of these entities has specific purchasing authorities and practices the business must follow.

The General Services Department's State Purchasing Division does most of the buying for the state, but many agencies can procure goods and services independently. These "exempt" agencies afford additional opportunities for businesses that offer professional services, products

valued at less than \$1,500 or specialized services, such as highway construction management.

The judicial and legislative branches do their own procurement, as do the boards of regents of state educational institutions, the Information Systems Council, the State Fair Commission, state-funded health-care institutions and all local public entities.

Get on the List

A vendor who wants to compete for the state's business should register online with the State Purchasing Division, adding their name to the registered vendor's list — the list of businesses the state approaches for procurement opportunities depending on the commodities or services the company offers and for which the company has indicated an interest when they register.

Registered businesses will automatically receive notice of invitations for bid and requests for proposals as the State Purchasing Division receives them from state agencies. Contracts can cover a term — usually one year with the opportunity of extension for a total of four years — or they can involve the one-time purchase of a product worth more than \$1,500.

Getting on the Vendor Registration list doesn't entitle the business to a contract: It's the vendor's responsibility to sell to the state as it would to any other customer. The vendor awarded a contract is the one that submits the lowest-priced competitive bid that meets the bid's specifications, terms and conditions or the most advantageous proposal that meets all the criteria outlined in a Request For Proposals. Successful vendors understand and work within the system, know their product and where to market it and work hard to sell it.

Learning how to bid or submit a proposal takes persistence and patience, and State Purchasing Division employees are happy to help entrepreneurs learn the ropes. They can't help prepare a bid or proposal, but they can, for example, explain the difference between an informal quote and a formal, sealed bid.

The vendor's application for registration, with instructions, can be downloaded from the State Purchasing Division website at www.generalservices.state.nm.us/spd. Interested businesses can also download a brochure from that site with detailed information about how to conduct business with the state.

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