



GAO

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Transparency Report State and Local Food Contracting

Small Change Can Make a Big Difference in Local Food Purchasing

Drawing on data that the Office of the State Auditor (OSA) collected in Fiscal Year 2015 (FY15) and Fiscal Year 2016 (FY16) audits, this Transparency Report examines government procurement in the food and food service industries. The food industry has a low proportion of reported in-state contracting compared to other industries. More specifically, state and local governments reported food contracts of over \$60,000 (“large food contracts”) in FY15 and FY16 totaling over \$132 million, most of which were with school districts and correctional facilities. Not surprisingly, 76% of those contracts (over \$100 million) were awarded to intermediary food companies, which aggregate food products and distribute them to users. The degree to which intermediaries have a local presence and sell products from local vendors varies, but none of the companies categorized as intermediaries are headquartered in New Mexico. Only 12% of large food contracts go directly to New Mexico vendors.

The food sector poses unique challenges. Many local providers of food and food services require time and resources to scale up to meet the demands of government contracts. Government agencies also face challenges that require a long-term, incremental approach to “going local.” This Transparency Report includes the following highlights and ideas to help agencies and local food providers scale up together:

- Small increases in local food contracting can make a big impact. Shifting just one-half of one percent of school district food contracting to local vendors would have a greater fiscal impact in the State than increasing our bean production by 50%, doubling our peanut production, or quadrupling our honey production.
- Competitive processes, like requests for proposals, led to 90% of all large food contracts. The food sector did not exhibit over-reliance on procurement code exceptions and loopholes, providing a strong foundation for increasing local purchases.
- Challenges that make it difficult for local food vendors to compete for government contracts include the quantities of consistent product required throughout the year, the lack of processing and packaging facilities in New Mexico, and a need for more centralized aggregation and distribution facilities.
- Creative pilot programs, like the New Mexico Corrections Industries Division hoop house program and local buying programs at Albuquerque Public Schools and Santa Fe Public Schools, demonstrate that if sustained long enough, government investment in the local food economy can be mutually beneficial.
- Best practices include: setting a goal, such as bringing 100% of governmental baked goods or coffee service purchases back to New Mexico; making the RFP process more accessible for smaller food producers; investing in projects to help aggregate products from small food businesses; developing local processing and distribution channels; investing in government agency food facilities like warehouses and kitchens; and making creative connections between these projects and available grants and funding, including the Local Economic Development Act.

New Mexico Procurement Code in a nutshell

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Local governments and state agencies enter into contracts to purchase a wide variety of goods and services each year and must ensure that each dollar is awarded fairly and transparently in accordance with the New Mexico Procurement Code. The Procurement Code (New Mexico Statutes Annotated Sections 13-1-28 et seq., and related regulations) governs government purchases of goods and services made in New Mexico. The [“New Mexico Procurement Overview”](#) on the OSA website explains these requirements in more depth.

“Financial reporting plays a major role in fulfilling government’s duty to be publicly accountable in a democratic society.”
– Governmental Accounting Standards Board, Concept Statement No. 1.

Analysis

State and local government agencies play a vital role in building our state's economy. When governments contract with New Mexico businesses, money flows directly into the local economy, helping to build tax revenue, creating jobs, and further strengthening the New Mexico economy. When those dollars leave New Mexico, the local economy may receive fewer or none of those benefits. In addition, intangible benefits may arise from a vendor being personally invested in the community it is serving. The graphic below illustrates the benefits of the local food economy.

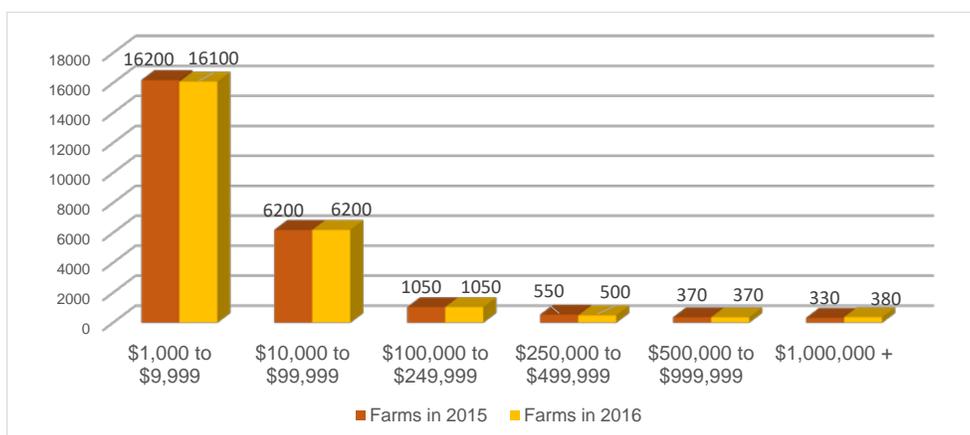


“Procurement” is the term that state and local government agencies use to describe the process of spending public money to purchase goods and services. The [“New Mexico Procurement Overview”](#) appears on the OSA website, and discusses the laws and regulations that apply to procurement.

In order to better understand procurement patterns, the OSA required all audited agencies to report all contracts over \$60,000 entered into during Fiscal Years 2015 and 2016, regardless of how they were procured. The initial compiled data covers over \$5 billion in awarded contracts. More details on methodology appear later in this Report.

To understand the food procurement data, it is also necessary to understand that small farms predominate in the New Mexico agricultural economy. The following chart from the United States Department of Agriculture illustrates that there were nearly twice as many farms in the under \$10,000 sales class as in all other classes combined. In addition, the under \$10,000 sales class also shrank, with 100 fewer reported farms in 2016 than in 2015. This speaks to the volatility and difficulty of maintaining agricultural production at this scale.

Number of Farms by Economic Sales Class in New Mexico, 2015-2016 (USDA)



Overview of Large Food Contracts

State and local governments reported large food contracts in FY15 and FY16 totaling over \$132 million. Not surprisingly, 76% of those contracts (over \$100 million in the aggregate) were awarded to intermediary food companies, which aggregate food and food products for distribution to users. At an agency level, school districts were the leaders in statewide food spending, accounting for 66% (over \$87 million) of all food contracts reported. This results from the fact that public schools serve over 45 million meals per year. Of the top 10 agencies, Cooperative Educational Services (CES) had the highest proportion of in-state spending. CES's in-state contracts were for the purchase of culinary equipment and food safety training.

Top Ten Agencies Based on Large Food Contract Dollars, Fiscal Years 2015 and 2016

Agency	Intermediary Vendor	Out-of-State Vendor	In-State Vendor	Total
Albuquerque Public Schools	\$16,083,693	\$10,669,458	\$6,917,325	\$33,670,477
	48%	32%	21%	
Gallup-McKinley County Public Schools	\$13,409,307	\$71,929	\$224,491	\$13,705,727
	98%	1%	2%	
Cooperative Educational Service	\$8,382,682	\$348,094	\$3,963,348	\$12,694,124
	66%	3%	31%	
Bernalillo County	\$9,376,613	\$ -	\$ -	\$9,376,613
	100%	0%	0%	
New Mexico Corrections Department	\$6,605,560	\$ -	\$1,034,984	\$7,640,544
	86%	0%	14%	
Las Cruces Public Schools	\$5,314,366	\$1,326,698	\$198,150	\$6,839,213
	78%	19%	3%	
Rio Rancho Public Schools	\$5,560,135	\$ -	\$ -	\$5,560,135
	100%	0%	0%	
Gadsden Independent Schools	\$3,178,753	\$1,411,823	\$ -	\$4,590,576
	69%	31%	0%	
Santa Fe County	\$4,000,000	\$ -	\$ -	\$4,000,000
	100%	0%	0%	
Roswell Independent Schools	\$2,750,000	\$425,000	\$ -	\$3,175,000
	87%	13%	0%	



Food Contract Categories

Full-service food contracts with large intermediaries represent by far the largest category of food contracts, with 68% of large food contract dollars (\$100,313,190). The OSA defined “full-service contracts” as contracts that span multiple categories of food contracts. The top five vendors overall, all of which are in the category of full-service food contracts, are:

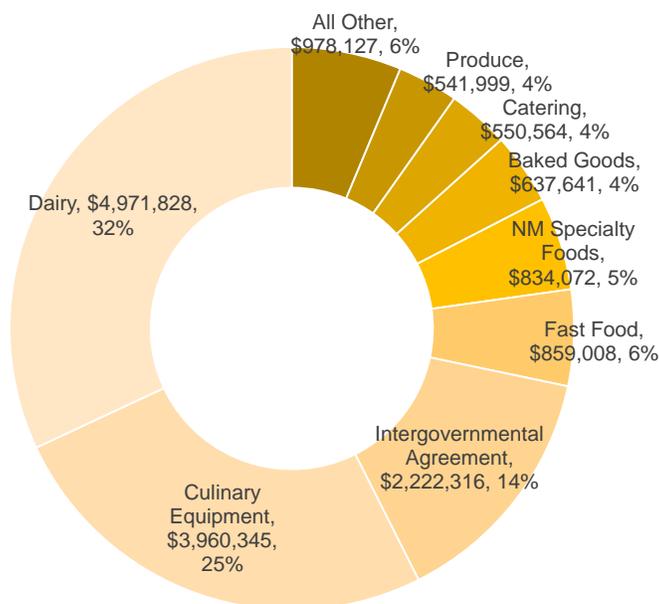
- Southwest Foodservice Excellence, LLC: \$13,948,222, 16% of intermediary contracts, mostly schools, no known New Mexico employees.
- Sysco Food Services: \$13,520,360, 15% of intermediary contracts, mostly schools, counties and hospitals, 250-499 employees.
- Summit Food Service, LLC: \$12,991,586, 14% of intermediary contracts, mostly schools and correctional facilities, five to nine New Mexico employees.
- Aramark Corporation: \$11,148,732, 12% of intermediary contracts, mostly schools and counties including correctional facilities, six to 13 New Mexico employees.
- Labatt's Food Service: \$9,575,380, 11% of intermediary contracts, mostly schools, municipalities and correctional facilities, 100 or more New Mexico employees.

While none of the intermediary companies in the top five are headquartered in New Mexico, they have varying degrees of presence in New Mexico. Full-service contracts may include the purchase of food from local suppliers, and the employment of local food preparers, handlers and delivery people. Intermediaries also have varying degrees of connection to the local economy. For example, Labatt's Food Service expanded its New Mexico presence through the acquisition of the then-locally owned Zanius Foods. As a result, the company has a large New Mexico presence and has developed innovative efforts like the “whole cow” program that helps Native American farmers increase their capacity for growing and improving the quality of cattle herds.

Five categories of food service contracts had no reported in-state vendors: prepared and frozen foods; general cafeteria supply (a mix of prepared and frozen foods, meat, dairy and produce); meat; supplies and paper products; and packaging. More detail about these gaps in the food supply chain appear below.

The categories in which New Mexico vendors are winning contracts may serve as a foundation for further growth. The chart below illustrates that dairy contracts represent the largest share of in-state contracts, followed by culinary equipment.

Food Contract Types with In-State Vendors



Intergovernmental agreements, the third largest category (14% of in-state contracts), represent some of the areas of innovation in food sector procurement. The New Mexico Corrections Industries Division was the largest vendor in this category with over \$1 million in intergovernmental agreements. (More details below.)

Types of Procurement Resulting in Out-of-State Contracts

In contrast to other sectors, such as information technology, reported large food contracts were predominantly awarded through a competitive process. Only three procurement types resulted in significant contract awards: competitive, statewide pricing agreement and exempt procurements. The remaining procurement methods represented less than 1% of overall food contracts: sole source (\$526,159, 84% out-of-state); cooperative (\$247,599, all out-of-state); requests for quotes (\$78,399, all to intermediaries); and piggyback contracts (\$64,300, all to intermediaries).

Large Food Contracts Awarded in Fiscal Years 2015 and 2016, by Type of Procurement

Type of Procurement	All Awarded Large Food Contracts	Winning Bidders for this Procurement Type	
		In-state	Out-of-state
Competitive: Contracts that went through a full competitive procurement through an invitation to bid or request for proposals.	\$118,971,296 90%	In-state	14%
		Out-of-state	11%
		Intermediary	75%
Statewide Pricing Agreement: Contracts that result from the General Services Department's State Purchasing Division's competitive procurements on behalf of the State.	\$7,320,031 <6%	In-state	0%
		Out-of-state	0%
		Intermediary	100%
Exempt: Contracts that were not subject to the Procurement Code because of the nature of the transaction or the agency.	\$5,397,686 <4%	In-state	0%
		Out-of-state	32%
		Intermediary	68%

Learn More

[The Power of Public Procurement](#), by Farm to Table.

[The 25% Shift: The Economic Benefits of Food Localization for Washtenaw County and Ypsilanti and the Capital Required to Realize Them](#), by Michael Schuman.

For more information on studies and programs involving local purchasing, visit the following websites:

[Business Alliance for Local Living Economies, BALLE](#)

[Institute for Local Self-Reliance](#)

[The Democracy Collaborative](#)

To learn more about procurement, read the [Legislative Finance Committee's 2016 Report](#).

[New Mexico Agricultural Statistics](#), 2015, United States Department of Agriculture.

To learn more about resources for starting or expanding a business, visit the [New Mexico Economic Development Department Business Resource Center](#).

Structural Barriers to Local Food Procurement

To understand why so few large government food contracts go to in-state vendors, it is necessary to understand the structure of the food distribution system and the barriers at each stage.

Production



Scale and Capacity: Large farms cannot afford to ship relatively small quantities to government agencies, while small farms struggle to consistently supply adequate quantities for government contracts throughout the year. This may explain why produce represents only 4% of in-state contracts.

Licensing: Many New Mexico growers do not have the USDA certifications necessary to supply food to schools and other agencies.

Awareness: Many New Mexico growers are not aware of opportunities to bid for government contracts.

Processing



Scale and Capacity: New Mexico is home to very few businesses that freeze, package and process locally grown food on the smaller scale necessary to serve New Mexico farmers. As noted above, in-state businesses did not win any large government contracts for prepared and frozen foods, except to the extent that some prepared foods fell within the New Mexico specialty foods category (for example, frozen, chopped green chile).

Connectivity: New Mexico needs more value chain coordinators who connect smaller farmers to each other and to processing facilities, and more investment in those coordinators.

Distribution



Scale and Capacity: Because government budgets are shrinking, fully coordinated distribution becomes imperative, and only large intermediaries headquartered out-of-state meet those needs.

Price Pressure: Intermediary companies prioritize or exclusively consider price when seeking suppliers and are rarely incentivized to work with New Mexico growers. This makes it less worthwhile for New Mexico growers, who may be able to fetch higher prices from retail or farmers' markets and cannot generate the volume of sales to necessary to make up the price differential.

Procurement



Lack of Facilities and Staff: Many agencies that buy food do not have full kitchens or trained kitchen staff and so must rely on pre-packaged and processed foods.

Price Pressure: Shrinking budgets make it difficult for agencies to prioritize anything other than price when making food buying decisions. Price-only or price-predominant bidding opportunities give local food providers a very limited chance to compete.

Awareness: Many agencies do not track their in-state spending and do not realize how much money they are spending out-of-state.

Sustained Effort: Funding for some pilot programs is not sustained long enough to achieve lasting impacts. For example, many school districts cited a beneficial program through the Human Services Department Food and Nutrition Services Bureau, which has unfortunately been discontinued. That program used to deliver local produce to school cafeterias.

Best Practices and Innovations

Facilities run by the New Mexico Corrections Department historically contracted with a full-service vendor that provided food and management. In an arrangement that is common in correctional facilities nationwide, the Corrections Department historically provided the equipment and paid inmates to work in those kitchens, which essentially increased the profit margin for the food service vendor with the State bearing the cost. Furthermore, food plays a particularly critical role in correctional facilities; grievances about foods are commonly cited in riots and other prison disturbances. In addition, health problems resulting from food safety issues result in medical costs that are also borne by the government. Contracts with the large food service vendors were not improving the situation. There were also concerns that it would be difficult to address food safety issues like recalls when working with large food service vendors who aggregate food from various suppliers under a custom brand label.

An innovator in the Corrections Industries Division (CID), which is an enterprise fund of the Corrections Department, proposed a series of changes to address these concerns. CID began to work with an intermediary that allowed CID to meet directly with food suppliers. This enabled CID to take advantage of various discounts and buying opportunities through direct negotiation with the suppliers. CID was also able to direct local sourcing for items like chile from Bueno Foods.

With the support of Corrections Department leadership, CID also launched a pilot program, working with New Mexico State University, to build hoop houses for growing vegetables at the correctional facility in Santa Fe. Inmates were involved in the building and planting. The project yields hundreds of pounds of vegetables per harvest, including kale, spinach, cucumbers, tomatoes and zucchini. Inmates get fresh salads during harvest season, which addresses historical grievances about the lack of vegetables. CID has now partnered with a school to build a hoop house for the school's cafeteria, allowing inmates to give back to the community. The

Cleveland's Year of Local Foods

The City of Cleveland, Ohio, designated 2012 the Year of Local Foods. The City launched local and sustainable purchasing preferences, which provide a 2-4% bid preference to companies that source locally or were certified as sustainable businesses. They combined this program with other initiatives to encourage urban farming, including a land bank program, and an urban gardening zoning district.

initiative also connects to the Roots of Success program, a four-week environmental literacy program that engages its inmate participants to think about their role in the community and prepares students for green jobs. CID is in the process of expanding the program to the correctional facility in Springer, New Mexico. In addition, CID's contracted food intermediary is on call to make up any gaps in the hoop house harvest.

Considerable innovation is also happening in the schools. For example, Santa Fe Public Schools has invested in warehouses and large, well-equipped kitchens with equipment and tools, so the need to purchase processed foods is less acute. This is possible because of the support from the community through bond elections that allowed the district to access capital outlay funding. They also structure their local food contracts in such a way that other school districts can "piggyback" and purchase those same goods without going through a new procurement process. Albuquerque Public Schools issues two food commodity requests for proposal: one targeted to local suppliers and one targeted towards larger intermediaries and food suppliers. APS officials also spoke passionately about the need for students to understand where their food comes from, and the critical role that locally sourced food can play in that process. Bernalillo Schools constructed a warehouse that centralizes the district's food distribution and mitigates food safety concerns.

State agencies are also working to expand local food purchases and the capacity of local food suppliers. The New Mexico Department of Agriculture has been working with smaller farm operators to develop relationships with processors and packagers that would not ordinarily be accessible to them. Cooperative Educational Services also works with school districts to facilitate local purchasing.

Conclusions and Recommendations

The theme that emerged repeatedly as OSA examined food contract data is that small changes to in-state spending can make a big difference, while helping agencies and local food vendors to scale up together. The OSA has assembled the following conclusions and best practices from vendor schedule data, literature reviews and interviews:

- Set a goal, such as bringing 100% of governmental baked goods or coffee service purchases back to New Mexico, and direct concerted effort towards implementing and monitoring progress toward the goal.
- Offer training and technical support to small local food businesses regarding the procurement process and how to find bidding opportunities, including Spanish translations of RFPs.
- Increase resources to assist smaller food producers in obtaining USDA produce certifications.
- Invest in websites and applications that enable small food vendors to scale up more efficiently, including linking growers to coordinate crops and connecting local food manufacturers with local growers.
- Connect local growers with distributors and processors in neighboring states until the volumes exist to develop a local processing industry.
- Fund value chain coordinators who help farmers scale up to the quantity and consistency of production needed to fulfill government contracts and connect farmers with processing and distribution channels.
- Invest in “food hubs,” which are facilities that manage the aggregation, storage, distribution or marketing of locally produced food, using a combination of private funding and capital outlay.
- Offer additional points in competitive bidding scoring process for local vendors or vendors who can provide locally sourced goods. In addition, when seeking full-service or large intermediary contracts, agencies can include requirements for certain percentages or dollar values of locally sourced food items. Santa Fe Public Schools is already exploring this model.
- Set specific, achievable targets for increasing local food procurement and monitor results, such as a 0.5% annual increase in local food spending each year for five years. Shifting 0.5% of all local school food spending to local vendors would mean an increase of \$4,350,000. By way of comparison, that fiscal impact is greater than the impact of increasing the production of all beans by 50% or doubling all peanut production in the State, or quadrupling all honey production in the State.
- Issue food RFPs early enough that growers can plan and plant for anticipated demand, knowing that the government agency will purchase the food.
- Use small purchase contracts as an effective procurement tool to contract with local food vendors who are trying to scale up their production or work cooperatively with other vendors.
- Increase and sustain funding to programs that encourage the purchase of New Mexico food products, like the Food and Nutrition Services Bureau local produce delivery program to schools, while ensuring that funding requirements allow enough flexibility for factors like seasonal availability.
- Expand the use of pilot programs, which give agencies and vendors a lower-risk opportunity to work together than large contracts for multiple years.

Moving Beyond the Myth of Scarcity

Although we often hear that the State does not have money to spend on initiatives like increasing local food consumption, creative connections may be made between available funds and the needs identified in this report. In addition to capital outlay, possible funding sources for expansion of local food procurement activities include:

- Local Economic Development Act (LEDA) – Administered by the New Mexico Economic Development Department and local governments, LEDA enables government agencies to provide land, buildings or funds to economic development projects. LEDA expressly allows funding for “commercial enterprise[s] for storing, warehousing, distributing or selling products of agriculture.”
- Local Government Planning Fund (LGPF) – Administered by the New Mexico Finance Authority, funds may be available to develop economic development plans that focus on developing the local food economy (FY16 Year-End Fund Balance: \$5,259,656)
- New Markets Tax Credits – Administered by the New Mexico Finance Authority, funds may be available to develop warehouses, commodity processing centers or other privately operated businesses that focus on the distribution and processing segments of the food supply chain.
- Job Training Incentive Program (JTIP) – Although not available for agricultural or retail businesses, JTIP funds administered by the New Mexico Economic Development Department may be available to train employees or reimburse businesses for training time for jobs associated with developing technology to increase connectivity across the food supply chain. (FY16 Year-End Fund Balance: \$15,125,537)
- Tribal Infrastructure Fund – Administered by the Department of Finance and Administration, this fund makes money available for planning and implementation of infrastructure on tribal land, which could be directed towards tribally owned agricultural processing or distribution facilities. (FY16 Year-End Fund Balance: \$393,020, stagnant since FY14).
- USDA Food and Nutrition Services grants – The USDA offers a variety of [grant opportunities](#) for projects that include agriculture in the classroom, the Small Socially Disadvantaged Producer Grant, the Small Business Innovation Research Program, and the Federal-State Marketing Improvement Program that have historically provided a significant share of USDA funding for Farm to School efforts.
- The [Department of Defense Fruits and Vegetables Programs](#) (DoD Fresh) allow schools to use their USDA Foods entitlement dollars to buy fresh produce. States can change DoD Fresh allocations on a monthly basis, which allows them to utilize USDA Foods dollars more effectively.
- Senator Kirsten Gillibrand of New York has an [online guide](#) to funding resources for developing food hubs.

Methodology

In addition to evaluating data, the OSA conducted a number of interviews. OSA gratefully acknowledges the participation of the following people in the research and interview process:

- Jacqueline “Jackie” Baca, Chief Executive Officer, Bueno Foods
- Benjamin Bartley, Enterprise Development Manager, La Montanita Co-op
- Anzia Bennett, Founder, Three Sisters Kitchen
- David Chavez, Executive Director, Cooperative Educational Services
- Betsy Cull, Assistant Director, Student Nutrition Services, Santa Fe Public Schools
- Dean Gallegos, Food Services Director, Bernalillo Public Schools

- Micaela Fisher, (formerly) Policy Officer, Thornburg Foundation
- Sandy Kemp, Executive Director, Food & Nutrition Services, Albuquerque Public Schools
- David Lucero, Division Director for Marketing, New Mexico Department of Agriculture
- Anna Martinez, Acting Director, Corrections Industry Division, New Mexico Corrections Department
- Dotty McKinney, Procurement Manager, Cooperative Educational Services
- Josue Olivares, Executive Director, South Valley Economic Development Center
- Lori O'Rourke, Business Services Coordinator, Cooperative Educational Services
- Satjeet Pierson, Albuquerque Branch Manager, Labatt Food Service
- Anthony Potter, Deputy Secretary, New Mexico Department of Agriculture
- Henry Rael, Program Officer, McCune Foundation
- Courtney Rich, Programs Manager, South Valley Economic Development Center
- Pam Roy, Executive Director and Co-Founder, Farm to Table
- Monte Skarsgard, Owner, Skarsgard Farms
- Tanner Vickers, National Accounts Sales Representative, Labatt Food Service

Through the Audit Rule, NMAC 2.2.2.1 et seq., the Office of the State Auditor required all audited agencies to self-report all contracts with a value that exceeded \$60,000 entered into during FY15 and FY16, regardless of how they were procured. Specifically, all audited agencies were required to prepare a Schedule of Vendor Information for contracts exceeding \$60,000 (excluding gross receipts tax) that included the following information:

- Type of procurement process
- Name and address of all vendors that responded to requests for bids or requests for proposals during the fiscal year
- Whether the vendor indicated that it was an in-state vendor for purposes of the in-state vendor preference
- If the vendor was in-state, whether they chose the veterans' preference instead of the in-state preference
- A short description of the scope of work
- The name of the vendor that was awarded the contract
- The maximum dollar amount of the resulting contract

The data used for this Report included contracts awarded in FY15 and FY16 (meaning the effective date of the contract was in FY15 or FY16) even if nothing was spent under those contracts. Maximum contract value is inherently different from expenditures. An agency may enter into a contract but not spend any money under that contract. Conversely, an agency may spend money under a contract awarded in a previous year or through mechanisms other than contracts. The data in this Report should not be combined or compared directly with expenditure data.

Certain agencies enter into contracts that do not state a maximum contract value. When a maximum contract value was not available, these agencies provided actual expenditures in order to assign a dollar value to the contract. Alternatively, in some cases, the OSA estimated a contract value using historical expenditure data.

This report does not include vendor data from any audit report released after May 26, 2017.

These are snapshots of just a portion of the contracts awarded by New Mexico state and local governments, as the data covers only those self-reported contracts for over \$60,000 in two fiscal years (FY15 and FY16). Therefore, any contracts entered into for food products and services, including professional services, totaling less than \$60,000 were not required to be disclosed. The same data will be collected again for FY17, allowing for analysis of government contracting over three fiscal years.

Self-reported data should always be interpreted with caution, as such data can be prone to subjectivity and under- or over-reporting on the part of those reporting it. The data that was submitted in the schedule of vendors was unaudited, and was often incomplete, unclear, or inaccurate. The OSA used its best efforts to obtain clarifications on data that was clearly incorrect. The OSA also modified the instructions and template used to collect contract data for FY17.

The Audit Rule required agencies to identify whether vendors indicated that they were eligible for the resident business preference, pursuant to Section 13-1-22, NMSA 1978. However, the OSA did not consider the answer to this question to completely resolve the issue of whether the vendor was an in-state business because the data identified many businesses that were clearly located in New Mexico but had not used the resident business preference. This Report describes vendors as in-state or out-of-state based on the primary address of the vendor, as the agency provided that address information to the OSA. The OSA made the determination of whether to categorize a business as an “intermediary” based on publicly available information about the business, its locations and its reach in the marketplace.

This Report refers to the food sector and food contract types. The OSA internally classified all contracts into a number of industry sectors, of which food was one. The OSA also internally classified all food contracts within a number of major categories like dairy and produce, relying on the scope of work descriptions that agencies provided.

As mentioned, based on other procurement studies that have been conducted in New Mexico, the OSA believes that agencies may have inadequately reported procurements made under exceptions to or exemptions from the Procurement Code. The OSA used its best efforts to obtain such information where possible and account for any gaps in the data in its analysis.

When agencies provided information on goods and services purchased through multiple agency procurements, the OSA had no way of determining whether the initial procurement was conducted through competitive or non-competitive means.

The OSA contacted certain intermediary vendors to determine the number of employees they maintain in New Mexico. When the vendor did not respond to the OSA request, the OSA used data from the LASER online system provided by the Department of Workforce Solutions. The OSA recorded “no known New Mexico employees” when the company was not found on the LASER system, did not list a New Mexico office online, did not respond to information requests, and list a New Mexico office on its website.

The data used in this study is available at the OSA website:
http://www.saonm.org/government_accountability_office