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Amended Answer A.1

Q.1 – Please clarify the language in Paragraph 5, Costs. How does that apply to the cost response form in Appendix D? Is the 2% fixed premium charged to the bidder?

A.1 – Section IV(C)(5) of the RFP (Cost) provides that the fixed premium is charged only to the winning bidder (there will be no cost to the NMSLO). The premium charged by the Offeror to the winning bidder is a set percentage of the bonus payment received from the successful bidder. A "bonus" payment is a one-time payment a bidder submits to secure the right to obtain a lease. The NMSLO sets minimum bonus amounts for each lease sale, and bidders may submit offers in excess of that amount. For the Cost Response Form (Appendix D), NMSLO noted 2% because that is the rate that is currently charged for oil and gas lease auctions. This RFP allows for other types of leases, such as commercial development leases, and the Offer may submit one percentage rate for oil and gas leases and a second one for other categories of leases. For Appendix D, the contractor would insert the premium it would charge. Example: If the contractor chooses to charge 2%, then it would enter the number 2; if the contractor chooses to charge 3%, it would enter the number 3. While the NMSLO does not incur the expense of the fixed premium, the rate charged is important to the NMSLO because it can impact the number of prospective bidders as well as potentially reduce the amount of money a bidder may have to bid on a particular lease.

Q.2—How is the payment process applied? Will the successful bidders make payment directly to NMSLO, or will payment be made to the auction company, with the auction company then making payment to NMSLO?

A.2 - Payments, excluding the fixed premium, are made directly to the NMSLO. The premiums are made directly to the auction company (contractor).

Q.3 – What is the current state of bidders' preference? The RFP indicates 5%; however, the NM Tax & Revenue Business Preference Certification page states the equivalent of 8%. See attached page or visit the website <https://www.tax.newmexico.gov/businesses-preference-certification>

A.3—The 8% figure is the correct one. Under the law, in-state companies and contractors will receive a preference of eight percent of the total weight of all the factors used in evaluating the proposals and the equivalent of eight percent of total points if the state contract is awarded on a point-based system. Residential and tax information must be certified by a certified public accountant.

Q.4 – What is the military business preference rate, and how is it applied to this RFP?

A.4—Under the new law, in-state veteran-owned companies and contractors will receive ten percent of the total weight of all the factors used in evaluating the proposals and the equivalent of ten percent of the total points if the state contract is awarded on a point-based system. A business receives either the military business preference or the New Mexico preference detailed in Q3.

Q.5 – Does the NMSLO desire a traditional live auction with the auctioneer, an online timed auction, a sealed bid auction, or all three formats?

A.5—The NMSLO would likely be interested in online sealed and online timed, open, bid processes.

Q.6 – Please clarify Section C: paragraph 2 and Section V: Paragraph A. What is the type of bond and amount required? Does proof of bond ability need to be submitted with this RFP?

A.6 - NMSLO requests that the company be insured to fulfill this request and has the ability to provide a performance bond, upon request, from the SLO. A bond does not need to be submitted at the time of submitting responses to this RFP.