



## STATE OF NEW MEXICO SOLE SOURCE REQUEST AND DETERMINATION FORM

A sole source *determination* is not effective until the *sole source request for determination* has been posted for thirty (30) calendar days without Protest and subsequently approved in writing by the State Purchasing Agent. The foregoing requirement is regardless of whether the *sole source request for determination* has been signed by the Agency.

- I. Name of Agency: Regulation and Licensing Department  
Agency Chief Procurement Officer: Toni Lowery  
Telephone Number: 505-382-2417  
Agency Contact for this request: Toni Lowery  
Email Address: toni.lowery@rld.nm.gov
  
- II. Name of prospective Contractor: Conference of State Bank Supervisors (CSBS)  
SHARE Vendor Number (must be active): 0000019993  
Address of prospective Contractor: PO Box 791272 Baltimore, MD 21279-1272  
  
Contact Name, Telephone Number and Email Address: Leila Green, 202-296-2840 and lgreen@csbs.org  
Amount of prospective contract before tax: \$133,140.54  
Estimated tax amount (tax is subject to change): no tax
  
- III. Term of prospective contract: Four years beginning July 1, 2026  
Note: Please refer to §13-1-150 for contract term limits.
  
- IV. If this is a Sole Source for new or existing IT software licensing subscription(s), Agency is required to upload the Contractor's draft Service Level Agreement (SLA) with the Sole Source online submission. N/A
  
- V. Agency is required to provide the detailed scope of work (or amendment) for this sole source. Scope of work must match the scope included in the services determination and Horizons declination.

The scope of work of this procurement: Contractor shall provide the New Mexico financial regulatory agency with nationwide supervisory coordination, regulatory support, and shared infrastructure that strengthens the state's ability to oversee state-chartered and state-licensed financial institutions. This includes offering access to national regulatory

forums, advocacy before federal policymakers, and analytical tools that assist in identifying industry risks, coordinating multistate oversight, and supporting incident response activities.

Contractor shall also deliver and maintain shared supervisory systems such as the Nationwide Multistate Licensing System (NMLS), the State Examination System (SES), data and risk-analysis tools, and examiner training and accreditation programs. Through collaborative initiatives and standardized regulatory frameworks, Contractor will support New Mexico in improving supervisory efficiency, promoting consistency in regulatory practices, and enhancing consumer protection across the state's financial services landscape.

- VI. Provide a detailed explanation of the criteria developed and specified by the agency as necessary to perform and/or fulfill the contract and upon which the state agency reviewed available sources. (Do not use "technical jargon;" use plain English. Do not tailor the criteria simply to exclude other contractors if it is not rationally related to the purpose of the contract.)

To meet its statutory responsibilities for supervising state-chartered and state-licensed financial institutions, RLD, through its Financial Institutions Division (FID), established criteria requiring access to nationally integrated regulatory infrastructure, state-specific supervisory tools, and federal-level coordination mechanisms.

First, the agency required a provider with the capability to supply a national platform for coordinated multistate financial regulation, ensuring New Mexico's participation in supervision affecting institutions that operate across state lines. The provider needed to have the authority and capacity to convene and coordinate with all state financial regulatory agencies and federal regulators. This coordination requirement also included the ability to support New Mexico in federal policymaking discussions, requiring a contractor with established representation on bodies such as the Financial Stability Oversight Council and the Federal Financial Institutions Examination Council.

Second, the agency required access to nationwide supervisory and licensing systems that allow New Mexico to operate efficiently and consistently with every other state regulator.

The agency also required a provider capable of delivering training, examiner certification, accreditation programs, and data and risk-analysis tools that support early identification of financial risks and supervisory consistency across states.

Finally, the provider needed to offer incident-response coordination, including cyber and physical emergency communication with federal agencies. These criteria outlined above were essential benchmarks in RLD's review of available sources.

- VII. Provide a detailed, sufficient explanation of the reasons, qualifications, proprietary rights or unique capabilities of the prospective contractor that makes their company ***the only source*** capable of providing the required professional service, general service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”)

RLD has determined that the Conference of State Bank Supervisors (CSBS) is the only Source capable of providing the required professional regulatory support services due to CSBS’s unique statutory role, nationally integrated regulatory systems, and exclusive authority as the singular organization representing state financial regulators from all 50 states. CSBS’s services are inherently proprietary and cannot be duplicated by any private vendor or federal entity. CSBS exclusively represents state regulators on interagency bodies such as the Financial Stability Oversight Council and the Federal Financial Institutions Examination Council, giving New Mexico direct national policymaking influence that cannot be acquired through any alternate provider. To date, there has been no private company or trade association possesses legal standing, multi-state governance structure, or nationwide regulatory mandate required to perform these crucial functions.

Furthermore, CSBS owns and maintains proprietary national technology systems essential to New Mexico’s regulatory functions, including the Nationwide Multistate Licensing System (NMLS) and the State Examination System (SES). These systems are the only nationwide licensing and supervisory platforms used by every state regulatory agency and are not commercially available from any alternative source. CSBS also provides exclusive national data-analytics tools, examiner education and certification programs, and state supervision accreditation programs that establish uniform national standards across regulatory agencies. In addition, CSBS leads multistate initiatives such as Networked Supervision, the Money Transmission Modernization Act, and the One Company, One Exam program, all of which streamline regulation of multi-jurisdictional financial companies in ways only a state-led national organization can achieve. These combined capabilities are proprietary to CSBS and directly support RLD’s statutory duty to protect consumers, supervise state-chartered institutions, and maintain a consistent and efficient regulatory environment. For these reasons, CSBS is the only vendor capable of providing the required services and therefore meets the statutory definition of a sole source provider.

- VIII. Provide a detailed, sufficient explanation of how the professional service, general service, construction or item(s) of tangible personal property is/are ***unique and how this uniqueness is substantially related to the intended purpose of the contract.***

CSBS provides a uniquely national, state-driven regulatory infrastructure that no other organization offers. As the sole organization representing financial regulators from all 50 states, D.C., and U.S. territories, CSBS gives New Mexico a direct voice in federal policymaking and access to coordinated supervisory systems that simply cannot be replicated by private vendors or federal agencies. Its tools, which include the Nationwide Multistate Licensing System (NMLS) and the State Examination System (SES), provide

specialized data and risk analytics, and nationally recognized examiner training and certification. These systems form the core supervisory framework used across the country. These systems, and their access, allow New Mexico to efficiently regulate mortgage lenders, money transmitters, consumer-finance companies, and state-chartered banks while maintaining consistency, transparency, and coordination with other states.

For the RLD, this service is essential rather than optional. CSBS ensures New Mexico can participate in multistate examinations, access real-time cyber-incident coordination with federal law enforcement, align with national supervisory standards, and maintain a stable regulatory environment that supports local authority and economic growth. CSBS also leads collaborative innovation efforts. Such as Networked Supervision and the One Company, One Exam model, which had streamlined oversight of multistate financial companies, something no alternative provider could offer.

In short, CSBS is the only entity capable of delivering the national coordination, shared regulatory infrastructure, policy access, and specialized expertise that RLD requires to fulfill its statutory mission to protect consumers and ensure safe, sound financial institutions.

- IX. Provide a narrative description of the agency's due diligence in determining the basis for the procurement, including procedures used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet;; contacting similar service providers; and reviewing the State Purchasing Divisions' Statewide Price Agreements. Include a list of businesses contacted (***do not state that no other businesses were contacted***), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

Beginning in 2006, RLD undertook ongoing due diligence to determine whether the services required from CSBS could be obtained from any other provider. Historically, procurement between RLD and CSBS fell under the exemption in 13-1-98(J); however, as the scope of supervisory and non-depository regulatory responsibilities expanded and CSBS dues increased correspondingly due to the consumer price index and dues-calculation factors, RLD's annual cost for CSBS membership eventually exceeded the \$10,000 exemption threshold. By 2014, this triggered a shift away from exemption-based procurement, requiring RLD to begin exploring whether any alternative vendors could supply the regulatory systems, multistate supervisory tools, examiner training, and coordinated national regulatory infrastructure provided by CSBS. In 2025, the Department of Finance and Administration (DFA) formally advised RLD that a Sole Source procurement should be pursued for FY27, prompting a renewed and expanded due-diligence review. Between July 2025 and the date of this justification, RLD conducted research into potential alternative providers by reviewing national regulatory publications, industry newsletters provided through federal and multistate regulatory associations, and

conducting multiple internet searches for entities offering nationwide supervisory systems, multistate examination platforms, financial-institution licensing frameworks, or regulator credentialing solutions. RLD also contacted other state purchasing authorities to identify any vendors they used or considered for similar supervisory or regulatory functions; in each instance, peer agencies reported that CSBS was the only provider capable of supplying the coordinated interstate licensing, examination, and supervisory tools needed for effective regulatory oversight. As part of this review, RLD examined the State Purchasing Division's statewide price agreements and found no vendors offering services comparable to NMLS, SES, examiner credentialing, multistate supervision support, or coordinated national data tools. During its search, RLD identified several commercial financial-technology and compliance-software companies, multistate financial compliance platforms, and general workflow-management service providers. Each reviewed between July and September 2025 through web research and email inquiries. These businesses were contacted via email or reviewed through published product information to assess their capability to provide the national, regulator-governed infrastructure required by statute. Documentation of these reviews shows that such companies either serve private financial institutions rather than state regulators, do not provide nationwide supervisory systems governed by state banking agencies, or lack the statutory and regulatory authority necessary to operate multistate licensing, examination, and credentialing systems. Through this multi-year, multi-method review; comprising analysis of industry sources, outreach to peer agencies, review of statewide agreements, examination of alternative vendors, and documentation of each entity's inability to meet regulatory governance requirements, RLD determined that no supplier other than CSBS can provide the integrated national supervisory, licensing, and examination systems required to fulfill the Department's statutory responsibilities. As such, CSBS is the only entity capable of delivering the national coordination, regulatory infrastructure, policy access, and specialized expertise necessary for New Mexico's financial-regulatory functions, fully satisfying the due-diligence requirements.

***Agency certifies this sole source submission complies with NMSA 1978, Sections 13-1-28 through 13-1-199, the New Mexico Administrative Code (NMAC) and Governmental Conduct Act, NMSA 1978, Sections 10-16-1 through 10-16-18.***

Certified by: \_\_\_\_\_ Date: 5/26/2026

DocuSigned by:  
Toni Lowery  
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Agency Chief Procurement Officer

Certifying Legal Sufficiency by: \_\_\_\_\_ Date: 5/27/2026

Signed by:  
Kevin D Graham  
C8C64A5F78342C1  
Agency Legal/General Counsel

Agency Approval by: \_\_\_\_\_ Date: 5/28/2026

DocuSigned by:  
Clay Bailey  
508D4A723FAA44E  
Cabinet Secretary/Agency or Entity Head or Designee