STATE OF NEW MEXICO

CITY OF PORTALES

RESOLUTION #16-17-26

A RESOLUTION AMENDING RESOLUTION #15-16-17, UPDATING THE CITY OF PORTALES PROCUREMENT/PURCHASING POLICY

WHEREAS, the City of Portales is committed to conserve public funds and ensure fairness to vendors by procuring goods, services and construction at competitive prices consistent with quality and timeliness standards; and

WHEREAS, the City of Portales is mandated to comply with procurement regulations concerning the purchase of goods and services as identified in Chapter 13 of the NMSA 1978; and

WHEREAS, the Governing Body adopted Resolution #15-16-17 on September 8, 2015 which updated the regulations for small purchases, petty cash policy and a purchasing outline as defined in NMSA 1978 as amended; and

WHEREAS, the existing Purchasing Policy has been updated and requires adoption by the Council and this resolution supersedes Resolution #15-16-17.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PORTALES, NEW MEXICO, that this resolution amends and supersedes Resolution #15-16-17.

PASSED, ADOPTED AND APPROVED this 6th day of, December, 2016.

CITY OF PORTALES INCORPORATED January 6, 1909 NEW MEXICO SEAL

ATTEST:

Joan Martinez-Terry, City Clerk

Sharon L. King, Mayor

City of Portales, New Mexico
Procurement/Purchasing Policy and Procedure Manual

Mission Statement

The City of Portales is committed to obtaining the most desirable goods and services to meet the City's operational needs, at the lowest possible cost in compliance with all City policies and applicable State Procurement Code 13-1-1 through 13-1-199, NMSA, 1978. Public purchasing has the responsibility to obtain the most value for the tax dollar in a fair, efficient and equitable manner. To achieve this objective, the City of Portales seeks to foster as much competition as possible. In doing so, we adopt the goal of transparency and fairness by ensuring all vendors who wish to compete for the opportunity to transact with the City of Portales to do so. Our policy is intended to:

- Give all suppliers full, fair, prompt and courteous consideration
- Keep competition open and fair
- Solicit supplier suggestions in the determination of clear and adequate specifications and standards
- Cooperate with suppliers and consider possible difficulties they may encounter
- Observe strict truthfulness and highest ethics in all transactions and correspondence.

CITY OF PORTALES
PURCHASING MANUAL

The following is a brief overview of the current policy and procedures for purchasing. It is the responsibility of the Department Head, Finance Department, City Manager and the CPO to insure:

1. That all purchases be made at the best obtainable price.
2. That all purchases are made in accordance with the City Purchasing Policy and the State Procurement Code.
3. That only authorized personnel sign purchasing documents.
4. That purchases are done within the constraints of their budget.
5. That the Chief Procurement Officer, hereinafter referred to as "CPO" be contacted when in doubt of set procedures or procurement policies.

The City of Portales will follow the State Procurement Code 13-1-1 through 13-1-199, NMSA, 1978. Any questions regarding the procurement process should be directed to the CPO.

City of Portales
Purchasing Policy

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Article I
Definitions

1. **Advantageous-** The word "advantageous" as used in 13-1-111, NMSA, 1978, is to be given an ordinary dictionary meaning. Advantageous denotes a judgmental assessment of what is in the City's best interest.

2. **Purchase-** For the purpose of this policy, a purchase is to be given a broad definition to include the execution of any expense to be paid out of City funds that have been approved in the budget by the City Council.

3. **Chief Procurement Officer "CPO"-** The CPO shall be a City Employee who is responsible for the control and the procurement of items of tangible personal property, services and construction for the City of Portales. The City of Portales must provide the name of the CPO to the State Procurement Agent. The CPO must obtain certification as soon as possible upon appointment through the State Procurement Agent and for recertification every two (2) years as required by 13-1-95.2 NMSA. The CPO shall be responsible for implementation of this Policy, as well as ensuring that all rules are complied with regarding any and all purchases.

4. **Determination-** Determination is the written documentation of a decision of a CPO including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains. This section requires that the Purchasing department comply with the basic mandates of due process of law in that a decision of the CPO must be in writing and include findings of fact which are required to support the decision reached. In any litigation, the determination will form a major portion of the record upon which the court will base its decision. (13-1-52, NMSA, 1978).

5. **Direct or Indirect Participation-**Means involvement in the decision, approval, disapproval, recommendation, formulation of any part of a purchase request, or influencing the content of any specification, investigation, auditing or the rendering of advice. (13-1-53, NMSA, 1978).

6. **Employee-**An individual receiving a salary, wages or per diem and mileage from the City. They can be elected officials and can even be non-compensated individuals who are performing personal services as an elected or appointed official or performing personal services in some other capacity for the City. (13-1-54, NMSA, 1978).

7. **External Procurement Unit-** External procurement unit means any procurement organization not located in this state, which, if in this state, would qualify as a state department or a local public body. A department of the United State Government, for example, is an external procurement unit.

8. **Gratuity-**means a payment, loan, subscription, advance, deposit of money, service or anything of more than nominal value, received or promised, unless consideration of substantially equal or greater value is exchanged. (13-1-59, NMSA, 1978).

9. **Immediate Family-**means a spouse, children, parents, brothers and sisters and is not necessarily consistent with other state statutes regarding nepotism or other conflicts of interest involving relations. (13-1-62. NMSA, 1978).

10. **Procurement (13-1-74, NMSA,1978)**

    a. Procurement includes the purchasing, renting, leasing, lease-purchasing or otherwise acquiring items of tangible property, services or construction.

    b. Procurement also includes all aspects of purchasing, including but not limited to preparation of specifications, solicitation of sources, qualification or disqualification of sources, preparation and award of contract and contract administration. Thus, it is far more than the act of buying and bidding that forms the procurement process. Preparation of specifications upon which bidders will rely is also part of procurement, as is contract administration after the contract has been let.

Note: The selling or leasing of City utility facilities or real property and the sale, exchange and gift of property is governed by Section 3-54-1 through 3-54-3, NMSA, 1978, and not by the Procurement Code.

11. **Unauthorized Purchases-** Any purchase which is not within the City budget, or specifically approved by Department Head, CPO, City Manager, or is not in accordance with City Policy or the State Procurement Code. City of Portales is a tax exempt entity and is not required to pay tax on any purchase of goods. The amount of taxes on any invoice where a tax exemption has not been taken may be an unauthorized purchase, depending on circumstances.

Any purchase which is not legally and appropriately approved will be considered an unauthorized City purchase and thereby not subject to payment by the City. Any individual initiating or otherwise executing any unauthorized purchase is solely responsible for payment. Any questionable purchases should be referred to the CPO for review and determination.

Unauthorized purchases may include, but are not limited to, the following:

- Splitting invoices to avoid departmental approval/credit limits
- Invoices one year or older
- Invoices that have been held or have accrued late charges/fees
- The amount of taxes on any invoice where a tax exemption has not been taken

12. **Emergency Purchases-** Purchases made when the existence of an emergency creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods. For Emergency purchases the CPO will comply with New Mexico Procurement Code 13-1-127 and 13-1-128, NMSA, 1978.

13. **Standard Purchase-** Standard purchases are defined as systematic, planned and necessary purchases for the administration and operation of a project and/or department.

14. **P-Card Purchasing** – The City of Portales has implemented the use of a Bank issued Visa Purchasing Card, also referred to as "P-Card" to streamline and simplify the purchasing and payment process for small dollar purchases. For more details on the guidelines for using the P-Card system refer to the Purchasing Card Policy.

15. **Invoices** – An invoice is an itemized statement submitted by the vendor to the City of Portales for the payment of goods and/or services that have been delivered to the City.

16. **Vendor** – Any person, business or other entity that sells or provides good or services to the City.

Article II
GENERAL PROVISIONS

These provisions shall pertain to, regulate and govern all purchases and expenditures made by, for and on behalf of the City of Portales beginning on the date adopted by Resolution 14-15-29 and continuing thereafter until said policy is amended, modified and/or rescinded. The provisions of this policy are mandatory for any Elected Officials, Department Heads and employees. Failure by Department Heads or employees to follow these procedures can result in disciplinary action, up to and including termination. It will be the City employees' obligation to familiarize themselves with the terms of this policy. Any difficulties, problems or concerns regarding this policy should be brought to the attention of the CPO and/or Finance Department Director.

1. **Applicability.** This policy shall apply to all purchases made with City funds. All employees shall receive and sign for a copy of this policy and, as such, shall be responsible for the knowledge and compliance of this policy's provisions.

2. **Planning**
   Planning for purchases should be done on both short-term and long-term basis, thereby minimizing small orders and last minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

3. **Buying Proper Quality**
   Quality and service are as important as price. It is the duty of the requesting department to secure the best, most economical quality that will meet, but not exceed, the requirements for which the goods or services are intended. In some instances, the lowest price will not necessarily mean the lowest cost.

4. **Future Commitments to Vendors**
   Employees do not have the authorization to commit in writing, or verbally, future City business to vendors.

Article III
Vendor Selection

1. **Selection Policy**
   Vendors will be selected on a competitive basis. Formal bids, informal bids, or telephone quotes will be solicited by the CPO, Department Head, or their designee. Bid awards, Purchase Orders, and/or contracts will be issued to the lowest responsible bidder. If a department wishes to add a specific vendor or contractor to the bid list, they must notify the CPO. All vendors will be required to submit a Form W-9 and obtain a city privilege license if applicable.

2. **Selection Procedures**
   For the procurement of supplies, materials, and/or equipment and for construction or repairs, the CPO will comply with the New Mexico Procurement Code 13-1-125 and New Mexico Procurement Code 13-1-118.

3. **Vendor Relations**
   Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

   The CPO maintains a vendor file for recording the performance of vendors the City engages in business. Should a department have trouble with or have a complaint with a particular vendor the concerns should be documented and forwarded to the CPO. The documentation should detail the circumstances, dates, personnel involved (including titles) and phone numbers.

Article IV
Competitive Purchases

1. **Overview**
   This section outlines the City's procurement procedures. The procedures outlined are designed to take full advantage of a centralized purchasing system. These procedures cover the purchasing of apparatus, supplies, materials, and/or equipment for items with a value not exceeding Twenty Thousand $20,000.00 dollars.

   Under no circumstances should a purchase be divided/broken up in order to meet the small purchase threshold.

a. **Small Purchases - $0 to $4,999.99.**
Purchases up to $4,999.99. Purchases of services, construction, or tangible personal property having a value of **$4,999.99** or less, shall be based on the best obtainable price, and shall be processed with a standard requisition/PO and with proper documentation through the Purchasing Department. The proper documentation will include an invoice or packing slip indicating the following: vendor name, address, telephone number, point of contact, date, price (including extensions and applicable taxes), and signed as received by the requestor.

NOTE: Purchases of a single capital outlay items of $5,000.00 or above with a life expectancy of at least two (2) years needs to be added to Fixed Assets.

b. **$20,000.00 to $60,000.00 – Bona Fide Written Quotes Required.** Purchases shall be made according to the best obtainable price, provided at least **three (3) bona fide written quotes** are obtained on the offering vendor's official letterhead, email transmission or an approved quote form to ensure that competitive quotes have been obtained. Purchases over **$20,000.00,** will require City Manager Approval. All equipment and items, not supplies, that fall into this category will be inventoried separately and will be the responsibility of the individual departments. Each department shall assign a custodian who will be responsible for the inventory system for that department.

In the event there are not three (3) known vendors that have materials/services available, less than three (3) quotes are permissible, provided the user attaches the quotes obtained and identifies, on a bid sheet or a separate attachment, the names of other vendors contacted who could not provide the materials/services and the reasons thereof.

c. **Above $60,000.00 - All** purchases exceeding **$60,000.00,** require formal bid procedures as specified by the State Procurement Code and shall be processed and executed by the CPO through formal procedures. Such purchases must be approved in the current budget. Purchases not approved in the current budget require approval by the City Manager in the event that they are in excess of budgetary limits.

2. **Quote Documentation**
The name of the business submitting the quote, and the telephone number, the date the quote was received and the amount shall be attached to the requisition/PO, which shall be maintained as a public record in the Purchasing Department files.

a. Prior to award, the contents of any quote shall not be disclosed to any other business from which a quote was solicited.

b. Award. Award shall be made to the businesses offering the lowest most advantageous acceptable quote.

3. **Verbal/Written Quotes - Small Purchases over $5,000.00 and up to $19,999.99.**

   a. Procedure:

   i. When a determination has been made by the requesting department, based on pricing estimations, that a purchase will or may exceed **$5,000.00**, then a minimum of **three (3)** verbal or written quotes will be solicited by the requesting Department.

   ii. The Requesting Department shall solicit verbal or written quotes from all those vendors who have requested to receive request for written quotes for such goods or services, and who are properly registered in the vendors file as maintained in the Purchasing Department.

   iii. In the event there are not three (3) known vendors which have goods/services available, less than three (3) quotes are permissible provided the Purchasing Department has verified that the requesting department has made every reasonable attempt to obtain three (3) quotes.

4. **Procurement of Professional Services up to $60,000.00**
   All professional services having a value not exceeding sixty thousand ($60,000.00) dollars may be procured directly and will be procured at the best negotiated price excluding applicable state and local gross receipts taxes.

5. **Chief Procurement Officer**
   Only certified CPOs may do the following, except that persons using procurement cards may continue to issue purchase orders and authorize small purchases 13-1-95.2, 13-1-125, NMSA, 1978:
   a. Make determinations, including determinations regarding exemptions, pursuant to the Procurement Code;
   b. Issue purchase orders and authorize small purchases pursuant to the Procurement Code;
   c. Approve procurement pursuant to the Procurement Code

6. **Sole Source of Supply**

   Sole source purchases must comply with State Procurement Code Sections 13-1-126, 13-1-128, and 13-1-199, NMSA, 1978.

7. **Exemptions from the Procurement Code**

For exemptions the CPO will comply with New Mexico Procurement Code 13-1-98

Article V
Purchase Orders

1. Electronic Purchase Order Process

When a Purchase Order is required for a purchase the Purchase Order must be completed and signed by the Department Head (or designee) and by the CPO. Purchase Orders above $20,000.00, must be approved by the City Manager. Any purchase over $60,000.00, must be done by a formal bid process, Procurement code 13-1-102 thru 13-1-110, NMSA, 1978.

A Purchase Order (PO) is a contract between the City and a vendor, and it is not binding until accepted by the vendor. The issuance of Purchase Orders by unauthorized City employees or officials will not be recognized by the City and payment of these obligations will not be approved. **Unauthorized purchases are classified as a personal expense and will be paid for by the responsible employee.**

In order to process the vendor's invoice(s) for payment properly, the invoice must be attached to the PO with the appropriate general ledger account number, be signed, and forwarded to Accounts Payable. This should be done immediately after the item(s) have been received, inspected, and accepted by the user department.

2. Change Orders

In order to change, modify, or cancel an existing PO, the user department must indicate changes on the packing slip or invoice with the Department Head's approval. All pertinent information needed to make changes should be completed. The Change Order is to be forwarded to the CPO for review and approval. The CPO will be responsible for the distribution of paperwork to the requesting department.

Change Orders will not be allowed:

1. That would alter the procurement procedures that were used in the original process (e.g. from informal to formal bid).

2. After the scope of services has been rendered or materials have been received.

The City Council must approve Change Orders for purchases and/or contracts for capital projects/outlay that exceed originally allocated funds.

Article VI
Availability and Transfer of Budgetary Funds

1. Policy

The City requires a Budget Adjustment Form for any purchase or commitment for which there are insufficient funds available in the budgetary account against which a purchase or commitment is to be applied before a purchase order requisitions will be approved.

The City Manager must approve this request.

Transfers between Funds require City Council approval.

2. **Authority and Responsibility**

Department Heads may request certain changes among operating expenditure line items (i.e. non-capital and /or non-personnel related items) in the budget of their departments (department is defined in the annual budget authorization of the City Council) when they feel the changes would be in the best interest of the City.

A Budget Adjustment Form must be requested by the Department Head to the Finance Director before any commitments are approved against an expenditure line item that would exceed the amount budgeted for that particular line item.

The Finance Director is expected and authorized to inquire about the appropriateness of all Budget Adjustment requests.

Article VII
Special Procurement Procedures

1. **Service Contracts**

All service contracts, for which the contractor will perform work while on City property, must be accompanied by a contract from the City. The contract must follow all signature procedures and contain all necessary insurance and payment options. The completed and signed contract must be forwarded to the CPO prior to the release of the requisition to the purchase order. The City will not enter into contractual agreements that are subject to automatic renewal and will attempt to structure contracts to coincide with the fiscal year.

Contracts authorized by City Council through direct award or budget authorization may be executed by the City Manager. Subsequent orders changing the original contract, which do not exceed the approved cost of the contract, will be executed by the City Manager.

City Council must approve all contracts that meet any of the following criteria:
1. Contracts subject to statutory bid thresholds,
2. Contracts with terms greater than one year,
3. Contracts exceeding budgetary approval, which require a budget amendment,
4. Contracts suggesting a significant policy change as determined by the City Manager.

2. **Ethical Conduct**

   a. **Employee Participation (13-1-190, NMSA, 1978)**

i. No employee of the City (as defined in the Procurement Code, 13-1-54, NMSA, 1978), can participate directly or indirectly in procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest in the business seeking or obtaining a contract.

ii. This prohibition does not apply if the financial interest is held in a blind trust.

b. Bribes, Gratuities, Etc. (13-1-191, NMSA, 1978)
All contracts and solicitations therefore shall contain reference to the criminal laws prohibiting bribes, gratuities and kickbacks.

c. Contingent Fees Prohibited (13-1-192, NMSA, 1978)
It is unlawful for a person or business to be retained or for a business to retain a person or business to solicit or secure a contract upon an agreement or understanding that the compensation is contingent upon the award of contract, except for retention of bona fide employees or bona fide established commercial selling agencies or the purpose of securing business and persons or businesses employed by a local public body which are providing professional services to the local public body in anticipation of the receipt of federal or state grants or loans.

d. Contemporaneous Employment (13-1-193, NMSA, 1978)
No employee of the city who is participating directly or indirectly in the procurement process can become or be while employed by the City an employee of any person or business contracting with the City.

e. Waivers (13-1-194, NMSA, 1978)

i. The Purchasing department may grant a waiver from unlawful employee participation (13-1-190), or contemporaneous employment (13-1-193), if it determines that:

1. The contemporaneous employment financial interest has been publicly disclosed;

2. The employee will be able to perform his procurement functions without actual or apparent bias or favoritism; and

3. The employee participation is in the best interest of the City.

3. Purchasing from Employee Businesses

If an employee has a business and wishes to sell to the City of Portales there needs to be 3 verbal or written quotes obtained and documented on the Quote Log (see Attachment A) as well as an Employee Waiver form(see Attachment B) completed and submitted with the PO.

4. Emergency Purchases

For Emergency purchases the CPO will comply with New Mexico Procurement Code 13-1-127 and 13-1-128, NMSA, 1978.

a. The CPO may make emergency procurements when there exists a threat to the public health, welfare, safety or property requiring procurement under emergency conditions; provided that emergency procurements shall be made with competition as is practicable under the circumstances.

b. An emergency condition is a situation that creates a threat to public health, welfare or safety such as may arise by reason of floods, fires, epidemics, riots, acts of terrorism, equipment failure or similar events, and includes the planning and preparing for an emergency response. The existence of the emergency creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods, and the lack of which would seriously threaten:

i. The functioning of Portales City government;
ii. The preservation or protection of property; or,
iii. The health or safety of any person.

c. Emergency procurements shall not include the purchase or lease purchase of heavy road equipment.

d. The CPO shall use due diligence in determining the basis for the emergency procurement and for the selection of the particular contractor. The determination shall be in writing and shall be included in the procurement file.

e. All funds expended for planning and preparing for emergency response shall be accounted for and reported to the legislative finance committee and the department of finance administration and administration within sixty (60) days after the end of each fiscal year.

5. Procurement Under Existing Contracts (13-1-129)

a. The Purchasing Department may contract for services, construction or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals, as follows:

i. When procuring at a price equal to or less than the federal supply contract (GSA) price or catalog price, whichever is lower, and the purchaser adequately identifies the contract relied upon; or

ii. When a business which has a current contract or price agreement with the State Purchasing Department or a Central Purchasing Department for the items, services or construction meeting the same standard of specifications as the items that are to be procured if the following conditions are met:

1. The quantity purchased does not exceed the quantity which may be purchased under the applicable contract; and

2. The purchase order adequately identifies the contract relied upon by number, if applicable, or by other appropriate reference.

3. The Central Purchasing Department shall retain a copy of the State Purchasing Department contract or current price agreement relied upon or public inspection and for the use of auditors.

6. Cooperative Procurement (13-1-135)

a. The City may participate in, sponsor or administer a cooperative procurement agreement for procurement of any services, construction or items of tangible personal property with a state department, local public body, or external procurement unit in accordance with an agreement entered into and approved by the governing authority of each of the state agencies, local public bodies or external procurement units involved.

b. The Central Purchasing Department of the City may cooperate with the State Purchasing Department in obtaining contracts or price agreements and such contracts or price agreements shall apply to purchase orders issued subsequently under the agreement.

7. Multi-Term Contracts

Multi-Term Contracts are allowed under New Mexico Procurement Code 13-1-150, NMSA, 1978 for items of tangible personal property, construction or services except for professional services for a period of time not to exceed four years if the amount is $25,000.00, or less. If the amount of the contract is $25,000.00, or more, the term shall not exceed eight years including all extensions and renewals. All contracts must be cancelable if funds become unavailable, New Mexico State Procurement Code 13-1-152, NMSA, 1978.

8. Bid And Performance Bonds

Bid and Performance Bonds or other security may be required under New Mexico Procurement Code 13-1-148, NMSA, 1978. Construction contracts require performance and payment bonds if the contract is in excess of $25,000 under New Mexico Procurement Code 13-4-18, NMSA, 1978. Bonding on subcontractors is required on public works projects of $125,000 or more under Section 13-1-148A, NMSA, 1978. 13-1-148.1 ($50,000 or more)

9. Public Works Contracts

Public Works Contract greater than $60,000 are subject to the Minimum Wage Act. The contractor must provide proof of required registration under New Mexico Procurement Code 13-4-11, NMSA, 1978.

10. The New Mexico Procurement Code

The New Mexico Procurement Code will be followed on all purchases not specifically identified in this policy.

11. Professional Services

Professional services, **not exceeding $60,000**, may be procured utilizing an approach that would be in the best interest of the citizens of the City of Portales. Otherwise, the following professional service procurement process shall be adhered to:

A. $60,001 and above: Any Professional Service (excluding architectural, landscape architectural, construction management, engineering and surveying services) exceeding $60,000 requires a formal Request for Proposal, as specified by the State of New Mexico Procurement Code and Regulations; and, shall be processed and executed by the CPO through formal procedures.

B. Exceptions to Professional Services. For each public works project, architectural, landscape architectural, construction management, engineering and surveying services will be procured in accordance with Sections 13-1-120 through 13-1-123, NMSA, 1978.

12. Petty Cash Purchases Policy

A. Petty Cash Accounts

1. Petty cash funds are established or revised by completing a Petty Cash Authorization requesting funds through the Finance Office. Once the fund is established, the authorized person is referred to as the Petty Cash Custodian.

   The petty cash funds are audited periodically to ensure appropriate use of funds and to verify balances.

2. Petty cash advances are requested through the custodian using a Petty Cash Voucher. If an emergency situation arises and an item must be purchased without a petty cash advance, it is up to the discretion of the custodian to approve reimbursement of the cash spent and the purchase is subject to all reimbursement requirements.

3. All reimbursements of Petty Cash Funds are requested through the petty cash custodian using a Petty Cash Voucher.

a. All replenishments of Petty Cash Funds are requested through the Finance Office using a Purchase Requisition.

b. All petty cash funds must be kept in a secured place with access to the funds restricted.

B. Limits on Spending

1. No one single item purchased with petty cash may exceed twenty-five dollars ($25.00).

2. The total purchase limit for petty cash may not exceed fifty dollars ($50.00).

3. Incremental purchasing (splitting one large purchase into several small purchases) is not allowed.

4. Reimbursement to the petty cash fund may be made for any type of allowable expenditure.

C. Tax Liability

1. The City of Portales is exempt from paying New Mexico Gross Receipts on purchases of items of personal property.

2. Employees using petty cash funds are responsible for providing tax exempt certificates to vendors who do not already have them.

3. If an employee pays New Mexico Gross Receipts Tax on purchases for which the City is exempt, the employee is responsible for the tax.

13. Credit Card/Purchasing Card (P Card)

Program Description: This program is designed to help better manage low-dollar purchases and urgent need purchases using City assigned Visa or MasterCard cards. Refer to the **Purchasing Card Procedures Manual for more in-depth policies and procedures.**

A. Cardholder Eligibility:

1. Applicant must be an employee of the City of Portales with the authority to purchase items for the City.

2. The CPO must approve applicant's request for a Purchasing Card.

3. Employee must attend a training session before they can be issued a Purchasing Card.

4. Each individual Cardholder must sign a Cardholder Agreement in the presence of the CPO.

B. Cardholder Liability.

The Purchasing Card is a corporate charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with the City of Portales Policies and Procedures relating to disciplinary action and termination for cause.

Article VIII
Request for Proposals

1. Competitive Sealed Proposals

Competitive sealed proposal procedures must comply with New Mexico Procurement Code 13-1-112 thru 13-1-118, NMSA, 1978.

Competitive Sealed Qualifications-based proposals will comply with NM Procurement code 13-1-119 thru13-1-122, NMSA, 1978.

2. Specifications

When goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications should do at least four things:

1. Identify minimum requirements.
2. Encourage competitive bids.
3. Be capable of objective review.
4. Provide for an equitable award at the lowest possible cost.

Specifications should be as simple as possible while maintaining the degree of exactness required to assure that bidders are offering the quality of goods and services required. Such exactness also prevents bidders from taking advantage of their competitors by not offering the quality of goods and level of service required by the City.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process.

Different methods of structuring specifications include:

a. Qualified products on an acceptable vendor list.
b. Specification by blueprint or dimension sheet.
c. Specification by chemical analysis or physical properties.
d. Specification by performance, purpose, or use.
e. Specification by identification with industry standards.

f. Specification by samples.

Article IX
Delivery and Performance

1. Policy

A completed and accepted purchase by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies, and equipment.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase, there may be a different delivery schedule for each item.

2. Partial Deliveries

Some purchases may list several items. It is possible the vendor will complete timely delivery on some items, which are referred to as "partial deliveries." Upon receipt of a partial delivery, a copy of the signed delivery receipt/packing slip or invoice should be labeled "partial delivery". These "partial delivery" documents will be attached to the final invoice when all items are received.

3. Non-performance

If the vendor fails to meet the requirement(s) of the specification or terms and conditions of the contract or purchase, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each violation.

Article X
Inspection and Testing

1. Rejection

In order to protect the City's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form, attached to a copy of the purchase order, and forwarded to the CPO in a timely manner. The CPO or authorized personnel will notify the vendor of the reason for the rejection.

2. Damaged Goods

One of the major reasons for immediately inspecting the goods or materials upon receipt is to detect any visible damage. When it is apparent that the extent of the

damage causes the goods to be worthless, they will not be accepted. If the damage is not apparent until after the goods have been accepted, the CPO or authorized personnel will notify the vendor of the reason for the rejection. It is necessary that all damage, including evidence of concealed damage, shall be documented by memo and/or photos and forwarded to the CPO.

3. Latent Defects

Latent defects may be the result of damage in transit or failure of the manufacturer to conform the specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the City may file a claim against all parties. A memo attached to a printed copy of the purchase order maintained in the online (Incode) accounting system must be forwarded to the CPO so all parties involved may be properly informed.

APPROVED AND ADOPTED BY THE PORTALES CITY COUNCIL, RESOLUTION #16-17-26, DATED December 6, 2016.

City Manager

ATTACHMENT "A"

PURCHASE ORDER QUOTE LOG / REQUISITION FORM

(Note: Under $4,999.99 best obtainable price. Exceeding $5,000.00 but less than $20,000.00 - Two verbal or (written) quotes documented on Quote Log with CPO approval prior to ordering. Exceeding $20,000.00 but less than $60,000.00 - Three documented quotes on bona fide letterhead with City Manager approval prior to ordering (attached to Quote Log).

A COPY OF THIS MUST BE KEPT IN YOUR RECORDS AND ONE SUBMITTED WITH THE REQUEST FOR PURCHASE ORDER AND/OR WITH THE INVOICE WHEN SUBMITTED FOR PAYMENT.

Attach a detailed description of the product and/or services and complete this for the three price quotes:

VENDOR #1 Quoted Price: _____ Date: ____/____/____

Vendor Name: _____ Phone: _____

Address: _____

Contact Person: _____

Notes: _____

VENDOR #2 Quoted Price: _____ Date: ____/____/____

Vendor Name: _____ Phone: _____

Address: _____

Contact Person: _____

Notes: _____

VENDOR #3 Quoted Price: _____ Date: ____/____/____

Vendor Name: _____ Phone: _____

Address: _____

Contact Person: _____

Notes: _____

Procurement Awarded To: _____

Reason: _____

I certify that the above information is correct.

Signed: _____ Date: ____/____/____
Department Head/Representative

Signed: _____ Date: ____/____/____
City Manager (Applicable, over $20,000.00)

Signed: _____ Date: ____/____/____
CPO (Applicable, over $5,000.00)

Revised 12/2016

ATTACHMENT "B"
EMPLOYEE WAIVER

TO: City of Portales, Finance Dept. /CPO

FROM: Employee Listed Below

SUBJECT: Waiver for Employee Participation

I_____ (Employee's Name) do hereby certify and disclose that I will be operating or participating in the operation or have financial interest in the business of _____ (Business Name). This business does provide services to the City of Portales by (List services provided):

SERVICES PROVIDED	SERVICES PROVIDED

I further certify that I will perform procurement functions without bias or favoritism and in accordance with State and City of Portales procurement codes. I also realize that my participation is in the best interest of the City of Portales. I certify that my participation will not interfere with the duties and job performances assigned with by City job as a

_____.
Job Title or Description

_____ _____
Employee Signature Date

_____ _____
Department Head Signature Date

Approved Disapproved _____ _____
City Manager Signature Date