

CITY OF RATON

PURCHASING AND PROCUREMENT POLICY

Adopted: November 13, 2012

Revised:

Adopted by the City of Raton, NM

CITY OF RATON
PURCHASING AND PROCUREMENT POLICY

1. **PURPOSE.** The purpose of this policy is to create procedures and define provisions specific to the City of Raton and its employees and its elected officials for the procurement and purchase of goods and/or services needed by the City in conducting its business.
2. **APPLICABILITY.** The procedures and provisions of this policy shall apply to all employees of the City of Raton, elected and appointed officials of the City of Raton, to all other users authorized to make purchases; and to all parties whose contract subjects them to these provisions or to make purchases from public funds of the City of Raton.
3. **EFFECTIVE DATE.** Adopted November 13, 2012 and revised June 30, 2015 by the City Commission.
4. **ADMINISTRATION.** The City Manager's Office (CMO) shall be responsible for the administration of this policy, and for the enforcement of the policy.
5. **DEFINITIONS.** The following definitions, in alphabetical order, shall apply to this policy, unless otherwise noted:
 - 5.1 **Authorized Purchase** – one that complies with all provisions of New Mexico laws and regulations and the City of Raton policy. There are two types:
 - 5.1.1 **Standard Purchase** – one that is systematic, planned, and necessary for the administration and operation of a project, division, and/or department, with adequate lead-time to obtain quotes or bids as required. Requires the issuance of a Purchase Order.
 - 5.1.2 **Nonstandard and Emergency Purchase** – includes purchases exempt from the Procurement Code, ~~purchase requiring the use of a voucher, purchases made with a P-card,~~ purchases that involve petty cash, or during a declared emergency and/or cannot comply with standard purchasing procedures for documented reasons.
 - 5.2 **Authorized User or Purchaser** – a person who has attended a mandatory training session given by the City Manager's Office and has been authorized by the City Manager to procure goods and services for the City of Raton.
 - 5.3 **Bid/Proposal** – a binding, good faith offer ~~written quote~~ **submitted in response to a solicitation** which details the goods, construction, and/or services, and the price of these items, which a vendor is willing to provide to the City of Raton. These are used for non-exempt large purchases (above the level set in NMSA 13.1.125)
 - 5.3.1 **Bid** – **a sealed packet or documents submitted in response to an ITB for consideration of award or contract for services, construction or tangible**

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personal property and has a pre-determined set of specifications to which a bidder must answer and/or comply.

- 5.3.2 **Proposal** – is a written offer submitted in response to a RFP solicitation ~~has open ended, substantially bidder determined specifications for how the bidder will provide the item(s).~~ The various aspects of the proposal can be assigned different weights for evaluation.
- 5.4 **Contract** - An agreement between the City of Raton and another party which binds both to provide services and or goods in exchange for money or some other form of consideration.
- 5.5 **Cooperative Purchasing or Piggybacking** – Use of a qualified cooperative purchasing agreement or contract to execute a purchase without competitive pricing as per NMSA 13.1.135. These include approved federal, interstate, state, local government, ~~or school district contracts.~~
- 5.6 **External Procurement Unit** – means any procurement organization not located in this state, which, if in this state, would qualify as a state agency or a local public body. An agency of the United States government.
- 5.7 **Finance Director/Treasurer** – terms used to describe the individual or office with direct responsibility for establishing and insuring accountability procedures, and for retaining and maintaining all original documents relating to this policy.
- 5.8 **Invoice or Bill** – an itemized written demand from a vendor for payment for construction, goods, and/or services that have been purchased, and which shall include the Purchase Order number of the authorized purchase, invoice number, date, name and address (*include in contracts*)
- 5.9 **Levels of Purchase** – see Exhibit 1.
- 5.10 **Open Purchase Order** – one that is used for anticipated numerous or repeated small purchases over an extended time period.
- 5.11 **Petty Cash** – cash fund administered by authorized departments for the purpose of executing small purchases less than ~~\$150.00~~ **\$50.00**, as set by the City Manager.
- 5.12 ~~**Preferred Vendor Preference** – a local vendor who is certified and registered with the City's Clerk's Office, who then qualifies for a five percent (5%) preference in the bid process.~~ **An advantage authorized by law in consideration for award of a contract granted to a bidder/offeror.**
- 5.12.1 **Local Preference** - The City of Raton recognizes the value of revenue derived from local businesses and in accordance with this policy will attempt to

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procure goods and services locally whenever possible as permissible by the NM State Procurement Code.

5.12.2 In State Preferences – an in-state business that has a valid resident business and/or contractor certificate qualifies for a 5% preference. The In-state preference doesn't apply to contracts that use federal funding.

5.12.3 Veterans' Preference – a New Mexico veteran-owned businesses or a resident veteran contractor that has a valid certificate qualifies for a percentage preference as described in 13-1-21 NMSA 1978.

5.12.4 State Use Act – applies to "Services and Professional Services" contracts only. The State Use Act grants a first right of refusal to the Central Non-Profit Agency (CNA) for those contracts which the CNA can provide the service required. Refer to www.horizonsofnewmexico.org for the list of all services.

- 5.13 **Procurement or Purchase** – obtaining or contracting to obtain tangible property (goods), construction, and/or intangibles (services) that require the expenditure of funds controlled by the City of Raton government.
- 5.14 **Professional Services** – the services of architects, archeologist's, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified or registered public accountants, lawyers, psychologists, planners, researchers, construction managers, and other persons or businesses providing professional services, which may be designated as such by determination issued by the central purchasing office (NMSA 13.1.76).
- 5.15 **Purchasing Cards or P-Cards** – state approved credit-card like cards used for making purchases. City of Raton currently uses Purchasing Cards for fuel only.
- 5.16 **Purchase Order or PO** – a binding legal document that has been appropriately approved before submission to a vendor, which authorizes the purchase or procurement of the items or services listed thereon.
- 5.17 **Purchasing Office/Chief Procurement Officer (CPO)** – terms used to describe the individual or office responsible for having the knowledge of applicable laws, policies, and generally accepted purchasing principles and techniques; to insure that all purchasing activities of the City of Raton and its concerns are appropriate and consistent; and to execute procurement accordingly.
- 5.18 **Quote** – a binding, good-faith written or oral itemized estimate of the price of goods and/or services, which a vendor is willing to provide to the City of Raton. This is used for smaller purchases (see Exhibit 1), and is documented on the Quotation Form.

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- 5.19 **Requisition** – a request issued by an authorized user to purchase necessary goods and/or services, which has been entered into the INCODE MANAGEMENT SYSTEM for approval by appropriate levels of authority.
- 5.20 **Small Purchase** – a single purchase as described in NMSA 13.1.125 (See Exhibit 1). *A large purchase shall not be artificially divided so as to constitute a small purchase.*
- 5.21 **Sole Source/Justified Purchase** – a one-time purchase at any amount made without competitive pricing, as described in NMSA 13.1.126 through 128 subject to the following conditions:
- 5.21.1 A good-faith review of available sources has been conducted; and
- 5.21.2 A letter/memo of justifications is provided with documentation detailing the reason(s) why this source is the only known provider in New Mexico or is the provider most advantageous to the City.
- 5.21.3 Notice of intent to award shall be posted 30 days prior to award on the City of Raton website.
- 5.21.4 Any qualified potential contractor who was not awarded a sole source contract may protest to the Chief Procurement Officer in writing within 15 calendar days of the notice of intent to award a contract.
- 5.22 **Unauthorized Purchase** – one that is not legally or appropriately approved; is not within the City budget; or does not comply with New Mexico laws, regulations or City of Raton policy.
- 5.23 **Vendor or Supplier** – an individual or organization that has been approved by Purchasing to sell construction, goods, and/or services to the City of Raton for remuneration, or to receive grant funding awarded by the City.
- 5.24 **Voucher** – a document used to certify a purchase of goods or services that are not subject to the use of a PO.

6. **INTERPRETATION OF POLICY AND SUPPLEMENTS.** In any case where a provision of the purchasing policy is vague or unclear it may require a written clarification for review by the City Manager. Once approved, it shall be included as a supplemental part of this policy.

7. **PERSONAL USE PROHIBITED.** No purchasing for private or personal use, nor use of the procurement process for such purpose, is permitted.

8. **TRAINING, ENFORCEMENT.** All officers, authorized users, and their supervisors are responsible for knowing, understanding, and adhering to the provisions of this policy.

9. **EXEMPTIONS FROM THE PROCUREMENT CODE.** Per NMSA 13.1.98, the provisions of the Code shall not apply to the following (although a Purchase Order ~~or voucher~~ is still required):

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- 9.1 Procurement of goods or services from a state agency, other local public body, or external procurement unit;
- 9.2 Printing and duplicating involving legal and administrative proceedings;
- 9.3 Purchases of utilities services;
- 9.4 Purchase of books or periodicals, or magazine subscriptions;
- 9.5 Travel or shipping by common carriers or private conveyance, or to meals and lodging.
- 9.6 Conference registrations or similar purchases, of up to ~~\$10,000~~ \$5,000, where prepayment is required;
- 9.7 The issuance, sale, and delivery of public securities (bonds), except for the services of bond attorneys or general financial consultants;
- 9.8 Contracts with a private independent contractor for operating a jail;
- 9.9 Contracts with private, nonprofit, independent contractors who provide employment opportunities or services to persons with handicaps;
- 9.10 Contracts for services to be paid or compensated to state or federal law enforcement agencies;
- 9.11 Contracts for retirement and other benefits;
- 9.12 Contracts with professional entertainers;
- 9.13 Contracts and expenditures for expenses in connection with legal proceedings; including experts, mediators, court reporters, process servers, and witness fees, but not including attorney contracts;
- 9.14 Works of art for museums or for display in public buildings or places;
- 9.15 Purchases of advertising in all media, including radio, television, print and electronic;
- 9.16 Procurement of services from community rehabilitation programs or qualified individuals pursuant to the State Use Act (13-1-1 through 13-1C-7 NMSA 1978);
- 9.17 Purchases of products or services for eligible persons with disabilities pursuant to the Federal Rehabilitation Act of 1973.

10. **STANDARD PURCHASING.** All standard purchasing requires the issuance of an approved PO prior to executing the purchase. The following describes the process and procedures required to execute routine purchases:

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- 10.1 **Initiating a Purchase** – The user/department determines a need; the user ~~then uses the Pre Audit Checklist to~~ checks the funds available in the appropriate budget line item for such a purchase.
- 10.1 1 The initiator must provide ~~Purchasing~~ **Accounts Payable** with all supporting documents attached to the Purchase Requisition when submitted to ~~Finance~~ **Chief Procurement Officer** for approval.
- 10.1 2 ~~Purchasing~~ **Chief Procurement Officer** reviews the Requisition within two working days for correctness and appropriateness, and creates a preliminary PO, except where a question or problem needs to be addressed by the initiator.
- 10.1 3 ~~Purchasing~~ **Chief Procurement Officer** may make minor corrections to the Requisition, or change the Requisition to make a more advantageous purchase for the City.
- 10.1 4 Requisitions pending with a question or problem for over 30 days will be deleted ~~by Purchasing~~. Deleted requisitions will be and returned to the initiator along with an explanation as to why the requisition has been deleted.
- 10.2 **Justified/Sole Source Purchases** – The Justification is attached to the requisition as documentation for the purchase, is signed by the department head, and requires approval based on level of purchase. The City Manager will determine if the documentation is sufficient.
- 10.3 **Cooperative Procurement (Piggybacking)** – Purchasing of construction, goods, and/or services can be done without obtaining quotes for competitive bids when the City of Raton participates in, sponsors, or administers a cooperative purchase agreement with any qualifying procurement entity.
- 10.3 1 For routine purchases (exec-office or cleaning supplies, parts), the contract source and number must be written on the Requisition.
- 10.3 2 For large or non-routine purchases, the contract or its relevant sections, or the qualifying quote, must be attached as documentation.
- 10.4 Used Items for Equipment - per NMSA 13.1.155, in addition to the requirements above, such purchases shall include:
- 10.4 1 Whenever possible, a written warranty for parts and labor valid for at least 90 days after the date of delivery should be obtained;
- 10.4 2 Equipment purchases shall have attached a “Certificate of Working Order” by a qualified, independent appraiser or mechanic.
- 10.5 Capital Assets (\$5,000 or More) – any one item of such value shall be flagged on the PO and a copy of the final PO shall be routed to the ~~City Clerk~~ Treasurer for inclusion on

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the capital assets list. Refer to City of Raton Fixed Asset Policy for appropriate procedure.

- 10.6 **Initiation of a Contract** – When needed, a signed contract must be obtained before the issuance of a PO. The City Manager will consult with the City's Attorney, if needed to review and/or prepare a contract. The initiating department is responsible for assessing its contract needs, and to give the City Manager and/or City Attorney adequate lead-time to review. ~~process all contract requests.~~
- ~~10.6.1 The initiating department shall fill out a Contract Request and Authorization Form, and is then routed for necessary signatures.~~
- 10.6.1 City Attorney may be asked by City Manager to review and/or draft, and ~~processes all~~ proposed contracts.
- 10.6.2 Only the Mayor or City Manager, or their designee has the authority to sign a contract on behalf of the City.
- 10.7 **Authorization of PO's** – The level of the purchase determines the content of the PO and levels of review and authorization needed to proceed, with the City Manager and City Treasurer discretion to review any proposed purchase as needed. See Exhibit 1 for purchase and authorization levels.
- 10.8 **Documentation, Routing, and Expiration of PO** – After final approval has been obtained, the PO is routed back to the Purchasing Officer Accounts Payable, who retains the original PO (and documents where applicable). A copy is routed to the initiating department.
- 10.8.1 Expiration of the PO – the PO is valid only in the fiscal year in which it was created. All open PO's are terminated at the end of the fiscal year.
- 10.8.2 If a balance remains at the end of the fiscal year, a new PO must be issued for the new fiscal year. The Requisition for it must have attached all supporting documentation anew.
- 10.9 **Ordering from the Vendor** – The PO shall be approved prior to executing the purchase. The City retains the original PO. A copy may be given to vendor placing the order to, which may be sent by mail or electronic transmission. The user shall inform the vendor that the PO number must be included on the invoice submitted for payment, and that all invoices must be mailed or transmitted to the City's Accounts Payable department.
- 10.10 **Verifying Receipt of Goods and/or Services** – The Department head shall designate a person other than the one who initiated the PO to conduct the verification. The PO is compared to the invoice to verify correctness. Any discrepancies are dealt with as follows.

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10.11 **Handling Discrepancies** - A discrepancy occurs when there is a difference between what was ordered and what was received, the condition in which it was received, and/or an amount billed to the City is greater than was anticipated. (NMSA 13.1 157-158). The procedures are as follows:

10.11.1 All discrepancies are noted on the City's Purchase Discrepancy Form, which is attached to the original PO and invoice, and are submitted to initiating department head and the ~~City Clerk~~/Treasurer for further review. A copy of the Form is sent to the vendor within 15 days for response.

10.11.2 The initiating department head and the ~~City Clerk~~/ Treasurer then review the vendor's response, and together decide whether the response is satisfactory to authorize payment.

10.11.3 Should the response from the vendor be unsatisfactory, the ~~City Clerk~~/ Treasurer shall issue within 30 days a letter of exception explaining the defect or objection. No payment shall be issued unless the vendor satisfies the defect or objection. Should payment be denied, the vendor may appeal the decision to the City Manager.

10.11.4 Should the goods or services be otherwise acceptable, in the case of an incomplete order where the remainder is expected, a partial payment for what was received may be processed.

10.12 **Regular Processing for Payment** – The ~~City Clerk~~/ Treasurer shall be responsible for insuring that payment is made timely to receive applicable discounts and to avoid late charges, or as required by contract. The processing for payment is as follows:

10.12.1 ~~Pre-audit (using the Checklist provided by the City Clerk/Treasurer) an~~ Approval of all invoices is the responsibility of the department head or designee. The initiating/receiving department submits the original invoice with all necessary supporting documents to Accounts Payable.

10.12.2 The invoice is verified as approved for payment, and the department head or his/her designee signs and dates it.

10.12.3 The originals are routed to the Accounts Payable department by the deadline set for processing.

10.12.4 The Accounts Payable Clerk reviews or inputs the invoicing into the INCODE MANAGEMENT SYSTEM and prepares a summary of the payables.

10.12.5 The summary is routed to the Treasurer to review for correctness and to ascertain the funds are available for processing payment for their approval for payment. No payment shall be made from any budget line item with a funding shortfall without approvals by the Treasurer and/or City Manager.

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- 10.12.6 Payment is to be remitted **within ten (10) working days**, and no later than 30 days after the date of the invoice verification (NMSA 13.1.158).
- 10.12.7 Department heads shall submit a signed invoice to Accounts Payable **within ten (10) working days** of receipt of an invoice from vendor.
- 10.13 **Problematic Processing for Payment** – Should a problem or question arise regarding a purchase, the Accounts Payable department withholds payment, attaches a Procurement Violation Form to the document(s), and routes it back to the purchaser for a written explanation. The form is then routed to the initiating department head, Treasurer, and City Manager for approval.
- 10.14 **Unauthorized Purchase** – The purchaser shall document in writing the justification for such purchase on the Procurement Violation Form. The department head, Treasurer, and City Manager review the response and decide whether it is justified. Should approval be denied, the initiator may appeal the decision to the City Manager.
- 10.14.1 City of Raton shall assume no responsibility for payment of unauthorized purchases that are declined.
- 10.14.2 Should the City of Raton decline payment, it becomes the initiator's responsibility to either return the goods or pay for them.
- 10.14.3 Making an unauthorized purchase may subject the initiator to disciplinary action as determined by the City Manager.
- 10.15 **Invitation to Bid/Request for Proposals (ITB/RFP)** – Large purchases shall comply with NMSA 13.1.100 through 13.1.124 and 13.1.13 through 13.1.176. The City shall maintain strict confidentiality at all times in the process. The procedures for processing bids or proposals are as follows:
- 10.15.1 The initiating department ~~fills out a Bid/RFP Processing Form, and provides Purchasing~~ **the Chief Procurement Officer** ~~his and~~ a set of bid specifications or scope of work where applicable. The specifications cannot be written in such a way as to favor or exclude a vendor, and all specifications shall be considered as "equivalent or better."
- 10.15.2 ~~Purchasing~~ Chief Procurement Officer prepares a draft document and presents it to the initiator ~~and the City Attorney for review and/or revision,~~ for approval.
- 10.15.3 ~~Purchasing~~ Chief Procurement Officer sends the RFP/ITB publication notice to ~~at least three~~ **a** newspaper of general circulation for publication not less than ten **calendar** days prior to the scheduled bid opening (NMSA 13.1.104)
- 10.15.4 The bid documents **will be posted on the City website** and mailed or transmitted electronically to interested parties. If sent via e-mail, the document should be write-protected to prevent alteration. Copying and shipping and handling fees may be charged for provision of these documents.

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10.15.5 Clarifications or questions regarding the bid may be answered, and must be disseminated to all interested parties in the form of an addendum.

10.15.6 A pre-bid conference or a site walk-through for all interested parties may be scheduled as an alternative.

10.15.7 Bid(s) received shall be dated-and-time-stamped and initialed by the receiver, secured, and kept unopened until the deadline.

10.15.8 At the scheduled opening, a sign-in sheet shall be kept, with at least two City employees present along with any interested parties.

10.15.9 The Chief Procurement Officer ~~A review committee is established by the Purchasing Officer or City Administration to review the bid(s), prepare an abstract if necessary, and to~~ makes a written recommendation to the City Manager and City Commission.

10.15.10 Should the Commission accept a bid or proposal, a contract, if needed, is prepared by the City Attorney or the vendor, and a PO is subsequently issued with the contract attached.

10.15.11 All documents related to the bid process are secured, and a log-out record is kept should any party wish to view them outside of the Purchasing presence and control.

10.15.12 In the event no bid is received, or the Commission rejects the one(s) received, steps 10.15.3-9 are repeated.

10.15.13 In the event that again no bid is received, or the Commission rejects the one(s) received, a contract may then be awarded on a negotiated basis.

11. NONSTANDARD PURCHASING. The following describes the process and procedures required to execute these purchases:

11.1 **Periodic Billings** – (ex.-utilities, phone, subscriptions) are routed directly to Accounts Payable for Processing. **Department Heads will be required to review and approve all landline and cell phone calls per billing statement;**

11.2 **Fees/Dues/Tuition** – a PO ~~or Expense Voucher~~ is created, the order forms are attached, then routed to the appropriate individuals or departments for approval. In addition, for tuition, the City Manager's approval is required. In addition to the City Manger's tuition, the City Mayor's approval is required.

11.3 **Conference Registration** – City of Raton recognizes the need and desirability of having employees go to training and development courses, and encourages attendance when appropriate. Late registrations or additional fees will be approved only with a memo of justification and approval by the City Manager.

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The following guidelines shall be used when processing a request to attend these:

11.3.1 Supporting documents – must include the registration form and agenda, to include dates, location, cost, etc.

11.3.2 Pre-approval – the supporting documents are presented to the department head, if training is located out of state for pre-approval signature/s;

11.3.3 Requisitioning – a requisition will be entered in the INCODE MANAGEMENT SYSTEM by the Accounts Payable Clerk, and supporting documents need to be routed to Purchasing within two working days, prior to Purchasing entering requisition into the INCODE MANAGEMENT SYSTEM.

11.3.4 Finance review – ~~Purchasing and the City Clerk/Treasurer~~ shall conduct a review, and **submit to Accounts Payable to** create a Purchase Order within two working days if all information is provided;

11.3.5 Final approval – the PO is approved by ~~Purchasing, City Clerk/Treasurer and the City Manager.~~

11.3.6 Conference and workshop registration charged by the New Mexico Municipal League, Leadership New Mexico, National League of Cities, and the International City Management Association may be direct billed to the City for those employees authorized to attend.

11.4 **Petty Cash Purchases** – City of Raton keeps a Petty Cash Fund that shall be administered by the ~~City Clerk/Treasurer's~~ Office (see exhibit 1 for limit). The ~~City Clerk/Treasurer~~ shall be responsible for establishing and monitoring the policies to insure proper safeguards and accountability. ~~The City Clerk/Treasurer shall prepare a formal appointment memo to each authorized Petty Cash Custodian along with a copy of the procedures for administering the fund.~~ The following are the procedures for processing a purchase using petty cash:

11.4.1 The user/department determines a need; the user checks the funds available in the appropriate budget line item for such a purchase; the purchase is approved by the department head;

11.4.2 If the purchase is made from the personal funds, the buyer must get a paper store receipt, and sign it; or

11.4.3 A cash advance is obtained from the Petty Cash Fund Clerk for the estimated amount; the buyer must **sign when receiving the cash and** get a paper store receipt, and sign it;

11.4.4 The store receipt is turned over to the Petty Cash Fund Clerk within three working days for finalization. If paid out-of-pocket, the buyer is reimbursed; if

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cash is advanced, any surplus funds must be returned and the cash receipt is revised and initialed by the Petty Cash Fund Clerk.

- 11.5 **Emergency Purchases** – One that is justifiably urgent and/or cannot comply with standard purchasing procedures for documented reasons (NMSA 13.1.127). Emergency purchases can only be made in the event of a threat to the health, safety, or welfare of any person, the preservation or protection of property, or the functioning of government. Procedures for these purchases are as follows:

11.5.1 A memorandum that includes a declaration of emergency must be made by the Mayor or the City Manager in order to procure goods and services pursuant to this section. In their absence, the City Commission may also declare an emergency to exist.

11.5.2 Necessary purchases shall be approved by the department head, and are then made.

11.5.3 **Emergency procurement award information to be posted within 3 days of award to the City of Raton Website (NMSA 13.1.128)**

11.5.4 ~~Expense Voucher~~ **A written request** is prepared, with justification for each purchase, which shall be provided to the ~~City Clerk~~/Treasurer within three working days following the purchase or the end of the emergency, and is signed by the department head. The justification shall include:

- a. the vendor's name, address and phone number;
- b. an itemized list of items and the cost of each; and
- c. a satisfactory explanation for the choice of vendor and item(s) purchased

- 11.6 **Budget Adjustments** – Approvals on non-budgeted items shall be requested by the ~~Office of the City Clerk~~/Treasurer as Budget Adjustment Requests to the City Commission prior to the approval of purchases.

- 11.7 **Per Diem and Travel** – City of Raton will reimburse employees and elected officials for travel costs incurred in the conduct of official City business. The individual can elect to get reimbursement either on an actual-cost basis or on per diem rates as established by this policy (see Exhibit 2 for applicable rates). However, for actual cost, approval by the City Manger is required, as well as submission of signed receipts.

All out-of-state travel requires approval by the City Manager.

11.7.1 Partial Day Per Diem – paid for travel, which occurs beyond the normal workday or upon return from overnight travel;

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11.7.2 Overnight Travel Actual-Cost Reimbursement – paid for travel, which requires an overnight stay of at least 24 hours. Time calculation begins at the time the employee departs home or office to travel.

- a. Actual costs, Lodging – Reimbursable at the rate for a standard, single occupancy room (including tax);
- b. Actual costs, Meals – Reimbursable for the traveler's meals (excluding alcoholic beverages) within a 24 hour period up to the maximum allowed by the state;
- c. Actual costs, Other – For taxis, local transportation, gratuities, parking fees, etc. are reimbursed upon submission of the receipts with an Expense Voucher. Safe arrival telephone calls are also authorized on the hotel billing;
- d. Loss of Receipts – in the event that the original receipts are lost, and the cost incurred creates a hardship, an affidavit signed by the traveler may be substituted, is attached to the voucher, and is subject to approval by the department head and City Manager or Treasurer.

11.7.3 Per Diem – paid at the rates established in Exhibit 2.

11.7.4 Mileage – reimbursable for use of a private vehicle used for official City business.

- a. Chart distances – will be reimbursed based on the NMDOT intercity chart for in-state travel; or
- b. Actual odometer readings multiplied by the state-approved rate (see Exhibit 2) if the origin/destination is not on the chart;
- c. Out-of-State reimbursement will be limited to the equivalent total that would have been spent on airfare had the individual traveled via coach class on common carrier;
- d. Additional Mileage – the department head may authorize reimbursement if the origin/destination point is substantially farther than indicated on the mileage chart.

11.7.5 Travel Advances – Pursuant to 2.42.2.10 NMAC a traveler may receive an advance of up to 80% of expected actual OR per diem cost for lodging, meals, and mileage. Requests must be submitted to Accounts Payable NO LATER than 7 days prior to departure date to receive 80% advance. Failure to meet this deadline will result in 100% upon return.

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- a. The **remaining 20% or** difference between the advance payment and the actual cost will be paid to the employee, or in the case of overage reimbursed by the employee, upon submission of the ~~travel vouchers~~ **per diem reimbursement form**.
- b. In the event an employee or ~~council~~ **elected official** is unable to travel due to an unforeseen emergency, the travel advance must be paid back to the City within seven working days. Failure to do so will result in the costs deducted from their scheduled paycheck.

11.7.6 Procedures for submitting a travel reimbursement request:

- a. ~~Travel voucher~~ **Request for Per Diem** – must be filled out for all travel-related expenses; and
- b. ~~Expense voucher~~ **Reimbursement Request** – must be filled out along with the travel voucher, or for any applicable non-travel related expenses.

~~11.7.8 Purchases Made with P Cards~~ – Refer to City of Raton's Procurement Card (P-Card) Program Policy, exhibit 3.

11.7.7 Fuel Cards – Refer to City of Raton's **Gas Card Procedure**.

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EXHIBIT 1

State Laws and Regulations (NMSA 13.1.125 – Small Purchases):

1. Up to ~~\$20,000~~ \$60,000, excluding GRT (gross receipts tax).
2. Large purchases shall not be artificially divided so as to constitute small ones.
3. Exceptions (as described in NMSA 13.1.91 and 13.1.125):
 - a. Professional Services up to ~~\$50,000~~ \$60,000
 - b. Architects and Engineers on a public works project up to ~~\$50,000~~ \$60,000
 - c. Surveyors and Landscape Architects up to \$10,000

City of Raton Policy:

Levels of Purchase:

Petty Cash – Up to \$25.00 ~~\$50.00~~

Less than ~~\$499~~ \$1,000- a small purchase made based upon the best obtainable price after comparative pricing with consideration for quality, delivery, availability and issuance of a PO.

~~\$500~~ \$1,000.01 to \$4,999 -a small purchase made after obtaining 3 documented quotes (they can be oral, catalog, internet printout, etc.) from a vendor and issuance of PO.

\$5,000 to ~~\$19,999~~ \$59,999 -a small purchase made after obtaining at least 3 written documented quotes from a vendor **on company letterhead** and issuance of PO.

~~\$20,000~~ \$60,000 or More -Except for exceptions noted above, a large purchase that requires compliance with formal bid/**proposal** procedures in NMSA 13.1.102 through 13.1.122 and City of Raton policy.

Authorization Levels:

Less than ~~\$499~~ \$1,000 - the requisition shall be approved by the department head, and the PO must be approved by the Purchasing Officer.

~~\$500~~ \$1000.01 to \$4,999 - the requisition shall be approved by the department head, and the PO must be approved by the Purchasing Officer.

\$5,000 to ~~\$19,999~~ \$24,999- the requisition shall be approved by the department head, and the City Manager. The PO must then be reviewed and approved by the City Treasurer.

~~\$20,000~~ \$25,000 or More - Requires approval by the City Manager and City Commission.

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EXHIBIT 2

Per Diem Rates:

In-State Rate, Regular	\$ 85.00
In-State Rate, Special Area (Santa Fe Only)	\$135.00
Out-of-State, Regular	\$115.00

Out-of-State, high cost areas will be based on actual cost of lodging, plus meals

Partial Per Diem or Return from Overnight Travel Rates:

Less than 2 hours	None
2 but less than 6 hours	\$12.00
6 but less than 12 hours	\$20.00
More than 12 hours	\$30.00

Meal Reimbursement, Maximum per 24-hour Period: (actual)

In-State	\$30.00
Out-of-State	\$45.00

Mileage Reimbursement:

Private Vehicle	\$0.55 per mile
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CITY OF RATON
PURCHASING AND PROCUREMENT POLICY

Exhibit 3

CITY OF RATON PROCUREMENT CARD PROGRAM

Policy and Procedures

WHAT IS THE PURCHASING CARD OR P-CARD?

The Purchasing card (P-Card) is a state approved Visa/MasterCard credit instrument issued by Bank of America. It is a fast, flexible new purchasing tool which offers an alternative to some of the existing purchasing processes, and provides an extremely efficient and effective method for purchasing and paying for them. Using the P-Card is a privilege. It will be issued in the name of the Department Head, and is to be used only for official purchases.

The P-Card will enable you to purchase non-restricted goods and travel-related services, by telephone, Internet, or in person, directly from the vendors.

The P-Card program brings many benefits to...

Authorized Purchasers— You will be able to purchase directly from your vendors. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of invoices and vouchers.

The City— The P-Card program provides a cost-efficient, alternative method of purchasing. Built-in card features make the program easy to manage and reduces processing costs by reducing the number of requisitions, vouchers, purchase orders, invoices and checks.

Vendors— The P-Card will be welcomed by vendors who accept VISA/MASTERCARD. When they accept the card for business purchases, vendors need not send invoices to the City, and they will receive payment directly from Bank of America within 48 hours.

Authorized User/Purchaser— Employees who have received the prescribed training, and have been certified to use the P-Card to execute purchase transactions on behalf of the City. The City Manager will authorize a user to be issued a card, only after the training has been completed.

Vendor— The merchant from whom the authorized user is making a purchase.

PURCHASING RESPONSIBILITIES:

Misuse of the card will result in revocation of P-Card privileges, and may subject the purchaser to disciplinary action in accordance with City policies and procedures. The user shall adhere to the following provisions:

- Must receive the prescribed training

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- ~~Must be registered with the Purchasing Officer as an authorized user.~~
- ~~Must sign the City of Raton **P-Card Policy Acknowledgment and Agreement.**~~
- ~~Shall log out and in each time the P-Card is to be used, and return it ASAP after use.~~
- ~~Shall not allow any other person to use the P-Card.~~
- ~~Shall adhere to the purchase limits and restrictions of the P-Card.~~
- ~~Shall obtain, sign, and turn over all sales slips, register receipts, and/or P-Card slips to the Purchasing Officer for reconciliation, approval and allocation of transactions.~~
- ~~Shall not accept cash in lieu of a credit to the P-Card account.~~
- ~~Shall notify the Purchasing Officer of a lost or stolen P-Card ASAP.~~
- ~~Should contact the Purchasing Officer if a vendor does not accept Visa/MasterCard.~~
- ~~Should notify the Purchasing Officer of request(s) to have Bank of America set up a vendor to accept Visa/MasterCard.~~

~~PURCHASING OFFICERS RESPONSIBILITIES:~~

~~The City Clerk/Treasurer shall be considered the Purchasing Card Administrator (PCA) and is responsible for the overall P-Card program. He/she must receive training before administering the program. Responsibilities include:~~

- ~~Providing a copy of this policy, and obtaining and retaining a signed P-Card Policy Acknowledgement and Agreement from all authorized users.~~
- ~~Providing required training to all authorized users.~~
- ~~Serving as City liaison with Bank of America.~~
- ~~Learning and using the utilization of software from Bank of America.~~
- ~~Forwarding vendor setup requests to Bank of America.~~
- ~~Securing the P-Cards when not in use.~~
- ~~Logging out and in the P-Cards when not in use.~~
- ~~Receiving and reviewing vendor receipts submitted by the users.~~
- ~~Reviewing all transactions for correctness and appropriateness online at least twice weekly, and reconciling to the monthly bill.~~
- ~~Receiving and processing electronic download of the monthly bill.~~
- ~~Preparing the bill for payment and submitting to Accounts Payable.~~
- ~~Attempt to resolve any disputes or billing errors with a vendor not resolved by the authorized purchaser.~~
- ~~Notifying the Bank of America in 3 to 5 days of any unresolved disputes, noting the reason for dispute.~~
- ~~Attempt to resolve disputes or billing errors directly with the card issuer by faxing to the Bank of America the required Statement of Disputed Item Form.~~
- ~~Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent statement.~~
- ~~Notifying the Bank of America of lost or stolen card(s).~~

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- ~~Ensuring that lost or stolen cards have been blocked by Bank of America.~~
- ~~Securing revoked P-Cards and submitting the information and canceled cards to Bank of America.~~
- ~~Assisting department heads with erroneous declines and emergency transactions.~~

~~P-CARD USE PROCEDURES~~

~~1. P-Card Use~~

~~The City requires submission of a requisition to the purchasing department for approval prior to the purchase using the P-Card.~~

~~The City Manager may authorize certain staff members to use the City P-Cards for the procurement of certain goods and services provided the cost of the goods or services does not exceed \$1000.00 per day. Those employees entrusted with the use of credit agree to abide by the limitations prescribed by this policy. City P-Cards shall only be used for the following expenses:~~

- ~~A. Authorized business travel expenses (as defined below)~~
- ~~B. Vehicle charges and expenses for City owned vehicles. (i.e. oil, tires, repairs)~~
- ~~C. Office supplies that are urgently needed and cannot wait for a standard purchase.~~
- ~~D. Field supplies needed due to a repair or maintenance of City facilities or utilities.~~
- ~~E. Other business related expenses with specific approval of the Purchasing Officer.~~

~~The card works just like your personal credit card, except all charges are paid in full by the City. It is to be used only as detailed in this document. City spending parameters for the P-Cards are set as follows:~~

~~Travel-Related purchases~~

- ~~1. To be used for travel related goods and/or services, such as for booking travel and lodging, or any other instance in which an advanced reservation is required.~~
- ~~2. Limited to the actual cost of lodging, meals, transportation, parking, and applicable taxes.~~

~~The City requires that certain types of vendors be blocked from P-Card use. Transactions will be blocked at the point of sale.~~

~~2. P-Card/Account Number Security and Storage~~

~~Authorized users should always treat the City P-Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person to whom the P-Card is assigned, or who has signed out the P-Card. ***The card may not be lent to or used by another person for any reason.***~~

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~~3. Lost, Misplaced, or Stolen Cards~~

~~Report any lost or stolen P Card immediately to the PCA at the earliest opportunity during normal business hours.~~

~~4. Credits~~

~~The vendor should issue a credit to the P Card account for any item that they have agreed to accept for return. This credit will appear on a subsequent statement. ***Under no circumstances should you accept cash in lieu of a credit to the P Card account.***~~

~~5. Disputes & Billing Errors~~

~~You should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact the PCA, who will contact Bank of America at 1-800-300-3084. Bank of America may request you to mail or fax to 1-602-597-5339 a signed Dispute form to document the reason for the dispute. Nearly all issues can be resolved using this process.~~

~~6. Customer Service~~

~~Bank of America Customer Service is available 24 hours a day, 365 days a year at 1-800-300-3084 for:~~

- ~~• Reporting a lost or stolen card~~
- ~~• Disputes or billing errors~~
- ~~• Account information~~

~~For all questions or issues, please contact the PCA.~~