

ADOPTING REVISIONS TO THE
CITY PURCHASING AND PROCUREMENT POLICY

RESOLUTION 2015- 25

WHEREAS, the purpose of this resolution is to adopt revisions to the City of Raton Purchasing and Procurement Policy to further insure compliance with the Procurement Code (Being Sections 13-1-21 to 13-1-199 NMSA 1978 as amended) and Public Works Contracts (Being Sections 13-4-1 to 13-4-43 NMSA 1978, as amended).

WHEREAS, the purpose of the Procurement Code is to provide for the fair and equitable treatment of all persons involved in public procurement, to maximize the purchasing value of public funds and to provide safeguards for maintaining a procuring system of quality and integrity; and

WHEREAS, 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; and

WHEREAS, the City Manager's Office shall be responsible for the administration of this policy, and for the enforcement of the policy; and

WHEREAS, Sections 13-1-21 to 13-1-199 and 13-4-1 to 13-4-43 NMSA 1978, provides statutory direction for the City in its Purchasing and Procurement Policy; and

THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF RATON, that the following rules of procedure are hereby adopted.

This Resolution replaces and supersedes Resolution 2012-44 adopted November 13, 2012.

PASSED, APPROVED AND ADOPTED this 14th day of July 2015.

CITY OF RATON

ATTEST:

Sandra Mantz, Mayor

Tricia Garcia, City Clerk

CITY OF RATON

PURCHASING

AND

PROCUREMENT POLICY

Adopted: November 13, 2012

Revised: July 14, 2015

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 July 14, 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, 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 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 personal property and has a pre-determined set of specifications to which a bidder must answer and/or comply.

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- 5.3.2 **Proposal** – is a written offer submitted in response to a RFP solicitation. 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.
- 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 \$50.00, as set by the City Manager.
- 5.12 **Preference** – 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 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.

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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.
- 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.*

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- 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 is still required):

- 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;

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- 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, 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:

10.1 Initiating a Purchase – The user/department determines a need; the user checks the funds available in the appropriate budget line item for such a purchase.

10.1.1 The initiator must provide Accounts Payable with all supporting documents attached to the Purchase Requisition when submitted to Chief Procurement Officer for approval.

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- 10.1 2 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 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 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. Existing contracts can be found on the State Purchasing website at www.generalservices.state.nm.us/statepurchasing/
- 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 Treasurer for inclusion on 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.

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- 10.6.1 City Attorney may be asked by City Manager to review and/or draft 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 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.
- 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 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 Treasurer then review the vendor's response, and together decide whether the response is satisfactory to authorize payment.

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10.11.3 Should the response from the vendor be unsatisfactory, the 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 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 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.

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.

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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 provides the Chief Procurement Officer 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 Chief Procurement Officer prepares a draft document and presents it to the initiator for approval.

10.15.3 Chief Procurement Officer sends the RFP/ITB publication notice to 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.

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 makes a written recommendation to the City Manager and City Commission.

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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 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. 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 – Treasurer shall conduct a review, and submit to Accounts Payable to create a Purchase Order within two working days if all information is provided;

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11.3.5 Final approval – the PO is approved by Treasurer.

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 Treasurer’s Office (see exhibit 1 for limit). The Treasurer shall be responsible for establishing and monitoring the policies to insure proper safeguards and accountability. 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 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)

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11.5.4 A written request is prepared, with justification for each purchase, which shall be provided to the 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 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;

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.

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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.

- 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 per diem reimbursement form.
- b. In the event an employee or 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. Request for Per Diem – must be filled out for all travel-related expenses; and
- b. Expense Reimbursement Request – must be filled out along with the travel voucher, or for any applicable non-travel related expenses.

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 \$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 \$60,000
 - b. Architects and Engineers on a public works project up to \$60,000
 - c. Surveyors and Landscape Architects up to \$10,000

City of Raton Policy:

Levels of Purchase:

Petty Cash –	Up to \$50.00
Less than \$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.
\$1,001 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 \$60,000 -	a small purchase made after obtaining at least 3 written documented quotes from a vendor on a City Quote Form with specifications clearly identified for the vendor and issuance of PO.
\$60,001 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 \$1,000 -	the requisition shall be approved by the department head or designee, and the PO must be approved by the Purchasing Officer.
\$1001 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 \$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.
\$25,000 or More -	Requires approval by the City Manager and City Commission.

CITY OF RATON
PURCHASING AND PROCUREMENT POLICY

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

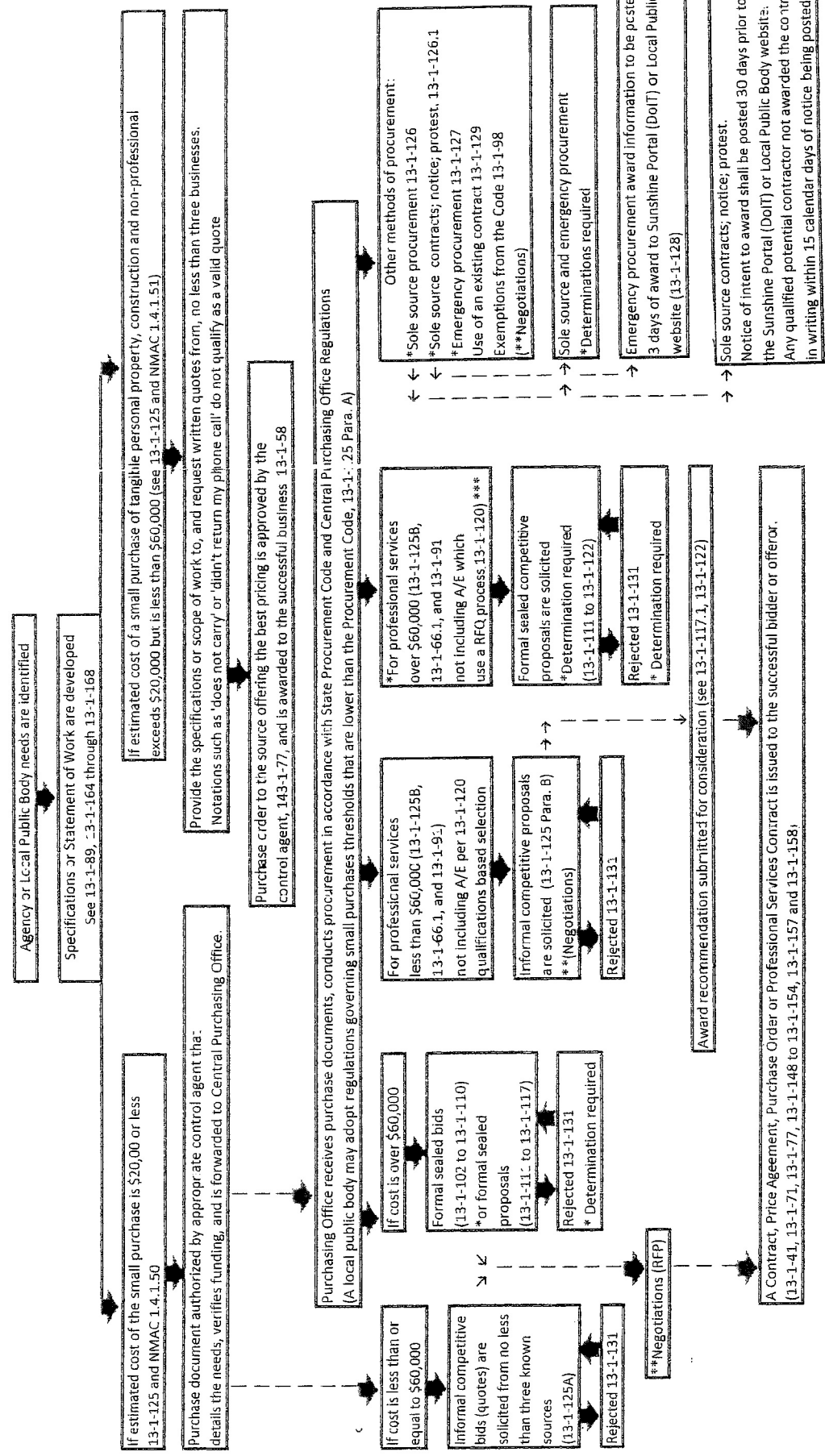
Mileage Reimbursement:

Private Vehicle	\$0.55 per mile
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CITY OF RATON- PETTY CASH PROCEDURE

5.11 Petty Cash – cash fund administered by authorized departments for the purpose of executing small purchases less than \$50.00, as set by the City Manager.

- The City of Raton uses an imprest system for petty cash: \$150 total is kept on hand in the City Clerk's Office, periodically replenished and used only for small expenditures less than \$50.00.
- Person requesting petty cash must fill out the "Received of Petty Cash" form.
- The form must be signed by the receiver and an authorized City Clerk's staff person.
- Person requesting is then given the funds up to \$50.00.
- After the purchase is made, the individual then brings the receipt to the City Clerk's Office to be attached as documentation to the "Received of Petty Cash" form.
- The authorized City Clerk staff will fill out the "Petty Cash Reimbursement" form, and attach the "Received of Petty Cash" form and receipts.
- All of this supporting documentation will be given to the Accounts Payable Clerk.
- The Accounts Payable Clerk will issue a check to reimburse the petty cash fund.
- The Petty Cash custodian (City Clerk/Administrative Assistant) will have the Treasurer or other designated signatory endorse the check.
- Petty Cash Custodian (City Clerk or authorized staff), will take the check to the bank and endorse in the presence of the teller, cash it, and replenish the petty cash fund upon return.
- Petty cash is counted daily.
- Reimbursement requests are submitted on an as-need basis.



* A request for Proposal for procurement for items of tangible personal property and non-professional services (not construction) requires a determination (see 13-1-76)
 ** If not BIDS are received or if all BIDS are rejected after two successive identical BID attempts, then items or services may be procurement by negotiations (see 13-1-131)
 *** If low bid exceeds budgeted funds by less than 10%, negotiation with the low bidder may be conducted to reduce costs to stay within project funds (see 13-1-105)
 Architects, Engineers, Landscape Architects, Surveyors and Construction Managers Request for Proposal is based on qualifications only (RFP). Price is not a consideration.
 Evaluation criteria is set in statute (see 13-1-120)

Procurement Code [Section 13-1-1 to 13-1-99 NMSA 1978]
Professional Services Determination
 Issued by The State Purchasing Division and Contracts Review Bureau

April 25, 2007

Professional Services vs. Services [Section 13-1-76 & 87, NMSA 1978]

13-1-76. Definition; Professional Services.

"Professional services" means the services of architects, archeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, construction managers and other persons or businesses providing similar professional services, which may be designated as such by a determination issued by the state purchasing agent or a central purchasing office.

13-1-87. Definition; Services

"Services" means the furnishing of labor, time, or effort by a contractor not involving the delivery of a specific end product other than reports and other materials which are merely incidental to the required performance. "Services" includes the furnishing of insurance but does not include construction or the services of employees of a state agency or a local public body.

Notes:

1. The following list of Examples of Professional Services constitutes a determination by the State Purchasing Agent (SPA) that such examples are "professional services" within the meaning of the definition set forth in Section 13-1-76 NMSA 1978. This determination is issued to guide agencies in their procurements and budget preparation.
2. An agency may feel that, because of the case-specific facts, a service listed under "Examples of Services" should, in a particular case, be considered a "Professional Service" or that a service listed under "Examples of Professional Services" should, in a particular case, be considered a "Service". In either event, the agency should, prior to the procurement, seek a fact-specific determination from the SPA concerning the correct classification of the service in the particular case.
3. If an agency intends to procure a service that is not included in either list, "Examples of Professional Services" or "Examples of Services", that agency must obtain a determination from the SPA prior to the procurement.

Characteristics of "Professional Services"	Characteristics of "Services"
<ul style="list-style-type: none"> • Services are professional or technical in nature and meet more specialized needs. Work is predominantly intellectual and varied. • Work is independent from the day-to-day control of the agency; consultant maintains control of work methods. • Work requires regular exercise of judgment, discretion, and decision-making; involves providing advice, opinions or recommendations; may have policy-implications for agency; often addresses management-level issues. • May require advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience. • Work may be original and creative in character in a recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination or talent. 	<ul style="list-style-type: none"> • Services are more repetitive, routine or mechanical in nature, following established or standardized procedures as contrasted with customary and regular exercise of discretion or independent judgment. • Services contribute to the day-to-day business operations of the agency, rather than the management or policy side of the agency, and may meet more general needs of the agency. • Services generally involving completion of an assigned task, rather than an entire project. • Decision-making and analysis, if required, is more routine or perfunctory in nature.

Professional Services Determination
 Issued by The State Purchasing Division and Contracts Review Bureau

April 25, 2007

Examples of "Professional Services"	Examples of "Services"
<ul style="list-style-type: none"> • Accountants* (certified public accountants and registered public accountants) • Actuaries • Analysts of processes, programs, fiscal impact and compliance • Appraisers • Archeologists* • Architects* • Art work, original (services creating the art work) • Audio/video media productions (design, development and/or oversight of) • Auditors • Business process re-engineering • Construction Managers* • Counselors • Curriculum/Examination development • Economists • Engineers* • Financial Advisors • Graphic designers (creative or original in nature) • Insurance Adjusters • Investigators (personnel related, etc.) • Investment advisors and management • Labor negotiators • Landscape Architects* • Lawyers* • Lobbyists • Management and system analysts* • Management consultants • Marketing consultants (including identifying market opportunities, conduct of marketing programs, planning, promotion, market research surveys, etc) • Medical arts practitioners* • Planners* • Policy Advisors • Program/Project Managers • Psychologists* • Public relations advisors/Publicists • Publication development (creation of audio/video productions, brochures, pamphlets, maps, signs, posters, annual reports, etc.) • Researchers* • Scientists* (Bio/Chem/Env/Geo/Hydro/Mech, etc) • Speech writers • Statisticians 	<ul style="list-style-type: none"> • Air/bus, vehicle charter/rental service • Auctioneers • Banking Services (routine, transaction based) • Boiler testing/water treatment service • Bookkeeping service (routine, transaction based) • Building alarm systems, service and repair • Check collection service • Clothing, textile fabrication repair service • Commercial laundry service, dry cleaning, etc. • Communications systems installation, servicing and repair • Conference and trade show coordination • Debt collection service • Delivery/courier service • Document storage, duplication, retrieval, review and destruction service • Drug testing and screening (standard tests) • Engraving service • Environmental monitoring: noise level, safety, hazardous gas detection, radiation monitoring service, etc. (using standardized processes) • Equipment installation, preventive maintenance, inspection, calibration and repair • Equipment rental services • Exams administration and scoring service • Executive recruitment • Firefighting/suppression service • Food preparation, vending and catering services • Grant writing • Health screening, basic diagnostic (wellness, blood pressure monitoring, blood draw, etc.) • Herbicide application service • Household goods packing, storage, transportation service • HVAC system maintenance service • Interpretive services: written/oral/sign language • Inventory service • Janitorial service, carpet cleaning, window washing • Laboratory testing and analysis (standard tests only) • Land clearing/debris removal service • Landscaping--tree planting, grooming service, lawn mowing, etc • Language translation service • Linen rental service • Marine equipment inspection, certification and repair • Medical equipment rental or repair service (wheel

Issued on April 25, 2007

* Specifically identified in the Procurement Code Section 1-13-76 NMSA 1978

Procurement Code [Section 13-1-1 to 13-1-99 NMSA 1978]
Professional Services Determination
Issued by The State Purchasing Division and Contracts Review Bureau

April 25, 2007

Examples of "Professional Services"	Examples of "Services"
<ul style="list-style-type: none"> • Surveyors* • Trade developers • Training – when it is: (a) offered to specific categories or classes of employees; (b) offered to all or most agency employees six times or less in a fiscal year 	<ul style="list-style-type: none"> • chairs, walkers, etc.) Includes measurements, adjustments and modifications to meet patient needs • Metal/pipe/wiring detection service • Office furnishings installation, refurbishment and repair service • Package inspection and crating • Painting service • Paper shredding • Parking lot sweeping/snow removal service • Pest/weed control service • Photographic/micrographic processing and delivering, includes aerial and ground photography (if analysis is included, then personal service) • Printing/duplicating service • Process serving • Property management (rent collection, property maintenance, etc.) • Recycling/disposal/litter pickup service • Retreat and workshop planning, conduct, coordination, etc. • Security/armored car services • Shop welding/metal fabrication service • Steam cleaning, high pressure washing, parts cleaning service • Studio photography service (does not include portrait painting) • Telephone interview service (conduct of survey using prescribed survey instrument) • Towing service • Training – when it is offered on a recurring basis (more than six times per fiscal year) to all or most employees. Also includes existing satellite down-link courses and teleconferencing training services • Travel service — air, surface, water • Vehicle inspection, lubricating and repair services • Videotaping and recording service • Warehouse dry/cold storage rental service • Weather information service

* Specifically identified in the Procurement Code Section 1-13-76 NMSA 1978

* Specifically identified in the Procurement Code Section 1-13-76 NMSA 1978

JUSTIFICATION FOR SOLE-SOURCE, NO-SUBSTITUTION, & EMERGENCY PROCUREMENT.

Sole-Source Procurement: specific item or service is available from only one source.

No-Substitute Procurement: specific item or service available from various sources.

Emergency Procurement: situation creating a threat to public health, safety, welfare arising by reason of flood, epidemic, riot, equipment failure, or other similar events.

REASON

JUSTIFICATION

Compatibility:	Indicate system, make, model, & function.
Unique Repair/Replacement Item:	Identify item to be used with; PO# item purchased.
Supplementary or accessory part Required from the same manufacture:	Identify in-house equipment & use with existing system.
Unique Item:	Identify project/program: equipment or unique design (make/model) & include reason required.
To Comply with Standards Program:	Identify criteria for standards program or project, and determine that other offerors will not meet requirements.
For Test & Evaluation:	For what system/program; what others will Be tested/evaluated?
Unique Service:	In what area is facility, equipment, or expertise unique? Include reason required.
Other Reasons, if not above:	Explain in detail.
Emergency, Immediate & Serious Need for Tangible Personal Property Professional Services, & Construction	Affect the functioning of government: the preservation of protection of property or the health or safety of any person or property.

Mileage Calculation Chart
From Raton, NM to Destination

Effective 01/01/10

<u>Destination</u>	<u>Roundtrip Mileage</u>	<u>Calculation \$0.55</u>
Alamogordo	690	\$379.50
Albuquerque	448	\$246.40
Alto	148	\$81.40
Artesia	676	\$371.80
Atter	608	\$334.40
Belen	516	\$283.80
Bernalillo	420	\$231.00
Carlsbad	748	\$411.40
Carlsborg	572	\$314.60
Chama	432	\$237.60
Chaparral	24	\$13.20
Clayton	166	\$91.30
Clifton	178	\$97.90
Clovis	468	\$257.40
Deming	872	\$479.60
Denver, Colorado	448	\$246.40
El Paso, Texas	862	\$474.10
Espanola	284	\$156.20
Escondido	236	\$129.80
Farmington	618	\$339.90
El Rincón	418	\$229.90
Gallup	724	\$398.20
Grant	104	\$57.20
Hagerman	644	\$354.20
Hatch	820	\$451.00
Hobbs	724	\$398.20
Hotchkiss	818	\$450.00
Isleta	486	\$267.30
Las Alamos	876	\$481.80
Las Vegas	212	\$116.60
Lordsburg	1012	\$556.60
Los Alamos	322	\$177.10
Los Lunas	464	\$255.20
Lovington	680	\$374.00
Mogadore	656	\$360.80
Mora	272	\$149.60
Mountainair	812	\$446.60
Portales	506	\$278.30
Red River	162	\$89.10
Reserve	860	\$473.00
Rio Grande	848	\$466.40

<u>Destination</u>	<u>Roundtrip Mileage</u>	<u>Calculation \$0.55</u>
Roswell	596	\$327.80
Roy	170	\$93.50
Ruidoso	658	\$361.90
Santa Fe	300	\$165.00
Santa Rose	338	\$185.90
Silver City	824	\$453.20
Socorro	602	\$331.10
Springer	520	\$286.00
Taos	190	\$104.50
Tierra Amarilla	40	\$22.00
Trinidad, Colorado	42	\$23.10
Truth or Consequences	166	\$91.30
Tucumcari	354	\$194.70
Tularosa	100	\$55.00
Vaughn	412	\$226.60

Per Diem Rates

In State	\$85.00	
In State Special	\$135.00	Santa Fe
Out of State	\$115.00	

**Partial day/Return from overnight travel
 (beyond a normal work day)**

<2	\$0.00
>2, <6	\$12.00
>6, <12	\$20.00
>12	\$30.00

Actual Reimbursement

<u>Meals</u>	
In state	\$30.00
Out of State	\$45.00

City of Raton – Gas Cards Procedure

1. Human Resource Director signs up new City Employees with Wright Express, and she also removes terminated employees. Maintains these files regularly.
2. A total of 46 Gas Cards have already been issued and are in their assigned City Vehicles or in Possession of Department Heads.
3. Department Heads determine which employees are allowed to take Vehicle and use their own employee PIN to get Gas. New Cards are not issued to each employee.
4. If a Card is not working or if it has been lost or destroyed. Department Head reports this to the Account Payables Clerk. Clerk contacts Wright Express and requests cancellation of this card number and issuance of a new Card to the Department reporting this is done online and this request can only be accessed by Accounts Payable Clerk.
5. Wright express mails new Gas Card, Card is then given to the Department Head.
6. All Employees are required to turn their Gas receipts to their Department Heads they then turn in to City Administrative Clerk who keeps receipts in a File Box.
7. Wright Express tracks all Card usage and sends Invoice monthly showing prior month's usage per Department and by Card No. Information provided is: the name of the person using the card, odometer reading, brand gas, cost of gas per gal., total gross cost, exempted tax, and net cost.
8. Administrative Clerk then gets each receipt and matches to the invoice page for those cards/employees. Once completed she turns in to the Accounts Payable Clerk, who then checks each item as well, and prepares invoice for payment.