

# **CURRY COUNTY**

## **Purchasing Policy and Resolution #2014-60 Establishing a Central Purchasing Office & Rules Pertaining Thereto**



**Adopted September 16, 2014**

# Curry County Purchasing & Per Diem Policy

This policy is designed to provide Curry County Elected Officials, Department Heads and employees with an established method and manner for purchasing items for or on behalf of Curry County, and/or paying for expenses, debts or obligations that authorize debts or obligations for said Elected Officials, Department Heads and employees of Curry County. This policy is to be read in conjunction with Curry County Resolution 2014-60, Establishing a Central Purchasing Office and Rules Pertaining Thereto, and shall apply to all purchases made after the date hereon.

**WHEREAS**, Curry County has adopted Resolution 2014-60 Establishing a Central Purchasing Office & Rules Pertaining Thereto; and,

**WHEREAS**, Curry County desires to replace the prior purchasing policy and create a new policy for all employees to utilize with regard to purchase expenditure funds; and,

**WHEREAS**, this policy shall apply to the Curry County Purchasing Office and the Curry County Purchasing Agent, as well as to all Curry County Elected Officials, Department Heads and employees and is to be interpreted and enforced by the Curry County Manager.

## **I. EFFECTIVE DATE**

This policy shall become effective once approved by the Curry County Board of County Commissioners and shall replace any and all prior purchasing and per diem policies.

## **II. DEFINITIONS**

- a. Purchase.** For the purpose of this policy, a purchase is to be given a broad definition to include the execution of any expense to be paid out of County funds that have been approved in the budget by the Curry County Commission.
- b. Purchasing Agent.** The Purchasing Agent shall be a County employee appointed by the Board of County Commissioners and who will be responsible for the control of the procurement of items of tangible personal property, services and construction for Curry County. Curry County shall provide the name of the County's Purchasing Agent to the State Purchasing Agent. The County's Purchasing Agent shall, as soon as possible upon appointment, obtain certification through the State Purchasing Agent and shall be responsible for recertification every two (2) years as required by Section 13-1-95.2 NMSA 2014. The Curry County Purchasing Agent shall be responsible for

implementation of this Policy, as well as an ensuring that the rules set forth in Resolution 2014-60 are complied with regarding any and all purchases.

- c. Unauthorized Purchases.** Any purchase which is not within the County budget, or specifically approved by other County Commission action or which does not substantially comply with the provisions of Curry County Resolution Number 2014-60 establishing a central purchasing office and the provisions of this policy. Curry County is a tax exempt entity and, is not required to pay tax on any purchase of goods. All County purchases of goods should reflect the County's tax exempt status. The amount of taxes on any invoice where a tax exemption has not been taken may be an unauthorized purchase, depending upon the circumstances.

**Any purchase which is not legally and appropriately approved shall be considered an unauthorized County purchase and thereby not subject to payment by the County. Any individual initiating or otherwise executing any unauthorized purchase is solely responsible for payment. All questionable purchases shall be submitted to the County Finance Director for review and determination under the provisions of this policy.**

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

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

- d. Sole Source Contracts.** A contract may be awarded without competitive sealed bids or competitive sealed proposals regardless of the estimated cost when the Curry County Finance Department and County Purchasing Agent determine, in writing, that:

There is only one source for the required service, construction or item of tangible personal property;

The service, construction or item of tangible of personal property is unique and this uniqueness is substantially related to the intended purpose of the contract; and,

Other similar services, construction or items of tangible personal property cannot meet the intended purpose of the contract.

The County Purchasing Agent shall use due diligence in determining the basis for the sole source procurement, including reviewing available sources, and shall include its written determination in the procurement file.

The County Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery and quantity in order to obtain the price most advantageous to Curry County.

Curry County shall not circumvent this section by narrowly drafting specifications so that one predetermined source would satisfy these requirements.

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

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

- i. The functioning of Curry County government;
- ii. The preservation or protection of property; or,
- iii. The health or safety of any person.

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

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

All funds expended for planning and preparing for emergency response shall be accounted for and reported to the legislative finance

committee and the department of finance administration and administration within sixty (60) days after the end of each fiscal year.

- f. **Urgent Purchase.** An urgent purchase is a local or non-local purchase during or after normal working hours that justifiably requires immediate purchase and which cannot reasonably or practicably be communicated to the Finance and Purchasing Department to obtain a purchase order number prior to the purchase being made. The purchase, no matter how urgent, must otherwise fully comply with the other terms and conditions set forth in this policy.
- g. **Authorized User.** Those individuals authorized by the Curry County Commission, Elected Officials or Department Heads who can purchase under this policy. An authorized user shall receive and sign for a copy of this policy; and, such purchasers shall be responsible for the knowledge and compliance of this policy's provisions. All authorizations shall be in writing and submitted to the Purchasing Agent. Any authorization shall include the signature of the authorized users.
- h. **Standard Purchase.** Standard purchases are defined as systematic, planned and necessary purchases for the administration and operation of a project and/or department.
- i. **P-Card Purchase.** Curry County has authorized the use of a Visa purchasing card to streamline and simplify the purchasing and payment process for small dollar transactions. These purchases are referred to as P-Card Purchases and the policy pertinent thereto is set forth herein in Section V.
- j. **Invoices.** An invoice is an itemized statement submitted by the vendor to Curry County for the payment of goods and/or services that have been delivered to the County.
- k. **Vendor.** Any person, business or other entity that sells or provides goods or services to Curry County.

### III. GENERAL PROVISIONS

These provisions shall pertain to, regulate and govern all purchases and expenditures made by, for and on behalf of Curry County beginning the effective date of this policy and continuing thereafter said policy is amended, modified and/or rescinded. The provisions of this policy are mandatory for any Elected Officials, Department Heads and employees. The failure of any Department Heads or employees to follow these procedures can result in a disciplinary action, up to and including

termination. It shall be the County employees' obligation to familiarize themselves with the terms of this policy. Any difficulties, problems or concerns regarding this policy should be brought to the attention of the Finance Department, which has been designated by the Curry County Commission as the Purchasing Office.

- a. **Applicability.** This policy shall apply to all purchases made with County funds. All Elected Officials, Department Heads and employees shall receive and sign for a copy of this policy and, as such, shall be responsible for the knowledge and compliance of this policy's provisions.
- b. **Approved Vendors.** The Purchasing Office shall maintain a current list of vendors with whom the County does business.
- c. **Administration.** The responsibility for the administration of the provisions of this policy shall be under the Curry County Manager. The County Manager shall have the responsibility and authority to insure that all provisions of the law and this policy are followed and shall be authorized to issue any supplement consistent with this policy that is deemed necessary to administer, manage or clarify this policy. All supplements shall be attached to and made a part of this policy. Upon the absence of the County Manager, the Finance Director will be responsible for the approval of the provisions set forth in this policy.
- d. **Authority and Responsibility.** Only authorized users are allowed to make purchases with County funds. User authorizations shall be submitted to the Purchasing Office and shall include the name(s) and written signatures of all authorized users and shall be signed by the Elected Official or Department Head. User authorization shall be reviewed/updated at least annually.

Any and all expenditures, regardless of how made, by P-Card or otherwise, must be charged to the correct budget line item.

- e. **Solicitation.** Solicitations by private companies or their agents of County employees on County time that are not welcomed or approved by the Elected Officials or Department Heads are prohibited, except upon requests by the County or as approved by the County Commission. Regardless of whether the solicitation is requested or approved, no County employee shall receive any gratuity or item from a potential vendor, pursuant to the New Mexico Procurement Code and Regulations.

#### IV. STANDARD PURCHASING PROCEDURES

- a. **Purchase of Petroleum Products.** Curry County has in place a contract for the purchase of petroleum products and, whenever possible, gasoline should be purchased using the gas card. In the event that a situation requires the use of a P-Card for the purchase of gasoline, the user shall obtain and provide a written receipt showing the date, the amount of gas and, shall record thereon the odometer reading at the time that the gas was obtained.
- b. **P-Card—All Other Expenditures.** All other expenditures, when and if possible, are to be made using the Curry County electronic P-Card. The County P-Card Policy is set forth herein in Section V of this Policy. Failure to include the County's tax exempt number could result in the County being assessed taxes, which would amount to and constitute an unauthorized purchase and which could result in individual liability for the same.

At the cutoff date of each cycle, each Elected Official or Department Head shall sign off on all purchases from his/her respective budget, and is required to submit substantiation of all purchases made with the P-Card during each cycle and is required to sign off on and attest to their accuracy.

- c. **Non P-Card Purchases: Requisition – Initiation of Purchase.** All non P-Card standard purchases, as authorized by this section, require a written Curry County requisition to be completed by the user department. A requisition shall be filled out and used to obtain a purchase order, prior to the purchase being made. The line item(s) to be charged shall be put on the requisition. The Purchasing Office will establish forms that will be used for non P-Card purchases.

An invoice or other authoritative documentation consistent with state laws and regulations shall be attached to the requisition and submitted to the Purchasing Office for payment. The requisition shall be signed by an authorized user and shall contain the following information:

- i. The Vendor – Must be a previously approved provider that has been given a vendor number by the Finance and Purchasing Department.
- ii. Vendor Number – Must be taken from the approved computerized vendor listing.
- iii. Description of Item(s) – The description of the specific items or specific services being purchased shall be sufficiently complete to allow identification of the same.

- iv. Estimated Amount – An estimate of the total purchase.
  - v. Responsible Purchaser – The name of the Elected Official, Department Head or employee initiating the purchase.
  - vi. Signature – The signature of the Elected Official or Department Head.
  - vii. Account Number – The appropriate budgeted line item account number to be charged. It is the authorized user's responsibility to assign the correct line item account number. Multiple line item account numbers may be included.
  - viii. Date – The date of the request for the purchase order must be included.
- d. **Purchase Order.** The purchasing office shall determine if the requisition is complete and, at that time, shall issue a purchase order which, constitutes authorization to make the purchase. Each purchase order shall contain a number and, the authorized user will use that purchase order number when making the purchase. Elected Officials, Department Heads and other authorized users will be allowed to issue Purchase Orders up to the pre-approved limits without prior approval from the Finance and Purchasing Department.
- e. **Authorization of Purchase Orders.** The completed requisition form shall be submitted to the Finance and Purchasing Department. The user department must present the purchase order number to the vendor prior to executing the purchase. Purchases executed prior to obtaining a purchase order are prohibited, except as otherwise provided in the "Non-Standard, Urgent and Emergency Purchases Procedures" section of this policy.
- f. **Invoices.**
- i. Processing for Payment – It shall be the responsibility of the Finance and Purchasing Department to insure that all invoices are appropriately authorized prior to payment; and, that the purchase order numbers are on the invoices, whenever possible. The Finance Director shall be responsible for insuring that appropriate procedures are established and used for payment, after invoices are received and to insure that payments are made timely and to ensure that discounts are received and late charges avoided.

- ii. Verification of Invoices – All invoices must be signed or initialed by authorized personnel prior to payment for goods and/or services that have been received and to verify that the invoice is authorized for payment. Invoices shall be checked for correctness prior to their submission to the Finance and Purchasing Department.

**g. Over Expenditures Prohibited.** Purchase orders shall not be issued, approved or processed in cases where line items will be over expended. It is the responsibility of the authorized user to ensure sufficient funds are available prior to initiating a purchase. The Purchasing Office shall provide information, data or reports, upon request, to keep authorized purchasers properly updated on budget balances. The County Finance and Purchasing Department will notify any office or department, after analysis of the monthly budget report, of any indications of existing or impending budget balance problems.

**h. Procedure for Handing Unauthorized Purchases.** All purchases determined to be an unauthorized purchase shall be the responsibility of the individual who made the purchase unless, the same are submitted to be considered by the County Commission, which may at its discretion approve an unauthorized purchase for payment only after it has been reviewed at a public meeting of the Commission. Unauthorized purchases shall not be approved or processed for payment prior to Commission approval.

Unauthorized purchases constitute a violation of this County Purchasing Policy as well as Curry County Resolution Number 2011-37 and, in addition to subjecting the individual user to financial responsibility for the same, could also result in disciplinary action being taken and even criminal prosecution. Unauthorized purchases are not provided for or allowed under this policy or under any other County policies.

## V. P-CARD PURCHASE POLICY

- a. **Card Issuance.** All cardholders will be required to complete a cardholder agreement, which will then be signed by their Elected Official or Department Head and the Finance and Purchasing Department. By signing the application form, the cardholder agrees to adhere to the guidelines established in this policy and procedures manual. **The cardholder is the only person entitled to use the card and the card is not to be used for personal use.** As each P-Card is linked to a specific department and individual employee, **the card shall not be transferred from one employee to another.**

Departmental P-Cards may be issued at the discretion of the County Manager. Such departmental cards are the responsibility of the applicable Elected Official or Department Head. For purposes of P-Card authorizations, with regard to the responsibility of the Elected Official or Department Head, the County Manager shall not be considered a Department Head, nor shall the County Manager be considered as a designated approver for any employees.

Upon receipt of the Visa Purchasing Card, the employee will need to activate the account by calling the toll-free number printed on the card. For verification purposes, the employee will be asked to provide a piece of information, such as the last four (4) digits of their Social Security Number. The P-Card will be issued in the employee's name. The employee's personal credit history will not affect their ability to obtain a card. The County is responsible for payment of all bona fide purchases.

- b. **Account Maintenance.** If there's a need to change any information regarding the cardholder's account, such as mailing address or expense accounting code, the Account Maintenance Form should be completed and forwarded to the Finance and Purchasing Department.
- c. **Card Usage.** The Visa Purchasing Card can be used at any merchant that accepts Visa, except as the County otherwise directs. In order to comply with State Procurement Code and NMAC regulations, items ordered via email, phone, fax or mail, or otherwise that are not shipped immediately should not be charged until they are shipped. To avoid charges for items on backorder, discuss the issue with the vendor or consider an alternative method of payment (purchase order, invoice, etc.).

When using the Visa Purchasing Card with merchants, please emphasize that an itemized invoice/receipt must be provided for all orders including phone, fax, on-line and mail orders. **The itemized receipt must be retained for your records.** Itemized receipts provide documentation for auditing purposes and are required by County policy. Tax charges should also be verified when charges include parts and labor. Capital and non-capital items must also be verified and proper documentation should accompany the statement.

- d. **Limitations and Restrictions.** Each cardholder will be assigned a credit limit to their card. There will also be a single transaction limit placed on each individual card. This means that a purchase will be declined if that purchase is more than the limitation for the card. **Splitting purchases in order to avoid the single transaction limit will not be tolerated.** Increases in the single transaction limit will be permitted only upon the approval of the Elected Official or Department Head and the Finance and Purchasing Department.

In addition to the single transaction limit, every cardholder will have a total monthly dollar limit assigned to his/her account. Increases in the monthly dollar limit will be permitted only upon the approval of the Elected Official or Department Head and the Finance and Purchasing Department. .

**IMPORTANT:** All requests for changes in limitations and restrictions must be made through the applicable Elected Official or Department Head and the Finance and Purchasing Department.

- e. **Lost or Stolen Cards.** The cardholder is responsible for the security of his/her card and any related purchases. If the purchasing card is lost or stolen, then the cardholder should immediately report this information to **Wells Fargo Bank Customer Service at 1-800-932-0036**. Immediately after reporting to Customer Service, you must inform the Finance and Purchasing Department and the applicable Elected Official or Department Head.
- f. **Authorized Purchases.** The Curry County Purchasing Card Program is intended for maintenance, repair, operating and other purchases needed during the course of business. These purchases include, but are not limited to the following:
- Office supplies and forms
  - Books and subscriptions
  - Computer equipment and related supplies
  - Day timers and calendars
  - Professional membership dues
  - Hardware and tools
  - Spare parts
  - Miscellaneous items
  - Capital equipment (with Elected Official or Department Head and vendor approval)
  - Travel expenses
  - Conference fees
- g. **Unauthorized Purchases.** P-Card exceptions, as defined by this Policy as unauthorized purchases or otherwise incomplete documentation, as determined by the Finance and Purchasing Department, that are not resolved within one month could result in a loss of purchasing card privileges for the cardholder. Said loss of privileges will be at the discretion of the Curry County Finance Director. The cardholder may appeal the decision of the Finance Director to the County Manager. If the exceptions are not resolved within three (3) months, then the cardholder and/or the applicable Elected Official or Department Head shall present the exception

to the County Commission for resolution. Exceptions include, but are not limited to the following:

- Items for personal use
- Personal/Family travel
- Tangible items with gross receipts tax/sales tax

**As with any County purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for County funds.**

**Failure to comply with the above guidelines for authorized purchases under the Curry County Purchasing Card Program may result in disciplinary action, cancellation of your card privileges, and possible termination of employment.**

- h. **Receipt Retention/Record Log.** It is a requirement of this policy that all itemized receipts for goods and services purchased shall be kept and maintained. For orders placed via email, phone, fax or mail, a receipt must be requested that details the merchandise price, sales/use tax and freight, etc. All itemized purchase receipts must be kept, as this is the only original documentation that shows whether sales or gross receipts tax has been paid and whether the purchase is in compliance with other provisions of the Purchasing Policy. **For gross receipts tax purposes, Curry County is tax exempt on the purchase of all tangible goods, unless they are purchased in connection with a construction project. Service and labor are taxable.**
- i. **Reconciliation and Payment Schedule.** The Curry County Purchasing Card Program is handled as a County expense. The Finance and Purchasing Department is responsible for paying the Program invoice(s) each month.

**It is the responsibility of the cardholder,** immediately upon receipt of his/her monthly statement, to review his/her statement to ensure all of the transactions that have been posted are legitimate transactions. The County recommends that the cardholder use the Purchasing Card Record Log to assist in the reconciling of the monthly statement. The monthly statement can be accessed through the internet. Cardholders can access their accounts during the month to check purchases and to make sure that all applicable receipts have been obtained. Once the cardholder has reviewed the monthly statement, attached the applicable receipts, and signed the statement, it must be forwarded to the Elected Official or Department Head for review and approval, within seven (7) calendar days after the cutoff date, which is the 15<sup>th</sup> of the month. This window of time will vary, if the statement-end date falls on a weekend.

**It is the cardholder's designated approver's responsibility** to approve the purchases and forward all statements with attached receipts to the Finance and Purchasing Department within three (3) calendar days after the end of the cardholder period mentioned above. Generally, the deadline will be the 25<sup>th</sup> of the month, unless the statement-end date falls on a weekend. If there are missing receipts, then the vendor shall be contacted to request an additional copy. These receipts must be turned in to the Finance or Purchasing Department within 45 days of the purchase. **Users who repeatedly have excessive sales tax charges or fail to reconcile and provide proper documentation by the deadlines above, shall be subject to card revocation.** A copy of the purchasing card statement should be retained by the cardholder.

**The cardholder is responsible for the following:**

- **Retaining all itemized receipts for items purchased under the Program.**
  - **Ensuring all transactions posted are legitimate purchases made by the cardholder on behalf of the County.**
  - **Ensuring that no tax has been charged on tangible items or that the correct tax has been charged when there is an invoice with parts and labor**
- j. **Disputed Charges.** If there is a discrepancy between the cardholder's record log and/or the Wells Fargo monthly statement, then it is imperative that the issue is addressed immediately. Depending on the type of discrepancy, the cardholder must contact the vendor and the Finance and Purchasing Department to resolve the disputed transaction.

If the cardholder believes that a vendor has erroneously charged his/her account or believes that there is an outstanding quality or service issue, then he/she must first contact the vendor and try to resolve the error or problem. If the cardholder is able to resolve the matter directly with the vendor, and the error involved an overcharge, a credit adjustment must be requested and should appear on the next statement. The item should be highlighted on the record log and noted, before sending it to the Finance and Purchasing Department, as a reminder to verify that the correct credit has been received.

Should the merchant disagree that an adjustment is necessary, the cardholder must complete the Wells Fargo Bank Dispute Form and contact the Finance and Purchasing Department, which will work with Wells Fargo to resolve the dispute. The details of the disputed transaction should be reported on Curry County letterhead or on the Wells Fargo Bank Dispute Form.

The Cardholder must inform Wells Fargo Bank of any charge dispute within 60 days of the transaction date. If the dispute is not resolved to the cardholder's satisfaction and the cardholder believes that the merchant has unfairly treated the County, then the cardholder must inform their Elected Official or Department Head and the Finance and Purchasing Department with the relevant details.

Any unauthorized charge must be reported immediately to the Finance and Purchasing Department. Prompt reporting of any such charge will help to prevent Curry County from being held responsible. A Declaration of Forgery or Unauthorized Use Form should be completed in order to facilitate notification of any such transactions.

- k. **Sales and Use Tax.** Merchants are required by tax authorities to include the applicable sales or use tax at the time of purchase. The amount of tax is dependent on a variety of factors including the state, county and city where the goods are purchased.

**Curry County is not required to pay gross receipts tax on tangible goods. Services and labor are taxable.**

- i. **P-Card Record Log Usage.** Cardholders are encouraged to use the P-Card Record Log Form to maintain and review their purchase card charges. The monthly detailed account statement that is generated by Wells Fargo Bank may be used for these purposes, as well. However, it is mandatory that the cardholder attest to the authenticity and accuracy of P-Card charges by signing either the P-Card log or the Wells Fargo account statement prior to submitting it to the applicable Approver and the Finance and Purchasing Department.

## VI. RECEIPT/RECORDING/DEPOSIT OF FUNDS, MONEY & PAYMENTS

- a. **Statutory Requirements.** It is the duty of every public official or agency of this State that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipt and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

All money, payments, checks or other receipts of public money received by, for or on behalf of the County, by any Elected Official, Department Head or employee is public money and must be deposited before the close of the next succeeding business day after the receipt of the money.

## VII. TRAVEL AND PER DIEM POLICY

- a. **Per Diem.** Per Diem will be paid at the following rates as specified in Section 10-8-4, NMSA 2008, and Section 2.42.2.8(B)(3), NMAC as approved by the County Commission and may be amended by a majority vote in a public meeting:

In state travel overnight -- \$85.00

In state partial—for employees who occasionally and irregularly travel:

- a. For less than 2 hours of travel beyond normal workday – none;
- b. For 2 hours, but less than 6 hours beyond the normal workday – \$12.00;
- c. For 6 hours, but less than 12 hours beyond the normal workday -- \$20.00;
- d. For 12 hours or more beyond the normal workday -- \$30.00.

In state special area -- \$135.00 (Santa Fe)

Out of state travel overnight -- \$115.00

- b. **Actual Expenses.** If the per diem amount is insufficient to cover expenses, actual expenses may be claimed for lodging accommodations and meals. Meals will be reimbursed at an amount not to exceed thirty dollars (\$30.00) per day for in-state travel and forty-five dollars (\$45.00) for out of state travel for a twenty-four (24) hour period. In the event that the lodging expenses are in excess of \$215.00 per night, traveler must obtain the signature of the County Manager on the travel voucher prior to travel. County will not reimburse any expenses paid for alcohol or alcoholic beverages.

Travel reimbursement requests must be accompanied by an agenda and/or other documentation supporting that the event was attended. For purposes of this Policy, travel reimbursement requests from a duly elected County Commissioner shall be approved by a fellow Commissioner.

All Elected Officials or Department Heads may request reimbursement. Itemized meal receipt(s) must accompany request for reimbursement on all Out of Pocket (OOP) expenses. Request for reimbursement checks will only be processed during normal check runs. No advanced per diem will be allowed for any Elected Official or County employee who has a valid County purchasing card and who intends to use such card.

Lodging shall be obtained at government rates or lower, if available. No-show charges for guaranteed reservations will not be paid by the County unless in an emergency situation.

- c. **Receipts Required.** The Elected Official, Department Heads or employee must submit **ITEMIZED** receipts for the actual meal and lodging expenses incurred, including room service charges. No reimbursement will be given without an itemized receipt or an approval by the County Commission in a public meeting.
- d. **Mileage.** Mileage will be reimbursed at rates allowed by the State of New Mexico Regulations at that time.

Elected Officials, Department Heads or employees and contract employees may receive mileage reimbursement for travel within the boundaries of Curry County, if the mileage is for official County business, provided sufficient funds have been budgeted for the travel and prior approval from the appropriate Elected Official or Department Head has been secured.

Elected Officials, Department Heads or employees and contract employees may not be eligible for mileage reimbursement if a County vehicle is made available for use during travel. If the Elected Official or Department Head is also the person traveling, then the County Manager must sign as the Agency Head for the Travel Reimbursement Request. If the person traveling is the County Manager, a Commissioner must sign the Travel Reimbursement Request.

- e. **Advanced Per Diem.** Any Elected Official, Department Head or employee holding a County issued P-Card will not be eligible for advanced per diem, unless they intend not to use the P-Card.

Those employees that do not have a County issued P-Card may apply for up to eighty percent (80%) of anticipated mileage and per diem expenses in advance of travel up to two (2) days prior to the scheduled travel date. Requests for advanced per diem and mileage after that time frame may not be honored. All requests for the remaining twenty percent (20%) reimbursement of travel expenses must be turned in within ten (10) days of your trip or the expense report will be denied.

For purposes of this section, the Curry County Board of Commissioners appoints County Manager as their representative to approve the Elected Officials', Department Heads' and employees' travel advancement pursuant to this policy. The Board of Commissioners of Curry County also appoint the duly elected Sheriff of Curry County to approve Sheriff's Department employees' travel advancement.

Within five (5) days of returning from said trip, an agenda and/or documentation showing that the event was attended must be submitted to

the Finance Department. Any unused and/or undocumented advanced per diem shall be repaid to the County within five (5) working days of returning from said trip and, no later than the date that the agenda and/or documentation showing the event was attended is submitted to the Finance Department.

- f. **Transportation of Prisoners.** The following per diem rates will apply to those authorized personnel **only** while transporting prisoners.

0 through 5:59 hours of travel time:	\$0.00
6 through 11:59 hours of travel time:	\$11.00
12 through 17:59 hours of travel time:	\$20.00
18 through 23:59 hours of travel time:	\$30.00

- g. **Miscellaneous.** Under no circumstances are alcoholic beverages to be charged on the P-Card or reimbursed to the employee.

Gratuities for meal service will be capped at twenty percent (20%) per meal ticket. If gratuity exceeds twenty percent (20%), the employee **will** be required to reimburse the County for excessive tipping.

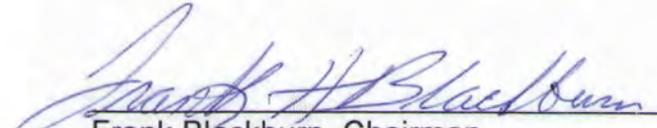
All regulations promulgated by the State of New Mexico Department of Finance and Administration in Title 2, Chapter 42, Part 2, Regulations Governing the Per Diem and Mileage Act, which are not inconsistent with the regulations in this document, shall be in effect in Curry County.

- h. **Non-County Employees.** As of the effective date of this policy, unless previously approved by an official act of the Board of County Commissioners, no reimbursement is to be provided to non-County employees for travel and per diem costs. Any non-County employee whom the County is providing reimbursement to for travel and per diem expenses shall be considered a contract laborer for tax purposes and the County shall issue a 1099 Miscellaneous form for the amount of reimbursements and listing the amount as a non-employee compensation on the 1099 Miscellaneous.

## VIII. FORMS

The Finance and Purchasing Department will establish forms to be used that are consistent with this policy and Resolution No. 2014-60, such forms must be used in the execution of this Policy and Resolution No. 2014-60.

This County Purchasing and Per Diem Policy was approved by the Board of County Commissioners for Curry County in an open public meeting on this 16<sup>th</sup> day of September, 2014.

  
Frank Blackburn, Chairman  
Board of Curry County Commissioners



Attest:

  
Rosalie Riley, Clerk  
Curry County

# Resolution Establishing a Central Purchasing Office & Rules Pertaining Thereto

Resolution #2014-60

**WHEREAS**, Curry County, State of New Mexico, acting by and through its duly elected Board of County Commissioners, hereinafter referred to as County, is authorized pursuant to Section 13-1-97, NMSA, 1978 Compilation, to establish a central purchasing office and establish guidelines for the purchases of materials and services by Curry County, New Mexico; and,

**WHEREAS**, in accordance therewith, Curry County (hereinafter referred to as "County") is required to designate a central purchasing office; and,

**WHEREAS**, County hereby designates the Finance Department as the Curry County Central Purchasing Office; and,

**WHEREAS**, in accordance with the state statute, the County Purchasing Agent may delegate authority to subordinates as he/she deems necessary and appropriate; and,

**WHEREAS**, it will be the responsibility of the Purchasing Agent and his/her designee(s) to perform all duties and responsibilities under this Resolution in accordance with the State of New Mexico Procurement Code, Regulations and the Curry County Purchasing and Per Diem Policy; and,

**WHEREAS**, Curry County Resolution 2011-37 and all other resolutions, regulations and policies which conflict with this Resolution and/or the County Purchasing and Per Diem Policy adopted on this date, are repealed from this date forward, all purchases made by, for or on behalf of Curry County shall be made in compliance with this Resolution.

**NOW, THEREFORE BE IT RESOLVED THAT:**

## **I. COMPETITIVE PURCHASES**

General purchasing guidelines for tangible personal property are as follows:

- a. **\$0 to \$20,000**. Purchases that fall within this dollar limit may be processed without quotes. An award can be made without securing written quotes by issuing a direct purchasing purchase order to a contractor based upon the best obtainable price. The County Purchasing Agent is not precluded from obtaining quotes from more than one vendor if it is suspected that the price is not reasonable or it is determined that it is in the best interest of the County.

Any tangible equipment or other item, not supplies, that are purchased at a price of \$5,000.00 or more, will be tagged and inventoried separately and will be the responsibility of the individual departments. Each department shall assign a custodian who will be responsible for the inventory system for that department.

- b. **\$20,001 to \$60,000. Written Quotes Required.** Purchases shall be made according to the best obtainable price, provided at least three (3) bona fide written quotes are obtained on the offering vendor's official letterhead, email transmission or an approved quote form to ensure that competitive quotes have been obtained. All equipment and items, not supplies, that fall into this category will be tagged and inventoried separately and will be the responsibility of the individual departments. Each department shall assign a custodian who will be responsible for the inventory system for that department.

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

- c. **Above \$60,000.** All purchases exceeding \$60,000 require formal bid procedures as specified by the State Procurement Code and shall be processed and executed by the Finance Director through formal procedures. Such purchases must be approved in the current budget. Purchases not approved in the current budget require approval by the County Manager in the event that they are in excess of budgetary limits.

## II. SOLE SOURCE PROCUREMENT

A contract may be awarded without competitive sealed bids or competitive sealed proposals regardless of the estimated cost when the Curry County Finance Department and County Purchasing Agent determine, in writing, that:

- a. There is only one source for the required service, construction or item of tangible personal property;
- b. The service, construction or item of tangible of personal property is unique and this uniqueness is substantially related to the intended purpose of the contract; and,
- c. Other similar services, construction or items of tangible personal property cannot meet the intended purpose of the contract.

The County Purchasing Agent shall use due diligence in determining the basis for the sole source procurement, including reviewing available sources, and shall include its written determination in the procurement file.

The County Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery and quantity in order to obtain the price most advantageous to Curry County.

Curry County shall not circumvent this section by narrowly drafting specifications so that one predetermined source would satisfy these requirements.

### **III. EMERGENCY PROCUREMENT**

- a.** The County Purchasing Office may make emergency procurements when there exists a threat to the public health, welfare, safety or property requiring procurement under emergency conditions; provided that emergency procurements shall be made with competition as is practicable under the circumstances.
- b.** An emergency condition is a situation that creates a threat to public health, welfare or safety such as may arise by reason of floods, fires, epidemics, riots, acts of terrorism, equipment failure or similar events, and includes the planning and preparing for an emergency response. The existence of the emergency creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods, and the lack of which would seriously threaten:
  - i.** The functioning of Curry County government;
  - ii.** The preservation or protection of property; or,
  - iii.** The health or safety of any person.
- c.** Emergency procurements shall not include the purchase or lease purchase of heavy road equipment.
- d.** The County Purchasing Office shall use due diligence in determining the basis for the emergency procurement and for the selection of the particular contractor. The determination shall be in writing and shall be included in the procurement file.
- e.** All funds expended for planning and preparing for emergency response shall be accounted for and reported to the legislative finance committee and the department of finance administration and administration within sixty (60) days after the end of each fiscal year.

**IV. SOLE SOURCE AND EMERGENCY PROCUREMENTS – PUBLICATION OF AWARD – CONTENT AND SUBMISSION OF RECORD**

- a. Prior to the award of a sole source procurement contract, the County Purchasing Office shall post the information described in Subsection D of this Section IV on the Curry County public website.
- b. Within three (3) business days of awarding an emergency procurement contract, the Curry County Purchasing Office shall post the information described in Subsection D of this Section IV on the County public website.
- c. Curry County Purchasing Office shall maintain, for a minimum of three (3) years, records of sole source and emergency procurements. The record of each such procurement shall be public record and shall contain:

**V.**

- i. The contractor's name and address;
- ii. The amount and terms of the contract;
- iii. A listing of the services, construction or items of tangible personal property procured under the contract;
- iv. Whether the contract was a sole source or emergency procurement contract; and,
- v. The written justification for the procurement method.

**VI. STATE OR FEDERAL PURCHASING CONTRACTS AND COOPERATIVE BID EXCEPTIONS**

Quotations or bids are not required for purchases under this section. Purchases may be made providing that the vendor has a State of New Mexico or Federal purchasing contract or a qualified, documented procurement done by another State or local government agency. Any such "piggyback" purchase must include appropriate written authorization for Curry County's use, either in the original solicitation or in writing by both the original procuring agency and the vendor. The Purchasing Office shall keep copies of all Federal, State or other such contracts for a period of seven years. Federal and/or State contracts must be attached to the permanent copy of the purchase order. The County may purchase items cooperatively through another public body's bid process consistent with State regulations.

**VII. LIFE CYCLE COST APPROACH**

- a. The County desires to provide and authorize the procurement of goods and materials by utilizing the "Life Cycle Cost Approach", as set forth in Section 13-1-105, NMSA, 1978.
- b. The County shall be authorized, on a case-by-case basis, to solicit bids for the purchase of goods and materials utilizing the Life Cycle Cost Approach.

- c. In determining the "life cycle costs" to be utilized in the awarding of a bid, the County shall consider the base purchase price of the goods or materials, the maintenance or service cost, guaranteed repurchase price or sale value of the goods or material at the end of a specific period of time, and such other factors shall be objectively measurable.
- d. In soliciting bids for the purchase of goods or materials utilizing the total or Life Cycle Cost Approach, the Invitation to Bid shall clearly set forth the evaluation criteria. No criteria may be used in the evaluation process that is not set forth in the Invitation to Bid.
- e. The County shall utilize the total or Life Cycle Cost Approach only in those specific situations where the County determines that such approach would be in the best interest of the citizens of Curry County.

### VIII. EMPLOYMENT OF PROFESSIONAL SERVICES

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

- a. **\$60,001 and above**: Any Professional Service (excluding architectural, landscape architectural, construction management, engineering and surveying services) exceeding \$60,000 requires a formal Request for Proposal, as specified by the State of New Mexico Procurement Code and Regulations; and, shall be processed and executed by the County Purchasing Office through formal procedures.
- b. **Exceptions to Professional Services**. For each public works project, architectural, landscape architectural, construction management, engineering and surveying services will be procured in accordance with Sections 13-1-120 through 13-1-123, NMSA, 1978.

### IX. PURCHASING PROCEDURES

Together with this Resolution, the Curry County Board of County Commissioners has adopted a Curry County Purchasing and Per Diem Policy. That Policy shall apply to all purchases made, including non-standard, urgent and emergency purchases. The Policy also pertains to and regulates the deposit of public funds, use of the County P-Card, travel and per diem.

The Finance Department shall, on at least an annual basis, provide a refresher class for County employees on purchasing policy/procedures. The purpose of the refresher class is to update and remind Elected Officials, Department Heads and

employees of their responsibilities and obligations pursuant to this resolution, as well as the County's Purchasing Policy but also, to ensure that all new or recently employed County employees are familiar with the same.

The Finance Department shall also, on at least an annual basis, with input from Elected Officials or Department Heads, review the County's Purchasing Policy. If there are any changes, modifications, corrections, additions or substitutions to be made then, with input from the County Manager, the County Purchasing Agent shall present the same to the Commission for its consideration.

#### **X. PETTY CASH**

Petty cash funds are authorized by the County Manager on a case-by-case basis. Petty cash funds are made available to Elected Officials or Department Heads for the purpose of making single cash purchases under \$50 or for the purpose of making change for those offices that collect payment for services. A petty cash fund shall not exceed \$200 and must be approved by the County Manager.

The Finance Department shall be responsible for establishing written safeguards, provisions, and procedures to insure appropriate accounting and maximum accountability for all petty cash funds. The Finance Department may, at any time, change the procedures for petty cash funds or eliminate a petty cash fund, if deemed appropriate, and shall eliminate a petty cash fund in cases that procedures are not being reasonably followed or in cases where unnecessary or repetitious shortages/overages in funds occur. Petty cash funds are subject to audit by the Finance Director at any time, without notice.

Custodians shall be assigned to each individual petty cash fund and be held strictly responsible and accountable to the Finance Department for the appropriate management of the petty cash funds. All custodians shall be responsible to sign for a copy of the Petty Cash Procedures and be knowledgeable, thereof. The Finance Director shall prepare a set of procedures that will be attached to and made a supplement to this resolution.

#### **XI. END OF FISCAL YEAR PROCEDURES**

Special purchasing procedures shall be followed to insure that State law and regulations and proper accounting procedures are followed to appropriately close out at the end of the fiscal year. Provisions are as follows:

- a. The use of the P-Card for grants will cut off on the 15<sup>th</sup> of May of each calendar year.
- b. Purchase orders will only be issued after June 15<sup>th</sup>, and prior to July 1<sup>st</sup> of any

calendar year, if it is approved by the Finance Department.

**c. June 15<sup>th</sup> of Each Fiscal Year Through Fiscal Year End**

No items that will be placed in inventory may be purchased using the Purchasing Card, without prior written approval of either the County Manager or the Finance Director.

**d. 15 Days Prior to Fiscal Year End**

No purchase orders will be issued or processed within fifteen (15) days prior to the end of the fiscal year, except those orders for purchases in which it is anticipated that invoices will be received within an estimated thirty (30) days or as otherwise specifically approved by the Finance Director.

**XII. FIXED ASSETS AND CAPITALIZATION PROCEDURES**

**Definition: The definition of a fixed asset is any property of material that has been classified as a valuable and pilferable item.**

a. There are two separate and distinct categories of fixed assets:

**i. Capitalized Fixed Assets**

Any property or material item that has a value over \$5,000 and an expected useful life which exceeds one year and will not lose its identity, even if installed in other equipment. Capitalized property will be placed in the permanent fixed asset inventory control records.

**ii. Non-Capitalized Fixed Assets**

Any property or material item that has a value under \$5,000. Non-capitalized Fixed Assets will be placed in the non-capitalized inventory control records.

The Finance Department is assigned the general responsibility for the administration, processing, recording and accountability for fixed assets in accordance herewith. Each Elected Official or Department Head must submit a certified statement, which includes a complete list of inventory and location of assigned fixed assets, verifying that a complete, on-site inventory of all fixed assets under their supervision has been completed in the following manner:

- i. A physical inventory check will be conducted by the departmental custodian; and
- ii. Once all items have been inventoried, the information will be provided to the Purchasing Office and shall be placed into the inventory record system and/or updated; and

- iii. Once the inventory records have been updated, a missing inventory report list will be generated, if applicable; and, this report will be forwarded to the Purchasing Office and the individual department custodian for further action.

The Elected Official or Department Head of each department shall be assigned the custodial responsibility over all of the assets listed under their supervision. In addition, each department shall maintain a list of those County assets which includes items not required to be included on the Inventory List as prescribed by State Rules and Regulations. It shall be the responsibility of each Elected Official or Department Head to ensure the appropriate care, safeguard, location, maintenance, and security of those fixed assets, and to ensure that all fixed assets assigned or otherwise under their responsibility are purchased, received, processed and otherwise managed in accordance with this Policy and any supplements thereof. Elected Official or Department Heads shall assume full responsibility for all fixed assets within their department.

At the time of a change of Elected Official or Department Head, the Finance Director should conduct a physical inventory of fixed assets assigned to that department to ensure that all fixed assets are present and accounted for. The County Commission shall review the items found to be missing, lost, or stolen prior to release of final payroll to the affected Elected Official or Department Head. An interim custodian shall be assigned the custodial responsibility until the new Elected Official or Department Head assumes responsibility. The incoming Elected Official or Department Head shall then be responsible to complete a physical inventory for the fixed assets assigned to his his/her department and certify that it has been reconciled to the physical inventory performed by the Finance Director.

A copy of this Resolution shall be given to each designated custodian who shall sign for and be required to be knowledgeable about, understand and comply with the provisions of this Policy.

#### **b. Processing Procedures**

It shall be the responsibility of the individual making the purchase to provide the information necessary to process the item as a fixed asset in accordance with Policy. All fixed assets shall be either specifically approved in the County Budget or by special approval of the County Commission prior to the purchase, except in an emergency. All emergency purchases of fixed assets shall be approved by the County Manager, Finance Director or a County Commissioner in their absence, and submitted to the Commission for ratification at their next regular meeting.

When the Purchasing Office is notified that an item is a fixed asset, the Finance Department will then verify that it is a budgeted item. In all questionable cases

the County Manager shall make a determination. In cases of non-budget items, approval is required as above. Once the fixed asset item has been identified and approved, it shall be placed in a pending file and shall not be processed until the item has been received by the department and the original invoice has been received by the Purchasing Office. Once the item has been received and the original invoice is received, the fixed asset can be processed, recorded and tagged.

It will be the responsibility of the purchaser or custodian of each fixed asset to notify the Finance Department in order for a fixed asset item to be processed properly. This notification will certify that the custodian is in custody and in possession of the fixed asset and accepts full custodial responsibility for the item or items. The Finance Director shall be responsible for verifying that the information is complete and accurate.

### **XIII. FIXED ASSET RECORDING PROCEDURES**

It shall be the responsibility of the Finance Department to appropriately update and maintain a permanent Fixed Asset Record File to include the following for each fixed asset after the effective date of this policy:

- a. Copy of the Purchase Order or Purchase Card statement showing the item purchased.
- b. Copy of the invoice and payment records.
- c. Copies of all specifications, contracts, agreements or other pertinent applicable documentation.

### **XIV. TRANSFERS**

A Fixed Asset Disposal Form must be completed by the custodian and approved by the Finance Director prior to the transfer of any fixed asset. The assigned custodian will complete the form and submit it to the Finance Director for processing. Once the Finance Department has updated its records and made all necessary changes, a copy of the Fixed Asset Disposal Form will then be forwarded to the County Manager for review. Elected Officials or Department Heads shall assume full responsibility for all permanent transfers of fixed assets in their department. The original Fixed Asset Disposal Form shall be filed in the Fixed Assets Record File.

Elected Officials or Department Heads shall assume full responsibility for all temporary transfer of fixed assets in their department. A transfer form shall be filled out by the loaning and receiving custodians and approved by the Finance Director. Transfers back to their original custodians shall require the same procedures.

## **XV. DISPOSAL OF FIXED ASSETS**

Sections 13-6-1 and 13-6-2, NMSA 1978, and the New Mexico Procurement Code govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies and local public bodies. It is the responsibility of each office or department custodian to notify the Finance Director of the intent to dispose of any item. At least thirty (30) days prior to any disposition of property on the inventory list, written notification of the proposed disposition must be sent to the State Auditor. The Board of County Commissioners must approve the disposal of fixed assets as needed.

Disposal of fixed assets shall be in accordance with all applicable laws and a fixed Asset Disposal Form shall be approved prior to the disposal of any item. All revenues received for disposal of items shall revert to the general fund, except for special revenue funds or as otherwise required by law or State regulations. The Finance and Purchasing Department will request title work to be changed, file paperwork with the State Auditor and any other administrative duties pertaining to the disposal of fixed assets. A copy of the Fixed Asset Disposal Form will then be forwarded to the Finance Department where the fixed asset records will be updated and any corresponding paperwork filed.

## **XVI. DISPOSAL OF ELECTRONIC EQUIPMENT**

For the purposes of this policy, electronic equipment is defined as any system that creates, stores, or manipulates electronic data. This includes, but is not limited to; computers, cameras, printers, video recorders, external storage devices, and tablet devices. In the event that electronic equipment needs to be disposed of, erasure of the storage elements of the equipment is required. It is the responsibility of the custodian to ensure that all equipment is transferred to the Information Technology Department prior to disposal. This will ensure proper tracking of the equipment. It will also ensure that the equipment has had proper data erasure before removal from inventory. The Information Technology Department will then certify in writing to the State Auditor that the equipment has been properly erased. The written certification will be submitted along with the notification of the proposed disposition of property to the State Auditor at least thirty (30) days prior to taking action.

This is a special requirement of the State Auditor and it applies even if the original purchase price of a computer was less than \$5,000.

Procedures for disposition/transfers of computers and/or hard drives will be as follows:

- a. A Disposal/Transfer Form will be completed by Department Custodian and a copy of the form will be provided to the IT Department.

- b. The original Disposal/Transfer Form will be provided to the Finance and Purchasing Department and will notate the transfer from the existing department or other disposition.
- c. The equipment should be delivered to the Information Technology Department to await final disposition.
- d. Once the equipment has been erased, Information Technology will then complete a new Disposal/Transfer Form showing the equipment ID number being deleted from the inventory. This original form will then be given to the Finance and Purchasing Department to be updated in their system and removed from the inventory.

## **XVII. MISSING, LOST OR STOLEN PROPERTY**

In the event that any item of property is discovered to be missing, lost or stolen, it shall be the responsibility of the Elected Official or Department Head to complete a Fixed Asset Disposal Form showing that the item is missing, lost or stolen, and forward the same to the Finance Director and to the Curry County Sheriff. The Sheriff shall then determine if an investigation and/or an incident report is required, and if so, will then report the same to the Finance Director and/or the County Commission.

At the time of a change in the Elected Official or Department Head, in any department, an asset inventory will be performed. A list of any missing assets shall be prepared and submitted to the Finance Director indicating all items known to be missing, lost or stolen. The Curry County Commission will act as a review board and each outgoing Elected Official and/or Department Head must explain the disposition of each item in order for these items to be permanently removed from the fixed asset records.

## **XVIII. NON-CAPITAL ASSETS**

Any asset that does not have a value in excess of \$5,000.00 is a non-capital asset. Non-capital inventory are those items with a value under \$5,000.00, and does not incorporate useable inventory and/or supplies. A non-capital inventory item will be submitted to the Finance and Purchasing Department once per year. An annual spot-check will be done to verify that items are being tagged and accounted for responsibly. Items of non-capital inventories will be transferred and removed in the same way as capitalized items.

## **XIX. USABLE INVENTORY**

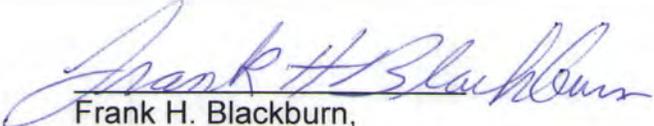
Any items of property that are still usable and capable of functioning in the manner and for the purpose for which they were originally required are subject to

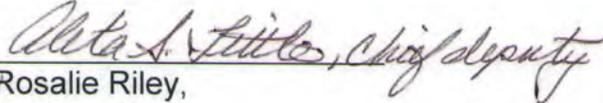
review and audit pursuant to the terms of this policy. Each Elected Official or Department Head is responsible for maintaining a complete accurate list of all usable inventory under their control and/or supervision. Elected Officials or Department Heads are to make every effort to ensure the proper use, disposal and accounting for such items.

**PASSED AND APPROVED, this 16<sup>th</sup> day of September, 2014 in an open meeting by the Curry County Board of Commissioners.**

**THEREFORE, BE IT RESOLVED that this Purchasing Policy be adopted.**



  
Frank H. Blackburn,  
Commission Chairman

  
for Rosalie Riley,  
County Clerk