



TORRANCE COUNTY PURCHASING POLICY

Resolution 2018 - 32

This resolution supersedes Resolution 2000-15

SECTION I: GENERAL PROVISIONS

- 1.1 User Applicability.** This Purchasing Policy (hereinafter referred to as "this Policy") and its procedures apply to Elected Officials, all departments, agencies, personnel, individuals, or other users authorized to make purchases from public funds budgeted and administered by, or otherwise under the supervision of Torrance County Government. The purchasing function shall be conducted in a manner above reproach, with complete impartiality and without preferential treatment. Users shall avoid any conflicts of interest.
- 1.2 Administration.** The Chief Procurement Officer shall be responsible for the administration of this Policy to insure that all provisions of law and this policy are followed. Supplements issued by the Chief Procurement Officers shall be approved by the County Commission and copies of all supplements shall be attached to and made a part of this policy. Upon the absence of the Chief Procurement Officer, the Finance Director will be responsible for administration of this Policy.
- 1.3 Implementation.**
- A. Chief Procurement Officer and Purchasing Office.** The Chief Procurement Officer and Purchasing Office are the general terms for the individuals or offices designated by the County Commission to fulfill the responsibility and functions of the Chief Procurement Officer and Purchasing Office as provided in this Policy.
- B. Finance Department.** The term Finance Department is used to describe the office and/or personnel directly responsible for establishing budgetary control for expenditure of funds and accounts payable procedures for payment of purchases made.
- 1.4 User Authority and Responsibility.**
- A.** Only individuals authorized by the department's Elected Official or Department Director

shall be permitted to make Torrance County purchases consistent with the provisions of this Policy. Authorization shall be submitted to the Chief Procurement Officer. All authorized users shall receive and sign for a copy of this policy, and shall thereby be responsible for the knowledge and appropriate compliance and use of the provisions of this Policy.

B. Authorized users may contact vendors to obtain technical information, prices, and delivery information for planning purposes. Purchasing office personnel will review the technical information, confirm prices are reasonable, ensure availability of County funds, and issue a purchase order. All quotations documented or received by users shall be attached to the purchase order.

1.5 **Definition of a Purchase.** For the purpose of this Policy, a purchase is the commitment, obligation, and/or expenditure of Torrance County supervised funds to obtain goods or services.

1.6 **Unauthorized and Questionable Purchases.** Any purchase which is not legally and appropriately approved within the County budget or by other County Commission action, or which does not substantially comply with the provisions of the State Statutes, particularly the State Procurement Code, and the provisions of this policy, shall be considered an unauthorized County purchase and thereby not subject to payment by the County. The County hereby declares and establishes that it will assume no responsibility for payment of unauthorized purchases. Furthermore, any individual initiating or otherwise executing any unauthorized purchase is solely responsible for payment. All questionable purchases shall be submitted to the County Manager for County Commission review and determination under the provisions of this Policy.

1.7 **Commission Approval of Unauthorized Purchases.** Any purchase determined to be unauthorized shall be considered for approval of payment at a public meeting of the County Commission. Unauthorized purchases shall not be approved or processed for payment prior to Commission approval, and shall be attached to the purchasing transaction file for audit purposes.

1.8 **Civil Penalties.** Persons knowingly violating the State Procurement Code, this Policy, or State law may be subjected to a civil penalty each violation in accordance with New Mexico State Statutes.

1.9 **Consistency with State Procurement Code.** The provisions of this Policy are subject to change in accordance with New Mexico Statute updates or State Procurement Code revisions. Any revision that is inconsistent with the provisions of this Policy shall be resolved in favor of the State Statutes or State Procurement Code. All authorized users shall be given a copy of each revision and notified that it is in effect.

1.10 **Amendment.** Amendments to this Policy shall be provided to all user departments for comments. Amendments shall then be approved by vote of the County Commission prior to implementation.

1.11 **Interpretation of Policy and Supplements.** In any case that a provision of this Policy is vague or unclear, the County Manager and/or County Attorney shall provide a written supplement for clarification of the provision, which shall be implemented by all departments and offices.

SECTION II: STANDARD PURCHASING PROCEDURE

- 2.1 **Standard Purchasing Procedure Applicability.** "Standard Purchases" are described as systematic, planned, and necessary purchases for administration and operation of a project, division, and/or department. There shall be no exception to these standard procedures except as provided in "Non-Standard, Urgent, and Emergency Purchases Procedures" in Section III of this Policy.
- 2.2 **Initiating a Purchase: Purchase Order/Requisition.** All standard purchases, as authorized by this section, require that a Torrance County purchase order/requisition be issued prior to placing an order or making a purchase. All purchase requests must be submitted to the Purchasing Office or a designated Authorized Purchaser for approval. The Chief Procurement Officer or any employee designated as an Authorized Purchaser has the right to refuse approval of any purchase or request. The purchase request form shall contain all information as required by the Chief Procurement Officer to include, but not limited to, the following:
- A. **Vendor Name and Complete Address** - the business to which the purchase order will be issued as well as the complete address for that vendor.
 - B. **Vendor Number** - to be taken from the mainframe database or listing of vendors. Numbers for new vendors shall be assigned only through the Finance Department. A vendor number must be on file for the vendor prior to issuance of a purchase order.
 - C. **Quantity** - specify a unit and the approximate amount per unit being requested. Units may be "each", "box", "gals.", "reams", "pounds", etc. If exact quantity is not known, users shall provide the best estimate of quantity.
 - D. **Description of Item** - the description of the items or services should be sufficiently complete to identify the item being purchased. Services that have been obtained through the use of an agreement must reference the agreement number and attach a copy of the agreement. Services that have been obtained through the use of a bid must reference the bid number.
 - E. **Unit Cost** -- estimated cost per unit needs to be included.
 - F. **Total Cost** - Calculation of the quantity multiplied by the unit cost. If exact cost cannot be determined, users shall provide the best estimate of cost.
 - G. **Department** - enter name of department or division initiating the purchase order.
 - H. **Department Approval** - Signature of the department head or authorized user, as recorded by the Purchasing Office.
 - I. **Line Item** - the appropriate budget line item account number to be charged. It is the authorized user's responsibility to assign the correct line item account number to the purchase order. Multiple line item accounts may be included in the purchase order.
- 2.3 **Authorization of Purchase Orders.** The completed purchase order form shall be submitted to

the purchasing office for authorization, date and number assignment. The user department must have an authorized purchase order issued prior to executing the purchase. The user department shall inform the vendor that the purchase order number must be included on the invoice submitted to the County for payment.

Purchases executed prior to obtaining a purchase order are prohibited except as otherwise provided in "Non-Standard and Emergency Purchasing Procedures", Section III of this Policy.

Adding different items to a purchase order after it has been authorized is prohibited. However, a purchase order may be corrected provided that there is a reasonable explanation for the correction and funds are available. A purchase order correction form must be completed by the user department head and approved by the Chief Procurement Officer prior to submitting the invoice for payment.

- 2.4 **Invoices.** An invoice is an itemized list submitted by the vendor to the County for payment of material or services delivered to the County. It is the responsibility of the vendor to insure that a purchase order is provided prior to issuing materials or services and the vendor shall include the purchase order number on the invoice submitted to the County for payment. In cases that purchase order numbers are not included on the invoice, when required, the vendor shall be informed. The Finance Department, at its discretion, is authorized to return any invoices, which do not reference a valid purchase order number. The County will not be responsible for purchases made without an executed and authorized purchase order.

The vendor shall be notified that repeated improper invoicing is sufficient cause to exclude the vendor from the County's purchasing program. Also, the County may refuse payment in any case that there is an unauthorized purchase.

- A. **Verification of Invoices.** All invoices shall be reviewed by user departments prior to payment to insure materials or services have been received and to certify authorization for payment. A *Receiving and Accounts Payable Report* must be fully executed, including an authorized signature, in order for an invoice to be processed for payment. It will be the responsibility of user departments to insure outstanding invoices are promptly submitted for payment.
- B. **Processing for Payment.** The Finance Department will insure that all invoices received are appropriately authorized and certified prior to payment. The Finance Department shall be responsible for insuring that appropriate procedures are established and used for payment after invoices are received to include timely payments and to insure that discounts are received and late charges avoided.

- 2.5 **Over Expenditures.** Purchase orders shall not be issued, approved, or processed in cases that line items will be over expended, except as approved by the Finance Director in accordance with State and County regulations and provisions, and provided there are legally sufficient budget balances available elsewhere. It shall be the primary responsibility of the authorized user to insure sufficient funds are available prior to initiating a purchase. The Finance Director shall provide sufficient information, data, or reports, upon request, to keep purchasers properly updated on budget balances, and shall notify any office, department, or agency head, after analysis of the monthly budget report, of any indications of any existing or impending budget balance problems.

2.6 **Competitive Purchases.** Authorized users shall attempt to insure that all purchases are made at the best possible prices. Purchases shall be made in accordance with the following provisions:

- A. **\$2,499.99 or Less.** Purchases may be processed after obtaining the best price from vendors. Award can be made if the user determines that the price received is reasonable. The user is not precluded from obtaining quotes from more than one vendor if the user suspects that the price is not reasonable or determines that it is in the best interest of the County.
- B. **\$2,500 to \$4,999.99.** Documented Quotes. Purchases shall be made according to the best obtainable price provided at least three (3) bona fide quotes from different vendors have been obtained for such purchases. It is the responsibility of the user to confirm prices, either orally or in writing, with an authorized representative of the company prior to requesting a purchase order. These quotes are required to be recorded on a requisition for purchase form.
- C. **\$5,000 to \$24,999.99.** Written Quotes. 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 or quote form and submitted for approval with the requisition for purchase form. If three (3) bona fide written quotes cannot be obtained, the authorized user must submit written documentation to the Chief Procurement Officer as specified in section 2.6.E of this Policy. The Chief Procurement Officer may, at his or her discretion, waive quotation procedures if the written explanation is deemed sufficient and reasonable.
- D. **\$25,000 and Above.** All purchases exceeding \$25,000 require formal bid procedures, as specified by State regulations, and shall be processed and executed by the Chief Procurement Officer through formal procedures. Such purchases must be approved in the current budget, and purchases not approved in the current budget require approval by the County Commission prior to advertising for bids. Bids may be rejected in the event that they are in excess of budgetary limits, are non-responsive to specifications, or due to irregularities in the bids specifications.
- E. **Documented and Written Quote Exceptions.** In the event there are not three (3) known vendors which have materials/services available, less than three (3) quotes are permissible provided the user attaches the quotes obtained and identifies, on the quote form or on separate attachment, the names of other vendors contacted who could not provide the materials/services.
- F. **State Purchasing Contracts and Cooperative Bid Exceptions.** Quotations or bids are not required for purchases under this section. Purchases may be made provided the vendor has a Statewide 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 Torrance 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 state or other such contracts for a period of seven years.

State purchasing contract numbers must be identified on the purchase order requisition and a copy of the contract 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.

G. Bid Specifications. Specifications should be written primarily to address the need of the County for a specific item to perform a specific function. Specifications written for purchases shall not be "closed or exclusive", or otherwise written in such a way as to intentionally favor or exclude a vendor. Reference to specific types or quality shall be followed by wording "or equal" and all specifications regardless of wording shall be considered as "or equal". It shall be the authorized user's responsibility to insure that all specialized technical aspects of specifications are correct and appropriate. It shall be the Chief Procurement Officer's responsibility to review and ensure that all other provisions, procedures and considerations are correct and appropriate, and to address any questionable, unusual or inappropriate specifications prior to processing.

2.7 Sole Source Purchase. A sole source purchase is permissible when there is only one vendor that exists that can provide an item or service. The Chief Procurement Officer shall certify and execute the sole source purchase according to the New Mexico State Procurement Code.

2.8 Procurement of Professional Services.

Professional services shall be procured at the best negotiated price, provided the following values are not exceeded:

Architectural or engineering professional services - \$50,000.

Landscape architectural or surveying professional services - \$10,000.

All other professional services - \$60,000.

Professional services having a value which exceeds the maximum values outlined above will be solicited as outlined in the Procurement Code.

2.10 Personal Use Prohibited. No purchases shall be made for the purpose of personal or private use.

SECTION III. NON-STANDARD, URGENT AND EMERGENCY PURCHASING PROCEDURES

3.1 Non-Standard, Urgent and Emergency Procedures: General Provisions. The provisions of this section apply to all purchases except those purchases subject to the standard purchasing procedures specified in Section II of this Policy. Generally, this section includes all purchases which are justifiably urgent; are emergencies due to insufficient time required for standard processing; or involve other non-standard procedures. It is the responsibility of the authorized user to insure that all purchases made under provisions of this section are immediate and unforeseen. Questionable purchases shall be reported to and reviewed by the County Manager. Purchases that could have been reasonably pre-planned or anticipated shall not be considered as an emergency or urgent purchases.

3.2 **Emergency Purchases.** Urgent or Emergency purchases are permissible provided they are in accordance with the following provisions:

A. **Emergency Purchases.** An emergency purchase is permissible when there is an existing condition that creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or similar events. The existence of the emergency condition creates an immediate and serious need for procurement of items or services or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of government, the preservation or protection of property, or the health or safety of any person.

An emergency condition must be determined by the Chief Procurement Officer with the consensus of the County Manager. The central purchasing office shall maintain records of all emergency purchases for a minimum of three years.

A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the procurement file.

The Chief Procurement Officer shall certify and execute the emergency purchase according to the New Mexico State Procurement Code.

C. **Emergency Purchase Orders.** All urgent or emergency purchase orders shall have the words "Urgent" or "Emergency" documented on the form as is applicable, and shall be accompanied by a receipt or invoice for the purchase.

3.3 **End of Fiscal Year.** 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. **30 Days Prior to Year Ending:** 30 days prior to the end of the fiscal year, purchase orders will be issued only for purchases in which invoices will be received within an estimated thirty (30) days, except as otherwise specifically approved by the Chief Procurement Officer.

B. **15 Days Prior to Year Ending:** There shall be no purchases of any kind made, or purchase orders issued or processed within 15 days prior to the end of the fiscal year except in extreme emergencies or as specifically approved otherwise by the Chief Procurement Officer.

C. **Fiscal Year End:** All open purchases will be voided at June 30th unless a written reason is provided to the Chief Procurement Officer as to why the purchase is delayed and the need to for the purchase order to carry forward to the next fiscal year.

3.4 **Prior Year Payment:** An expense incurred in one fiscal year but paid in another is referred to as a "Prior Year Payment". Prior year payments do not include utility and contractual payments.

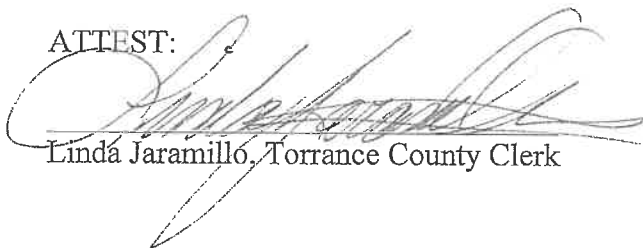
A. **Request for Payment:** A request to make a prior year payment must be accompanied with a written memo to the County Manager. The memo must explain why the expense was not paid in the year it was incurred.

B. **Approval of Payment:** The County Manager may approve or disapprove the payment. If the County Manager or the requesting agent, so chooses, the request for payment may be referred to the Board of Commissioners for a final decision.

NOW THEREFORE BE IT RESOLVED this 27th day of June 2018.

DONE at Estancia, Torrance County, New Mexico.

ATTEST:


Linda Jaramillo, Torrance County Clerk

Torrance County Commission


James Frost, Commissioner Dist. 1


Julia DuCharme, Commissioner Dist. 2


Javier Sanchez, Commissioner Dist. 3

