

Central Consolidated School District

Purchasing – Procurement Guidelines

Procurement Purchasing Procedures: The following procedures have been implemented to comply with the State of New Mexico regulations as established in the Manual Procedures for Public School Accounting and Budgeting - Supplement 13 - Purchasing, the NM Procurement Code Section 13-1-28 through Section 13-1-199 NMSA 1978, which govern the use of Public Federal funds by State and Local Governments and NM Administrative Codes that addresses specific policies and procedures.

State Of New Mexico Manual Procedures for Public Accounting and Budgeting – Supplement 13 – Purchasing can be found at: <http://ped.state.nm.us/div/fin/school.budget/index.html>

NM Procurement Code Section 13-1-28 through Section 13-1-199, NMSA 1978 is found at: <http://www.generalservices.state.nm.us/statepurchasing/>

NMAC, General Government Administration, Procurement Code Regulations & Facility Maintenance, Services and Repairs found at: <http://www.nmcpr.state.nm.us/nmac/>

The procedures are established to ensure that public procurement is more effective and *provide for fair and equal treatment*. School District shall *obtain the best value when spending public funds* and shall provide strict accountability to all stakeholders. The Procurement Code pertains to every purchase not specifically excluded. Following the Procurement Code and establishing local administrative procedures shall *provide safeguards to maintain a system of quality, integrity and ethical behavior in the process*.

Application of the Code (Section 13-1-30 NMSA 1978):

- A. Unless otherwise exempted, the code shall apply to every expenditure, by state agencies or local public bodies.
- B. When procurement involves the expenditure of federal funds, the procurement shall be conducted in accordance with mandatory applicable federal law and regulation. If those laws are inconsistent with the Procurement Code, compliance with Federal law or regulations shall be deemed compliant with the Procurement Code.

Local Procedures: Each school district shall have a purchasing policy adopted through action by its local board of education or governing council to ensure that the purchase of tangible goods, services and construction by the school district shall be conducted in adherence to the stipulations of the Procurement Code. The policy shall identify and establish a central purchasing office responsible for administering procurement as stipulated in the Procurement Code. The policy shall mandate that the central office be responsible for ensuring fair and equal treatment of all persons involved in the procurement of the school districts tangible goods,

services and construction, or maximizing the purchasing value of the schools districts or charter school's funds. (<http://www.ccsdnm.org/school-board.html>)

All purchase transactions are executed through issuance of duly authorized school district purchase orders or purchase requisitions. Purchase Orders shall become part of the other contract documents that may be transacted (i.e. construction contracts, architectural service agreements, legal service agreements, etc.)

Purchase Order (Section 13-1-77 NMSA 1978): "Purchase Order" means the document issued by the state purchasing agent or a central purchasing office that directs a contractor to deliver items of tangible personal property, services or construction.

The preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

Penalties for Violations (SB-Senate Bill 182; Passed/Effective July 1, 2013)*

Any person who purposefully places an order for goods, services or construction without a duly authorized purchase order may be held personally liable for payment of delivered items and may be subject to the penalty stipulations of the Procurement Code.

Ex: After the Fact

*Penalties for violations will depend on the value of transaction involved.

- \$50,000 or less – misdemeanor
- More than \$50,000 - 4th degree felony

Small Purchases (Section 13-1-125 NMSA 1978): For procurement less than statutory thresholds, the central purchasing office shall develop, implement and maintain its own purchasing procedures consistent with the Procurement Code and the policies adopted by the local boards of education or governing councils as applicable. Local Procedures shall be reviewed and updated annually by the central purchasing office to meet the changes in the statutory and/or regulatory requirements.

Purchase Best Practice for Small Purchases Under \$60,000 (Effective July 1, 2013)

Procurement for Services, Construction and Tangible Personal Property:

- **Under \$20,000** – Formal Quotes not required but recommended for documentation purposes
 - Under \$5,000 Best Prices
 - \$5,000 - \$10,000 3 Oral Quotes
 - \$10,000 - \$20,000 3 Written Quotes (sheet found in First Class)
- **Between \$20,000 - \$60,000** - 3 Written Vendor Quotes, simple RFI or RFQ

- **Procurement for Professional Services** – Up to \$60,000 in accordance with Procurement Rules

Should you need a Sole Source or are securing goods or services under an emergency, please contact the Purchasing Specialist as soon as possible for guidance.

Sole Source: There are no open markets to ensure reasonable pricing. A notice of intent to award a sole source contract must be posted on a local public web site at least 30 days before awarding contract. (Effective July 1, 2013)

The notice must identify:

- 1) Parties to the Contract
- 2) Nature and quantity of service, construction or property being contracted for; and
- 3) Contract amount.

Sole Source Procurement Form needs to be filled out and approved by Chief Procurement Officer.

Procedure:

- 1) Contact Purchasing for Sole Source Form.
- 2) Department will fill out Sole Source Form, and submit to Chief Procurement Officer.
- 3) Chief Procurement Officer will review the Sole Source Form, and will post on CCSD website for 30 day.
- 4) After 30 days, if no vendor contests the procurement, Sole Source Form will be approved and signed by the Chief Procurement Officer and Superintendent.
- 5) Requisition will be entered by Department for procurement.

Emergency Procurements

The emergency procurement method (NMSA 1978, Section 13-1-127) may only be used when there exists a threat to public health, welfare, safety or property requiring procurement under emergency conditions. The existence of the emergency condition 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:

- 1) the functioning of government;
- 2) the preservation or protection of property; or
- 3) the health or safety of any person.

3 Days after awarding the following must be posted on website:

- 1) Contractors Name and address
- 2) Amount and Term of Contract
- 3) List of Services, construction or items procured under the contract;
- 4) Whether the contract was a sole source or emergency procurement contract and;

- 5) Justification for the procurement method.

Procedure:

- 1) Department may request a vendor to immediately begin work, if an emergency occurs.
- 2) Within three business days of awarding a vendor, the Department must enter a Requisition to the vendor and fill out the Emergency Determination Form which is found on First Class.
- 3) Department will fill out Emergency Determination Form, and submit to Chief Procurement Officer.
- 4) Chief Procurement Officer will review the Emergency Determination Form, and will post on CCSD website for 30 days.

More information on Sole Source can be found on the State Purchasing Website

(<http://www.generalservices.state.nm.us/statepurchasing/Policies.aspx>)

Cooperative Agreement: Already negotiated pricing agreements, allowing the state to “piggy-back” on agreements. It eliminates the need to prepare specifications, advertise, evaluate and award a contract. The Purchase Order must contain a reference (contract #) to the federal contract relied upon.

- General Service Agreements (GSA)
- Western States Contracting Alliance (WSCA)
- Cooperative Education Service (CES)

“Blue Book” can be obtained at: <http://www.ces.org/>

Professional Services Procurement Process

Professional services are performed by persons or organization requiring specialty skills. Examples include architects, specialty trained medical personnel, surveyors, engineers, accountants, lawyers, etc. Definition of professional services is provided on Section 13-1-76 of NM Procurement Code.

- A Written determination by the Chief Procurement Officer is required.
- “Professional Services” under \$60,000 may be procured annually and is also considered “Small Purchase”. Anyone providing “professional service” must have a license and be obtained in accordance with local procurement code.
- Over \$60,000, solicited by formal Request for Proposals (NMSA Section 13-1-111 through 13-1-117) CCSD does not accept facsimile or emailed RFP or BID.

Out of District Form is used for 1 day service or services under \$5,000.00 (one page)

Professional Service Form is used for more than \$5,000 or services conducted for more than 1 day.

Vendors who are not in proper compliance with the federal or state taxation law will not be used by CCSD until they provide the correct documentation to the purchasing department. If not in compliance, the IRS requires that CCSD hold a 28% withholding of the invoice payment and CCSD may refuse to do business with vendor.

Employees vs. Independent Contractors of CCSD are determined by the type of services provided. If an employee, their payment for services will be from the Payroll Department. If an Independent Contractor, their services will be payable through Accounts Payable and a 1099-MISC will be issued to them at the end of January.