

**Mora-San Miguel Electric Cooperative, Inc.**

**Procurement Policy**

**Board Policy No. 309**

Procurement Policy for all goods and services to be purchased by MSMEC for the purpose of insuring the delivery of reliable power at all times to all consumers within its service territory in an efficient and safe manner and cost effective manner.

**1. Purpose**

To set in place procedures for the procurement of all goods and services required by MSMEC, insuring transparent procedures in the procurement of goods and services while working to the extent possible to enhance the local economy.

**2. Policy Content**

All Employees authorized to make purchases shall adhere to the procedures herein established when procuring goods and services on behalf of MSMEC. Procurement, Receipt, Payment and Inventory of all goods or service shall be accounted for by the appropriate divisions. Procurement shall be completed in accordance with the procedures set in this policy.

**3. Provisions**

Authorization to procure goods and services; Managers and Supervisors are authorized to procure goods and services on behalf of MSMEC in accordance with annual approved budget allocations. Procurement in excess of budgeted amounts are not authorized unless approved by the General Manager.

Goods and Services to be procured shall be specified by the person attempting to pursue procurement. Specifications shall be well thought out or documented for the purpose of insuring the procurement of goods or services will meet or exceed specifications and performance and life expectations as dictated by MSMEC.

Vendors of goods and services shall be searched out by Managers and Supervisors attempting to obtain the goods and services as specified for the best prices possible. Listing of Vendors, goods and services shall be maintained to insure record of sources and items purchased. Vendors shall provide proof of business licensing in the places where business is located and within the Counties of MSMEC service territories. Vendor lists shall be maintained by those authorized to procure on behalf of MSMEC.

Requisition Forms shall be filled out prior to purchasing any items or goods on behalf of MSMEC. Procurement of good or services shall be authorized only after a MSMEC Purchase Order is issued to the Manager or Supervisor requesting to purchase. Receipt of goods or services shall be confirmed by completing a MSMEC Receiving Report. Payment for goods or services shall occur only after a MSMEC Receiving Report is submitted with approved invoice (s). Managers, Supervisors are required to account for the receipt of goods and services by signing off on MSMEC Receiving Reports and invoices prior to submitting for payment. Signing receiving reports confirms receipt of the goods and or services that are in an acceptable condition and/or quantities. Approving invoices authorizes payment by MSMEC.

Managers and Supervisors procuring goods and services on behalf of MSMEC shall refrain from accepting or requesting gifts or favors from Vendors. Vendor Promotions when provided to MSMEC shall be reported to the General Manager. The General Manager/Board of Directors shall determine the appropriate manner to dispense of such promotions/gifts. (Employee drawings, Annual Meetings gifts etc.).

#### **4. Competitive Pricing**

MSMEC encourages competitive bidding for all goods or services to be procured. Competitive bidding may include obtaining verbal or written quotes, Request for Bids and or Request for Proposals. Procurement of goods and services are essential to insuring field and office work is completed to insure delivery of services on a daily bases to all consumers.

Value of item (s) shall dictate the method of competitive bidding.

Procurement of goods or services valued **below \$1000.00**

Managers and Supervisors shall obtain verbal or written quotes from 2 or more vendors. This applies to purchases of single or multiple goods or services.

Procurement of goods or services valued at **\$1,000.00-\$5000.00**

Managers and Supervisors shall obtain written quotes from 3 or more vendors. This applies to purchases of single or multiple goods or professional services. **The General Manager shall approve all procurements above \$1,000.00 prior to the issuance of a Purchase Order/P.O. No.**

Procurement of goods or services valued at **\$5000.00 - \$100,000.00**

Managers and Supervisors shall obtain bids from 3 or more vendors upon preparing specifications describing goods or services to be procured in a MSMEC bid document or request for proposal. This applies to purchases of single or multiple goods or professional services. **The General Manager shall approve all procurements above \$5,000.00 prior to the issuance of a Purchase Order/P.O. No.**

Procurement of goods or services valued over **\$100,000.00** shall be procured only after preparing specifications describing goods or services to be procured in a MSMEC bid document or a request for proposal. This applies to single purchases and multiple purchases of goods or Professional services. **The General Manager shall approve all procurements above \$100,000.00 prior to issuance of a Purchase Order/P.O. No.**

MSMEC Bids or Request for Proposals awards shall be approved by the Board of Directors prior to preparing a Requisition Form. The Requisition Form shall be approved by the General Manager prior to issuance of a Purchase Order/P.O. NO. and/or issuing a Notice to Proceed.

**Procurement of goods or services in an Emergency**

Board Members, Managers and Supervisors may procure goods and services required during emergency situation designated by the Board of Directors. Competitive bidding will not be required during the emergency. Forms and process's for purchasing under emergency procurement are to be used.

**Procurement of goods or services when utilizing purchase price agreements, fleet purchase agreements, and leasing agreements approved by the Board of Directors allows the competitive bidding requirements to be waived.**

**5. MSMEC Requisition Forms**

Procurement of goods and services shall be considered upon submittal of a MSMEC Requisition Form to the Finance office. The Requisition Form is used to document the Vendor, listing of items or services to be procured, related cost supported by verbal, or written quotes or bids amounts, GL numbers and cost of Items to be purchased to include shipping and tax. Description of need for items or services, signature by person requesting the purchase. Written quotes or written bids should be attached to the requisition when purchasing amounts exceed \$1,000.00.

The MSMEC Requisition Form shall be submitted to Finance for review and approval. Approval shall result with the issuance of a Purchase Order Form that includes a PO. Number.

**6. MSMEC Purchase Order Numbers (P.O.'s)**

P.O.'s shall be issued by MSMEC Finance Division when a Requisition has been approved. The P.O. numbering system for MSMEC shall be sequential and refer to the calendar year issued. I.e. P.O No. 19-0001, 19-0002 etc.

The Finance Manager shall issue Purchase Order Numbers when a requisition is approved to the Manager or Supervisor making the purchase. The Manager or Supervisor once a P.O. is provided to them they

shall provide a copy to the Vendor with direction to order or deliver the goods of service being procured. The vendor is then authorized to release and or deliver the items or services requested by MSMEC. No purchase shall occur if a P.O. is not issued to a Vendor. MSMEC Manager or Supervisor may be held personally responsible for payment of goods or service should a purchase take place when a P.O. number is not provided to the Vendor. Additional items or services cannot be added the P.O. thereby increasing the amount on the PO. A new Requisition Form will be required for purchase of additional items or services.

#### **7. MSMEC Open Purchase Orders**

MSMEC will allow Open Purchase Orders to be issued for purchase of goods that are commonly required to support operations, maintenance, repair and expansion and are items less than \$50.00 per item. Open Purchase Orders allow for purchase of these goods for a period of no longer than 30 days. The Vendor shall be provided the P.O. for the Open Purchase Order not to exceed \$500.00. (Open purchase orders do not specify the items to be purchased, and does allow for purchase of items that do not exceed the cost of \$50.00 per item and only allows for purchase of items totaling the amount on the open P.O. The purchaser or designate (s) may pick up from the vendor items as long as the items and cost are included in the open PO, after 30 days or when the open PO amount has been reached, the Vendor shall invoice MSMEC for the Items purchased and amount owed. The Manager or Supervisor Purchaser shall complete a Receiving Report and submit with approved invoice to the Finance Manager.

#### **MSMEC Receiving Reports.**

Shall be filled out by the Manager or Supervisor or his or her designee purchasing and or accepting delivery of goods or services. Receiving Reports are used to record the receipt of items or services purchased (compare to Purchase Order), condition of the items or services, date items were delivered, vendor delivering items or services, unit costs, total costs of merchandise, shipping and tax. Shipment status, complete, partial, damaged, acceptable or not acceptable. Receiving Reports shall include the approved Vendor packing sheet and or Invoice for the items or services

accepted. Receiving Reports and Vendor invoices submitted to Finance shall possess a signature of the Manager or Supervising purchasing and accepting the delivery. Signing of packing sheets, invoices and Receiving Reports confirms receipt of goods or services and authorizes payment.

Receiving Reports once prepared and approved shall be submitted to Finance Department.

Payment of invoices shall occur within 30 days of receipt of Receiving Reports and approved Invoice(s).

#### **8. Inventory of goods purchased by MSMEC.**

MSMEC shall inventory all assets purchased to aid in supplying power within its service territory. Once purchased and received these assets become property of MSMEC. Assets are defined as items purchased and valued at more than \$500.00 and/or have a useful life of no less than 1 year.

Identification of all assets shall occur at the time of receipt and acceptance of the asset(s). Identification takes place in two methods. The 1<sup>st</sup> included assigning a MSMEC ID Tag to the Asset. ID Tags are to be recorded and booked. The ID tag shall be attached to the asset in a permanent manner and remain with the Asset through its useful life. Records shall be maintained as to the location of the asset once the asset is released for use by MSMEC's operation. The MSMEC Tag shall be removed at the time the asset is designated as surplus and or is sold. The 2<sup>nd</sup> method of Identification is to book the asset for inventory purposes and then stock the item in a secure location so it is available for use when needed or assign the asset to a department and account for its location, and or who has possession.

Equipment and Property purchased and exceeding the \$500.00 shall be accounted for after Tagging and or Inventory of such asset by filing a MSMEC Equipment/Property Form. The form shall be filed by the Manager or Supervisor initiating the purchase a copy shall be provided to Inventory and Finance. Equipment and/or Property transferred from one Operation to another shall occur only after filing a MSMEC Transfer of Equipment/Property Form. This form shall be filed by the Manager or

Supervisor initiating the Transfer, copy shall be provided to Inventory and Finance. Equipment and or Property to be deleted from inventory upon declaring said Equipment or Property as excess, surplus property by the Board of Directors shall occur upon filing a MSMEC Equipment/Property Deletion Form. This form shall be filed by the General Manager, a copy shall be provided to Inventory and Finance.

#### 9. MSMEC Vendor Requirements

Vendors doing business with MSMEC shall comply with the following requirements.

- Vendor Data Form to be on file
- Completed IRS W9 Form
- Local Business License (Mora @ San Miguel County's)
- Proof of Liability Insurance

Safety: Vendors failing to apply by applicable safety standards, including the appropriate use of Personal Protective Equipment (PPE), compliance with any applicable DOT regulation, and any other applicable federal, state and OSHA safety standards, may be subject to loss of their contract and consideration as a qualified bidder for future contracts, or to provide and deliver goods services at MSMEC's sole discretion.

Presented to Board: September 23, 2019  
Final Approval: October 24, 2019  
Effective: October 24, 2019



Virginia Mondragon, Secretary







**Mora-San Miguel Electric Cooperative, Inc.**  
**Purchase Order**

P.O. Box 240  
 Mora, NM 87732  
 575-387-2205

**Purchase Order #:**

**Date:**

**Requisition #:**

**Vendor #:**

**ISSUED TO:**

**SHIP TO:**

Item	Units	Description	GL Acct #	Price	Amount	Tax	Total
			121.00				

Authorized By: \_\_\_\_\_

<b>SUBTOTAL:</b>	
<b>TOTAL TAX:</b>	
<b>SHIPPING:</b>	
<b>TOTAL</b>	

**THE ARTICLE SPECIFIED ARE SUBJECT TO THE FOLLOWING CONDITIONS:**

1. Goods other than those specified on this order must NOT be substituted or prices changed without authorization.
2. The right of cancellation in case of long delay in shipment is reserved.
3. If the quantity shipped is short of the purchase order quantity, specify on the packing slip if that quantity is on back order or cancelled.









**Mora-San Miguel Electric Cooperative, Inc.**  
**Transfer of Equipment/Property Form**

1. Date of Request:	2. Date of Transfer:	3. Transfer #:
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4. Permanent Transfer	<input type="checkbox"/>	5. Temporary Transfer	<input type="checkbox"/>
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6. From Operations:	Account #:
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7. To Operations:	Account #:
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8. Requested By:	
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9. Reason for Request:	
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10. VIN/G-Plate:	
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11. Manager/Supervisor Initiating Transfer:	Signature	Date
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**FOR OFFICE USE ONLY:**

12. Inventory #:	Quantity:	Item Description/Make & Model:	Current Condition:	Assigned Value:

13. Checked By (Fixed Asset Clerk):	
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14. Approved: <input type="checkbox"/>		15. Disapproved: <input type="checkbox"/>
Signature of General Manager		Date

16. I Certify that I have received the furniture and/or equipment listed above and accept responsibility for it's care, maintenance, and safekeeping.	
Signature of Manager/Supervisor Receiving Items	Date