

NMSL PURCHASING POLICY

PURPOSE

The purpose of this document is to establish a standardized policy for the procurement of fixed assets, equipment, supplies, and services. The Purchasing Agent will maintain records documenting all approved requisitions related to this document. Each department's management will ensure all purchases are in concert with the annual budget plan.

DEPARTMENTAL SUPPLY AGENTS

Requests to purchase supplies will only be considered from approved departmental supply agents or alternates whose names are held on file. With the exception of emergency situations, Purchasing will only forward to the appropriate vendors those requests that have been approved by the appropriate authorizing member of management. Departmental supply agents are not authorized to approve payment. Approval of payment is defined under Payment for Purchases.

PURCHASING REQUESTS

(A.) GENERAL OFFICE SUPPLIES

With managerial approval, departmental supply agents may order general office supplies in accordance with their departmental budgets. Authorization to exceed budgeted amounts or purchase office supplies that are not in the New Mexico Student Loans Supply Catalog must be obtained by the appropriate Director or Executive Officer.

(B.) FIXED ASSETS

All requests to purchase fixed assets exceeding \$1,000.00 on a per-order basis will be issued by the Building Services or Information Technology (IT) Departments and processed through Purchasing. The Building Services Department is responsible for budgeting and requesting facility, grounds, furniture & fixtures, and non-IT equipment purchases. The IT Department is responsible for budgeting and requesting all software and computing hardware purchases. A purchase order will be issued for the purchase of all fixed assets over \$5,000 except those listed in the computerized purchasing system.

Fixed assets which do not meet the \$1,000.00 capitalization threshold will be budgeted and requested by the end user department. These items will be treated as departmental expenses. However, they must be approved by either the Building or IT department (based on their nature) prior to inclusion in the annual budget.

The purchase of any telecommunications hardware, software or service that attaches to or interfaces with the telephone system within the building will be budgeted and initiated by the

Director of Information Technology prior to purchase. These purchases may be executed by the Director of Information Technology (subject to the \$5,000 purchase order requirement threshold.)

The purchase of any hardware, software or service that attaches to or interfaces with any personal computer, computer network or Website must be approved by the Director, Information Technology prior to purchase. These purchases may be executed by the Manager without a purchase order up to \$5,000.00 per order, or if the order is over \$5,000.00, upon receipt of a purchase order from Purchasing. The purchase of any hardware, software or service that attaches to or interfaces with any mainframe computer must be approved by the Director – Information Technology prior to purchase. These purchases may be executed by the Director without a purchase order up to \$5,000.00 per order, or if the order is over \$5,000.00, upon receipt of a purchase order from Purchasing.

REQUISITION APPROVALS

All departments will ensure the appropriate approval(s) is/are obtained, per the table below, before a formal request to purchase is forwarded to Purchasing:

<i>Approving Party</i>	<i>Budgeted Items</i>	<i>Non-Budgeted Items</i>
Board of Directors	Unlimited	Over \$50,000
President	Unlimited	\$0- \$50,000
Vice Presidents/Asst. VPs	\$0 - \$50,000	0 - \$25,000
Directors & Supervisors (including Executive Assistant)	Up to \$5,000	N/A

Purchases totaling less than \$5,000.00 do not require a purchase order, although they require the above-noted approvals.

Prior to the submission to Purchasing of a requisition for non-budgeted items in excess of \$5,000.00 or budgeted items in excess of \$15,000.00, the Chief Financial Officer will review and sign a copy of the request.

PURCHASE ORDERS

Once appropriate approvals are received, all purchases in excess of \$5,000.00 will require Purchasing to generate a purchase order before the order for material or service is placed.

To ensure proper control on the purchase of goods and services, all purchase orders will be signed by a reviewing agent and an approver/purchasing agent. The reviewing agent and approver/purchasing agent will be two distinct individuals. The Finance Supervisor may sign as a reviewing agent. The Assistant Controller may sign as the approver/purchasing agent. In the

absence or unavailability of the Assistant Controller, the CFO may sign as an approver/purchasing agent given the foregoing guidelines. No other employee is authorized to sign as the approver/purchasing agent.

SERVICE AGREEMENTS/CONTRACTS

Every agreement for service between New Mexico Student Loans and a service vendor will be in writing except for those agreements for services totaling less than \$250.00 or an Emergency Procurement as defined in this document. The Service Agreement will be substantially in the same format as approved by NMSL Counsel. Fiscal approval of the agreement must be obtained from the appropriate Executive Officer. The vendor will be informed that the agreement is not final or effective until final approval is obtained.

Given guidelines depicted within this document, only Executive Officers, Vice Presidents, Assistant Vice Presidents or Board Members are authorized to sign contracts over \$5,000. Directors may sign contracts for amounts up to \$5,000. All contracts in excess of \$5,000.00 will be reviewed by the NMSL Counsel before signing.

BID PROCEDURES

(A.) GENERAL

The purchase of any tangible equipment, construction or property in excess of \$10,000 and services in excess of \$5,000 will require Purchasing or the appropriate Executive Officer to ensure at least three bid proposals are solicited. All such bid proposals will be accumulated and screened by the Responsible Party. The appropriate Executive Officer may require that invitations to prospective vendors to submit bids for NMSL purchases of goods or services be advertised at least once per week in *The Albuquerque Journal* for a period of at least two weeks. Bid specifications and the bid closing date must be clearly stated in the advertisement.

Important Note: If a sole source purchase is necessary the Responsible Party, the Controller, the Director of Facilities or the Director of Information Technology, as appropriate, and the appropriate Executive Officer will document that no other vendors were available or capable of meeting NMSL's operational needs. Vendors should be afforded at least ten working days to submit a bid proposal once all specifications and requirements are provided. All bids submitted will be held in strict confidence and not discussed with other vendors or non-appropriate individuals.

(B.) AWARDING INVITED BID

Upon receipt of all bids, each bid will be reviewed to ensure it meets all specifications and requirements. Those bids not in compliance will be rejected. Those vendors meeting all specifications and requirements will be ranked according to the following criteria:

1. Capacity and capability of the business to provide the required goods or perform the designated service.

2. Past record of performance/references.
3. Time frame in which requested goods can be provided or services performed.
4. Type of goods and/or services proposed to satisfy the bid.
5. Overall cost of requested goods and/or services.

(C.) BID AWARD NOTIFICATION

After receiving appropriate approval, the Responsible Party will notify the selected vendor that it has been awarded the bid. Those vendors not selected will be notified no later than fourteen working days after the bid is awarded.

(D.) CHANGES TO AWARDED BIDS

Once a bid is awarded and a cost has been fixed to the material or service, only an Executive Officer is authorized to modify the proposal.

(E.) RIGHT TO PROTEST

Any vendor who submitted an unsuccessful bid that met all specifications and requirements may protest to the Responsible Party in writing that it has been unfairly treated in the bidding process. This protest must be submitted within fifteen days after the vendor's notification that its bid was unsuccessful.

All inquiries regarding selection Criteria used to award the bid as well as final bid price will be directed to the appropriate Executive Officer.

EXCEPTIONS

Exceptions to and deviations from these procedures will be permitted only through written directive from the President or Chief Financial Officer.

CORPORATE CREDIT CARD USAGE POLICY

PROCUREMENT

These cards may be used for any departmental budgeted expenditure under \$5,000.00.

TRAVEL

Executive staff and other staff members identified as frequent travelers on company business may use the cards for any business-related travel expenditure, subject to the NMSL travel policy

guidelines. The corporate credit cards have been restricted based on the anticipated purchasing and travel needs of each cardholder.

RECEIPT, INSPECTION & ACCEPTANCE OR REJECTION OF DELIVERIES

All delivery of materials and supplies will be processed through Receiving in the Building Services Department. Receiving is responsible for inspecting, accepting and/or rejecting deliveries and adding to inventory.

CONTROLLING DOCUMENT

This purchasing policy is to be applied in all circumstances involving purchase of goods or services. BUDGET APPROVAL OF AN ITEM OR CATEGORY DOES NOT IMPLY AUTHORITY TO SUPERCEDE THIS POLICY. In addition, no departmental waivers, implied or otherwise, will supercede this policy.



ATTACHMENT 1 – SAMPLE SERVICE AGREEMENT

SERVICE AGREEMENT

The parties to this Agreement are:

New Mexico Educational Assistance Foundation (“Foundation”)
DBA New Mexico Student Loans
P.O. Box 27020
Albuquerque, NM 87125-7020

And

(“Vendor”)

IN CONSIDERATION OF the mutual promises contained in and the mutual benefits to be derived under this Agreement, the parties agree:

I. Services Provided: Vendor agrees to provide to the Foundation those services which are described on the attached Services Schedule (“Attachment 1”).

II. Term: The initial term of this Agreement shall commence on the date this Agreement is executed by the Foundation and shall continue for a period of twelve (12) months. The Agreement may be terminated by either party upon sixty (60) days’ written notice to the other party.

III. Pricing. The prices set forth on the Pricing Schedule (“Attachment 2”) are guaranteed to the Foundation for the term of this Agreement and are confidential in nature and shall not be openly discussed with other vendors, or other businesses.

A. **Unscheduled Charges.** The charge for any services provided by Vendor that are not listed on the pricing schedule shall be invoiced at Vendor’s then prevailing prices. Vendor shall obtain prior written approval in the form prescribed in Paragraph XI from the Foundation before performing any service that is not listed on Attachment 2 and shall provide the Foundation with a specific price quotation for such service at the time of requesting the prior written approval.

B. **Taxes.** There shall be added to all charges under this Agreement amounts equal to any applicable gross-receipts tax.

IV. Billing and Payment: Vendor shall invoice the Foundation monthly for services rendered during the previous month. The Foundation will pay Vendor all charges for services invoiced in accordance with Paragraph III, above.

V. Confidentiality: Vendor understands that, while providing services under this Agreement, its personnel, contractors, and subcontractors will be exposed to documents, client lists, records, computer data and systems information, provider information and listings, and other written or verbal information (“Information”) considered confidential and proprietary in nature to the Foundation. Vendor agrees that its personnel, contractors, and subcontractors shall not disclose such Information to anyone, except for the purpose of providing services pursuant to this Agreement and as contemplated by the Agreement.

VI. Assignability: This Agreement may not be reassigned by either party without the prior written consent of the other party.

VII. Notices: All notices required or necessary under this Agreement shall be sent to the receiving party at the address set forth in this Agreement, or at such other address as a party may request in writing.

VIII. Relationship of Parties: The relationship of Vendor to the Foundation is that of independent contractor. Vendor is not an agent or employee of the Foundation, nor is the Foundation a principal or employer of Vendor.

IX. Entirety of Agreement: This written Agreement constitutes the entire agreement between the Foundation and Vendor with respect to the services to be rendered; no oral or written statement or promise made prior to or contemporaneously with the execution of this Agreement shall be binding upon either party, unless that statement or promise has been incorporated into this written Agreement.

X. Amendment: This Agreement may not be altered, amended, modified or terminated except by a writing fully executed and dated by both the Foundation and Vendor. The effective date of any alteration, amendment, modification or termination shall be the date signed by the Foundation, unless a different date for the action contemplated is set forth in the writing.

XI. Choice of Law: This Agreement shall be construed and applied in accordance with the laws of the state of New Mexico.

XII. Headings: Headings and titles are for convenience only; they shall not be deemed of substantive significance.

IN WITNESS WHEREOF, the parties have signed this Agreement; the parties signing have full authority to bind the respective parties. The Agreement shall become effective on the date of the signature by the Foundation representative set forth below.



VENDOR

NEW MEXICO STUDENT LOANS

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title _____

Date: _____

Date: _____