

OSHARA MUTUAL DOMESTIC WASTEWATER ASSOCIATION
RULES AND PROCEDURES ON PROCUREMENT OF GOODS AND SERVICES

Agency Fiduciary Responsibility:

The objective of these Rules, Policies and Procedures is to comply, insofar as is practical, with the NMAC Procurement Code in actions and spirit, considering the responsibility of the BOD (Board of Directors) to acknowledge limitations of time, available resources and the serious consequences of equipment failure.

Operator Contract:

An existing contract with a plant operator will continue in force with total payments to the operator under \$60,000 per year. The contract may be ended by either party with 30 days of notice. The contract may be revised or renewed when expired and a new contract put in place.

Existing Provider Arrangements:

Existing arrangements with companies providing materials and services (eg. pumping, chemicals, testing, bookkeeping) costing less than \$20,000 will continue on a direct purchase basis or as a month-to-month agreement. The plant operator will order and schedule goods and services for regular plant functions. These include chemicals, pumping and sample testing. The bookkeeper will purchase goods and services for regular bookkeeping functions such as invoicing and mailing. Billing of goods and services for regular treatment plant functions will be done directly to OMDWA. NTTC-9 forms will be provided to vendors, where appropriate, for proof of NM GRT non-tax status. Monitoring of routine direct purchases will be done by the OMDWA President or Vice President, during monthly check signing and invoice review. Significant changes in service or materials rates may require Board of Director approval, or the seeking of alternative providers.

Small Purchases Under \$20,000:

Purchases for repair or replacement of plant equipment costing \$20,000 or less may be purchased directly, if delay of purchase threatens plant functioning or creates a need for additional operator time that influences total costs. When possible, additional bids for replacement equipment or repairs may be requested and may include estimated delivery time and freight costs. A company's performance will be considered, along with their experience with the specific equipment used or needed by the Oshara Wastewater Treatment Plant.

Operator Assistance:

If the plant operator is able to schedule a repair or arrange purchase of needed equipment costing \$20,000 or less, this may be approved by the Board President or Vice President in order to facilitate rapid replacement of existing equipment, as long as the new item matches existing system fittings and requirements. The equipment provider will bill OMDWA directly and an NTTC-9 will be issued for purchases eligible for NM GRT non-tax status.

Purchases from over \$20,000 and not to exceed \$60,000:

Insofar as it is practical, purchases of goods or services costing over \$20,000 and not to exceed \$60,000, will require obtaining and evaluating 3 written bids. Such bids should be solicited via written request containing the specifications of the procurement. Factors for selection of preferred bid may include: cost, bidder's qualifications, familiarity with the Oshara Wastewater Treatment Plant and its existing equipment specifications, past history of work with Oshara, local accessibility when required for emergency response, shipping costs, installation service availability, ability to meet critical deadlines for contract completion. The award will be to the lowest priced acceptable quotation. Bids and reasons for selecting a bid for purchase will be kept in the procurement file. For professional services under \$60,000, it is encouraged that 3 businesses be contacted for written offers. The Board may negotiate a contract for a fair and reasonable price.

Purchases over \$60,000:

Purchases costing over \$60,000 will require approval by the Board of Directors, in consultation with an experienced Chief Procurement Officer or the General Services Division. Such purchases may require a special assessment of the OMDWA membership, if approved by the Board of Directors.