

# FINANCIAL POLICIES

August 12, 2021

## SECTION I NEW MEXICO RENEWABLE ENERGY TRANSMISSION AUTHORITY PROCUREMENT POLICY

### PURPOSE

When purchasing goods and services with public money, the New Mexico Renewable Energy Transmission Authority (RETA) wishes to conduct all its business, including the purchase of goods and services, in as open and competitive a manner as possible.

RETA is a state instrumentality not governed by New Mexico State Procurement Code (Section 13-1-28 *et seq.*, NMSA 1978) in its purchases of goods and services. RETA desires to accomplish its purchases of goods and services in an open and fair manner.

### A. APPLICATION

This procurement policy is adopted to meet the unique needs of RETA and covers those purchases approved by the RETA Board. This procurement policy only applies to purchases made by RETA on its own behalf and with state funds. This policy does not apply to procurement that RETA undertakes in support of a Project, as defined in the Renewable Energy Transmission Authority Act, or with federal or private funds.

### B. PROCEDURE

This section pertains to the procurement of tangible personal property and/or professional services not subject to the exceptions in Paragraph C below. Procurement under this section will be accomplished by RETA's management through a competitive sealed proposal procedure as follows:

1. **Request.** Competitive sealed proposals will be solicited by RETA through a request for proposal (RFP). The RFP will include:
  - a. A description of the tangible personal property or services sought by RETA.
  - b. The terms and conditions applicable to the procurement.
  - c. The relative weight to be given to the factors used in evaluating the proposals.
  - d. The date, time and location where the proposals are to be received by RETA.
  - e. The date, time and place where proposals are to be opened.

2. **Public Notice.** The invitation for proposals or notice thereof shall be published by RETA not less than ten (10) calendar days prior to the date set forth for the receipt of proposals. The notice shall be published in a newspaper of general circulation in this state and such other notice as is deemed to be commercially reasonable in the sole discretion of RETA.
3. **Sealed Proposals.** RETA will date-stamp and note the time of receipt of each sealed proposal. Review will begin after the deadline established for opening of proposals. Proposals will not be opened publicly and will not be open to public inspection until after the award of the contract. No proposal will be accepted after the established deadline.
4. **Evaluation Committee.** Proposals will be evaluated by an evaluation committee comprised of RETA staff, Board members and consultants as deemed appropriate by RETA. Evaluations of proposals will be conducted in accordance with the evaluation criteria stated within the applicable RFP and any amendments thereto. The evaluation committee will make a recommendation to the RETA Board.
5. **Negotiations After Submissions of Proposals.** Respondents submitting proposals may, in the sole discretion of RETA or its representative, be afforded an opportunity for discussion and revision of proposals. Revisions may be permitted after submissions of proposals and prior to award for the purpose of obtaining the best and final offers. Negotiations may be conducted with respondents who submit proposals deemed by the evaluation committee to be reasonably likely to be selected for award.
6. **Award.** Contracts will be awarded to the respondent or respondents whose proposals (1) conform in all material respects to the requirements set forth in the request for proposals, and (2) are determined to be the most advantageous to RETA, taking into consideration the evaluation factors set forth in the request for proposals and the purpose of the RFP. See item 12 under this section regarding the final approval of a contract.
7. **Rejection or Cancellation of Requests for Proposals.** At any time prior to the execution of a contract to purchase tangible personal property or services, a request for proposals may be canceled or any or all proposals may be rejected in whole or in part when it is determined by RETA, in its sole discretion, to be in the best interests of RETA. A written determination containing the reasons for cancellation or rejection of the requests for proposals or the proposals shall be maintained in the procurement file.
8. **Irregularities in Proposals.** RETA or its designated representative may waive technical irregularities in the form of a proposal which do not alter the price, quality or quantity of the services or tangible personal property offered to RETA.
9. **Performance Bonds and Additional Requirements.** Performance bonds or other security may be required for contracts involving items of tangible personal property or services, if RETA deems it necessary to protect the interests of RETA.
10. **Terms of Contracts.** The terms of contracts will be a period that is mutually agreed upon by RETA and the contractor. No contract entered into by RETA can exceed a period of five (5) years.

11. **Protest.**

- a. Any bidder who is aggrieved in connection with the award of a contract by RETA may protest the award of the contract. The protest must be submitted in writing to RETA within 15 calendar days of an award. The written protest shall state with particularity the basis for the protest and the facts upon which the protestant relies in protesting the award.
- b. The evaluation committee shall have the authority to take any action it deems reasonably necessary to resolve a protest, pursuant to such procedures as may be established by the RETA Board, but not including the authority to award money damages or attorney's fees to any party to the protest.
- c. RETA will issue to the protestor a notice of determination relating to the protest within a reasonable time after receipt of the protest and the determination by RETA will be final. The notice of determination shall state the findings and reasons for any actions taken.

12. **Approval of Contracts.** The Executive Director of RETA will approve contracts of less than \$50,000. The RETA Board will approve contracts of \$50,000 or more.

C. **EXCEPTIONS**

1. **Small Purchases of Property.** A small purchase of property is a purchase of tangible personal property with a value of less than \$60,000. Purchases of tangible personal property for an amount greater than \$5,000 but less than \$60,000 require written bids from potential suppliers. Purchases of tangible personal property for an amount of \$60,000 or more must follow the procedures set forth in this RETA Procurement Policy unless otherwise exempted under this Paragraph.
2. **Small Purchase of Services.** A small purchase of services is a purchase of services with a value of less than \$60,000. The Executive Director will determine whether quotes are required for purchases under \$60,000. Purchases of services for an amount of \$60,000 or more must follow the procedures set forth in this RETA Procurement Policy.
3. **Emergency Procurement.** An emergency procurement is a procurement made under conditions which are deemed to create an immediate threat to the functioning of RETA or to the success of a RETA program or bond issuance. The Executive Director will make a written determination that an emergency exists and will approve making an emergency procurement. The written determination of the need for an emergency procurement shall be maintained in the procurement file. An emergency procurement may not exceed \$60,000.
4. **Sole Source Procurement.** A sole source procurement is a procurement for which the Executive Director makes a written determination, after a good faith review of RETA's requirements and the readily available resources that could satisfy such requirements, that there is only one source for the required service or item of tangible personal property, the service or item of personal property is unique and this uniqueness is substantially related to the intended purpose of the contract, and other similar services or items of tangible

personal property cannot meet the intended purpose of the contract. The written determination shall be maintained in the procurement file. A sole source procurement may not exceed \$150,000, so long as the RETA Board approves any sole source contract over \$100,000, but not to exceed \$150,000.

5. **Existing Contract.** An existing contract procurement is a procurement at a price equal to or less than the contract's current federal supply contract price (GSA), provided that the contractor has indicated in writing a willingness to extend such contract pricing, terms and conditions to RETA and the contract relied upon is adequately identified in RETA's files; a procurement with a business which has a current exclusive or non-exclusive price agreement with the state purchasing agent for the required item of tangible personal property or services; or a procurement under a current contract or an extension or renewal thereof, with RETA which meets the requirements of the new purchase, RETA shall maintain in the procurement file copies of each existing contract (or a reference to where such copies can be obtained) relied upon to make a purchase without seeking competitive proposals.

#### **D. PROCUREMENT FILE**

RETA shall maintain for a minimum of six (6) years a file for each procurement for which proposals were solicited and for those procurements for which proposals were not required pursuant to an exception in this Subsection C of RETA Procurement Policy. In addition to any other requirements of this Subsection C, the procurement file shall contain the contractor's name and address; the amount and term of the contract; a general description of the services or items of tangible personal property procured under the contract; a copy of the executed contract, scoring records used in selecting the contractor and the justification for the procurement method used.

## **SECTION II BUSINESS TRAVEL**

### **GENERAL**

RETA will pay or reimburse an authorized person to travel (traveler) for business travel and meal expenses incurred by the traveler in connection with RETA business. All expenses for Board Members and the Executive Director will be approved by the Executive Director, Treasurer or Chair of the Board. No Board member or the Executive Director may approve his or her own travel. The Executive Director will approve travel reimbursement for other employees of RETA.

A traveler can choose between two options when requesting reimbursement for business travel.

#### **A. PERSONS ELIGIBLE TO TRAVEL**

Authorized persons to travel (travelers) include RETA employees and RETA Board members. Board members who are Ex-officio members may only be reimbursed by RETA for related travel if the members do not receive reimbursement by their employer under the Per Diem and Mileage Act.

#### **B. BUSINESS TRAVEL REIMBURSEMENT OPTIONS**

##### **1. OPTION I**

A traveler is reimbursed for actual travel expenses. Electing this option for reimbursement will require that a traveler submit all receipts to substantiate the expense incurred. Credit card statements **will not** constitute a receipt for the purposes of expense reimbursement. Under this option, a traveler will be allowed to receive up to \$25.00 per day in reimbursement without a receipt. However, the nature of reimbursement without a receipt must be noted on the expense report.

##### **2. OPTION II**

A traveler is reimbursed for actual expenditures for air travel and car rentals (must provide receipts) and a per diem rate to cover meals, lodging and other incidental expenses for each 24-hour period that they are away on business related travel. This option relieves the traveler of keeping receipts while on business travel (except for air travel and car rentals). This option is available only if the traveler will be on business related travel for more than 24 hours. The final day of travel will be covered by partial day per diem rates. Per diem rates will be the same as those established for New Mexico state employees.

#### **C. MILEAGE REIMBURSEMENT**

Mileage will be reimbursed for the official trip or mileage as determined from any New Mexico state map or from an on-line direction service (e.g. Map Quest). Reimbursement of costs for driving a personal automobile will be limited only to official RETA business. Reimbursement for travel by personal automobile to an out of state location will not exceed the cost of an airline ticket. Mileage will be paid at the current allowable rate as set by the State of New Mexico.

Mileage will not be reimbursed for the use of state vehicles or any vehicle owned or leased by RETA.

**D. REASONABLENESS**

Expense reports are to be reviewed and approved by the Executive Director, except that the Executive Director's expense report shall be reviewed and approved by the Chairman of the Board or the Treasurer. Reasonableness will be determined by those reviewing and approving the expense reports. In general, reasonable travel expenses include coach or economy class airline tickets, moderately priced hotel or motel expenses, mid-size car rentals and moderately priced meals. RETA will not use funds received from a public source to reimbursement for alcoholic beverages.

**E. TRAVEL ARRANGEMENTS**

Travel arrangements may be made by the employee or his or her agent. Fees charged by the agent will be reimbursed if documentation of the fee is presented.

**F. PERSONS ELIGIBLE TO TRAVEL**

Authorized persons to travel include RETA employees and RETA Board members. Board members who are Ex-officio members may only be reimbursed by RETA for related travel if the members do not receive reimbursement by their employer under the Per Diem and Mileage Act.

**G. REIMBURSEMENT OF CONTRACTOR TRAVEL**

Reimbursement to third party contractors may occur if a contract is in place that specifies reimbursement for travel expenses. Contracts covering third party contractors should clearly state when travel will be necessary. Travel outside of that specified in the contract will require prior written approval of the Executive Director. Travel rates will be the same as those established for New Mexico state employees.

**SECTION III  
REIMBURSEMENT FOR MEAL AND BEVERAGE EXPENSES  
(WHILE NOT ON BUSINESS TRAVEL)**

**GENERAL**

This section applies to all meal and beverage expenses directly related or associated with RETA business that take place other than when traveling on RETA business as discussed in Section II, if reimbursement will be provided from public state funds. This section does not apply to reimbursement for expenses paid from federal or private funds.

**A. REIMBURSEABLE EXPENSES**

RETA will reimburse authorized persons those expenses for food and non-alcoholic beverages if the meal is either a) directly related to the conduct of RETA business and meets the “directly related” test or b) in the case of a meal preceding or following a business discussion, the meal is associated with the active conduct of RETA business and the cost of the meal is reasonable. A receipt for expenses must accompany the request for reimbursement.

**B. THE “DIRECTLY RELATED” TEST**

The “directly related” test means a meal is directly related if it occurred in a clear business setting and meets the following requirements:

1. Expected Benefit. At the time of the meal RETA expected to derive some specific business benefit at some future time.
2. Business Discussion. During the meal, there was an active bona fide business discussion.
3. Business Purpose. The principal character of the combined business and meal was the conduct of RETA business.
4. Business Contact. The meal involved an authorized person and a person with whom business with RETA is being conducted.

**C. REPORTING**

RETA staff shall provide an annual report of all reimbursements approved under this section to the Audit Committee on or before June 1. The report shall include information regarding the date, the purpose of the meal, the attendees, and the cost.

**SECTION IV  
POLICY GOVERNING THE ISSUANCE OF CHECKS**

**GENERAL**

1. The following individuals have signature authority on RETA checks:

Executive Director of RETA  
RETA Board Chairperson  
RETA Board Treasurer
2. All of the persons listed in Item 1 above are authorized to sign checks of \$50,000 or less.
3. Checks of more than \$50,000 require two signatures from the persons listed in Item 1 above.
4. A check of any amount payable to the Chairperson, Treasurer or the Executive Director shall be signed by a person other than the payee listed in Item 1 above.

**SECTION V  
ADOPTION DATE**

This policy is adopted effective: August 12, 2021

This policy supersedes the Procurement, Contract and Reimbursement Policies adopted August 31, 2020.