



BOARD OF TRUSTEES

Subject: Procurement Policy		Policy No.: 130
Original Issue: 04/27/2012	Last Revised: 01/30/2026	Last Reviewed: 01/30/2026
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Procurement Policy for all goods and services to be purchased by Jemez Mountains Electric Cooperative (JMEC) 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 JMEC, ensuring 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 JMEC. Procurement, Receipt, Payment and Inventory of all goods and services 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 JMEC in accordance with annual approved budget allocations. Procurement of more than budgeted amounts or procurement of goods and services that were not approved in the annual budget allocations are not authorized unless approved by the CEO/General Manager. Procurement of goods and services that were not approved in the annual budget allocations that are anticipated to be in excess of \$100,000 must be approved by the Finance Committee before proceeding with the competitive pricing requirements below.



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Goods and Services to be procured shall be specified by the person requesting the procurement. Specifications shall be thoroughly documented for the purpose of ensuring the procurement of goods and services meet or exceed specifications, performance, and life expectations as dictated by JMEC.

Materials procured for construction shall be covered in the most recent RUS Approved List of Materials and suppliers/manufacturers. The procurement of these materials is coordinated by the Engineering & Line Operations Managers with the Purchasing Manager and warehouse staff. The warehouse staff will keep minimum amounts of standard materials to maintain the effective operation of JMEC's electric utility grid.

Vendors of goods and services shall be sought out by Managers and Supervisors to meet JMEC's system requirements for efficient operations. JMEC management will employ an evaluation methodology that considers the following criteria for the purchase of goods and services:

- Technical and administrative competence
- Satisfactory track record of business ethics
- Past experience and demonstrated ability to deliver similar services
- Organization and staff capabilities
- Cost effectiveness

The above factors, in addition to cost/price, will be considered in making an award.

The procurement of professional services including legal, architectural, engineering, surveying, rate design, auditing, etc. will be evaluated on a case-by-case basis to suit the specialty needs of the Cooperative. JMEC management will employ a detailed evaluation of the professional and recommend to the CEO/General Manager. The CEO/General Manager



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shall review and decide upon the recommendation for the professional. Contracts over \$100,000 shall be reported to the Board of Directors.

A listing of vendors, goods, and services shall be maintained to ensure 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 JMEC service territories. Vendor lists shall be maintained by those authorized to procure on behalf of JMEC.

Requisition Forms shall be filled out prior to purchasing any items or goods on behalf of JMEC. Procurement of goods and services shall be authorized only after a JMEC Purchase Order is issued to the Manager or Supervisor requesting to purchase. Receipt of goods and services shall be confirmed by completing a JMEC Receiving Report. Payment for goods and services shall occur only after a JMEC Receiving Report is submitted with approved invoice(s). Managers and Supervisors are required to account for the receipt of goods and services by signing off on JMEC 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 JMEC. Managers and Supervisors procuring goods and services on behalf of JMEC shall refrain from accepting or requesting gifts or promotional items from vendors. Vendor promotional items, when provided to JMEC, shall be reported to the CEO/General Manager. The CEO/General Manager shall determine the appropriate manner to dispense of such promotional items.

4. Competitive Pricing

JMEC encourages competitive bidding for all goods and services to be procured. Competitive bidding may include obtaining verbal or written quotes, and/or Requests for Proposals.



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Procurement of goods and services are essential to ensuring field and office work is completed to ensure delivery of services on a daily basis to all consumers.

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

Procurement of goods and services valued **below \$10,000.**

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

Procurement of goods and services valued at **\$10,000-20,000.** Managers and Supervisors shall strive to obtain verbal or written quotes from 3 or more vendors. In some cases, three quotes might not be possible, but staff will make their best efforts to obtain three quotes. This applies to purchases of single or multiple goods or professional services.

Procurement of goods and services valued at **\$20,000 - \$100,000.** Managers and Supervisors shall obtain written quotes from 3 or more vendors upon preparing specifications describing goods and services to be procured in a JMEC bid document or request for proposal. This applies to purchases of single or multiple goods or professional services. The General Manager (or specified designee) shall approve all procurements above \$10,000 prior to the issuance of a Purchase Order/P.O. Number.

Procurement of goods and services valued over **\$100,000.**

Managers and Supervisors shall prepare specifications describing goods and services to be procured in a JMEC request for proposal. This applies to single purchases and multiple purchases of goods or Professional services. JMEC Requests for Proposal awards over \$100,000 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 warehouse materials and equipment that have been approved as part of the Capital Budget / Work Plan



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For the purchase of warehouse materials and equipment previously approved as part of the capital budget and/or four-year work plan and are less than \$250,000 managers and supervisors shall obtain written quotes from 3 or more vendors upon preparing specifications describing goods and services. This applies to purchases of single or multiple goods or professional services. The General Manager (or specified designee) shall approve all procurements up to \$250,000 prior to the issuance of a Purchase Order/P.O. Number.

For the purchase of warehouse materials and equipment previously approved as part of the capital budget and/or four-year work plan and are more than \$250,000 managers and supervisors shall obtain written quotes from 3 or more vendors upon preparing specifications describing goods and services. This applies to purchases of single or multiple goods or professional services. The Board of Directors shall approve all procurements of more than \$250,000 prior to the issuance of a Purchase Order/P.O. Number.

5. Procurement of goods and services in an Emergency

Managers and Supervisors may procure goods and services required during emergency situations designated by the CEO/General Manager. Competitive bidding will not be required during the emergency. Forms and processes for purchasing under emergency procurement are to be used.

The CEO/General Manager has the authority to use a "best value" approach for the procurement of goods and services during an emergency situation, considering not only price but also other factors such as experience, past performance, work quality, and local community benefits.

Procurement of goods and 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.



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6. JMEC Requisition Forms

Procurement of goods and services shall be considered upon submittal of a JMEC Requisition Form to the Finance/Accounting office. The Requisition Form shall include:

- Vendor name
- Description of need for goods or services
- Listing of items or services to be procured
- Total costs of goods or services (inclusive of shipping and tax) supported by verbal or written quotes
- General Ledger account number
- Signature by person requesting the purchase
- Written quotes should be attached to the requisition when purchase amount exceeds \$20,000.

Approval shall result with the issuance of a Purchase Order Form that includes a P.O. Number.

7. JMEC Purchase Order (P.O.) Numbers

Purchase Orders shall be issued by JMEC Finance/Accounting when a Requisition has been approved.

The CFO/Accounting Manager (or specified designee) shall issue Purchase Order Numbers when a requisition is approved by the Manager or Supervisor making the purchase. The Manager/Supervisor obtaining a P.O. number shall provide a copy to the Vendor with direction to order or deliver the goods or service being procured. The vendor is then authorized to release and/or deliver the items or services requested by JMEC. No purchase shall occur if a P.O. is not issued to a Vendor. The JMEC 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 to the P.O. thereby increasing the amount on the P.O. A new Requisition Form will be required for purchase of additional items or services.

8. JMEC Receiving Reports



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Receiving reports shall be filled out by the Manager or Supervisor purchasing and/or accepting delivery of goods and services. Receiving Reports are used to record the receipt of items or services purchased (for comparison 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 Accounting/Finance shall possess a signature of the Manager or Supervisor purchasing and accepting the delivery. Signing of packing sheets, invoices, and Receiving Reports confirms receipt of goods and services and authorizes payment.

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

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

9. JMEC Vendor Requirements

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

- Vendor Data Form to be on file
- Completed IRS W9 Form
- Local Business License
- Proof of Liability Insurance

Safety: Vendors failing to comply with 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 JMEC's sole discretion.



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Presented to Board of Directors:

Final Approval:

Effective:

_____ Secretary

<u>Dennis J. Villalba</u>	President of the Board	<u>Date</u> 1/30/2026
<u>Jeffrey S. Muller</u>	Chair of the Policy Committee	<u>Date</u> 1/30/2026