

# Commission Meeting Agenda



## *Mayor*

Samuel D. Cobb

## *City Commission*

Marshall R. Newman

Christopher R. Mills

Patricia A. Taylor

Joseph D. Calderón

Dwayne Penick

Don R. Gerth

## *Acting City Manager*

Manny Gomez

**March 2, 2020**



**Hobbs City Commission**  
**Regular Meeting**  
**City Hall, City Commission Chamber**  
**200 E. Broadway, 1<sup>st</sup> Floor Annex, Hobbs, New Mexico**

**Monday, March 2, 2020 - 6:00 p.m.**

Sam D. Cobb, Mayor

Marshall R. Newman  
Commissioner - District 1

Christopher R. Mills  
Commissioner - District 2

Patricia A. Taylor  
Commissioner - District 3

Joseph D. Calderón  
Commissioner - District 4

Dwayne Penick  
Commissioner - District 5

Don R. Gerth  
Commissioner - District 6

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**A G E N D A**

*City Commission Meetings are  
Broadcast Live on KHBX FM 99.3 Radio  
and Available via Livestream at [www.hobbsnm.org](http://www.hobbsnm.org)*

**CALL TO ORDER AND ROLL CALL**

**INVOCATION AND PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES**

1. Minutes of the February 18, 2020, Regular Commission Meeting

**PROCLAMATIONS AND AWARDS OF MERIT**

2. Proclamation Proclaiming the Month of March, 2020, as "National Nutrition Month" (Dan Springer, CEO, Lea Regional Medical Center)
3. Proclamation Proclaiming March 14, 2020, as "Pi Day" (Susan Fine, NMJC)

**PUBLIC COMMENTS** *(Citizens who wish to speak must sign the Public Comment Registration Form located in the Commission Chamber prior to the beginning of the meeting.)*

**CONSENT AGENDA** *(The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)*

4. Resolution No. 6912 - Approving a Grant Application with the Department of Homeland Security Federal Assistance to Firefighter Grant Program for the Hobbs Fire Department *(Barry Young, Deputy Fire Chief)*
5. Consideration of Proposal No. 511-20 for Locksmith Services and Recommendation to Reject All Proposals *(Shelia Baker, General Services Director)*
6. Resolution No. 6913 - Authorizing the Transfer of Ownership of Hobbs Police Department K-9 "Rico" to Officer Brandon Marinovich *(Erik Scramlin, Deputy City Attorney)*
7. Resolution No. 6914 - Authorizing the Transfer of Ownership of Hobbs Police Department K-9 "King" to Officer Dustin Seay *(Erik Scramlin, Deputy City Attorney)*

## **DISCUSSION**

### **ACTION ITEMS** (Ordinances, Resolutions, Public Hearings)

8. Resolution No. 6915 - Accepting and Approving the FY 2019 Audit *(Toby Spears, Finance Director; and Farley Vener, CPA, Hinkle + Landers, P.C.)*
9. **PUBLICATION**: Proposed Ordinance Amending Chapter 3.20 of the Hobbs Municipal Code Regarding the City of Hobbs' Procurement Policy *(Toby Spears, Finance Director)*
10. Resolution No. 6916 - Supporting the Proposed Issuance of Multi-Family Housing Revenue Bonds for the Acquisition and Rehabilitation of the Four Seasons Apartments in an Amount Not to Exceed \$9,750,000 *(Kevin Robinson, Planning Department)*
11. Consideration of Proposal No. 515-20 for HVAC Repairs/Replacement for City of Hobbs Buildings and Recommendation to Accept Proposal from ABSW and A. G. Custom Sheet Metal *(Shelia Baker, General Services Director)*

## **COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

12. Next Meeting Date:

- ▶ City Commission Regular Meeting  
***Monday, March 16, 2020***, at 6:00 p.m.

## **ADJOURNMENT**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9207 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



# CITY OF HOBBS

## COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

**SUBJECT:** City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office  
DATE SUBMITTED: February 26, 2020  
SUBMITTED BY: Jan Fletcher, City Clerk

**Summary:**

The following minutes are submitted for approval:

- ▶ Regular Commission Meeting of February 18, 2020

**Fiscal Impact:**

Reviewed By: \_\_\_\_\_  
Finance Department

N/A

**Attachments:**

Minutes as referenced under "Summary".

**Legal Review:**

Approved As To Form: \_\_\_\_\_  
City Attorney

**Recommendation:**

Motion to approve the minutes as presented.

Approved For Submittal By:

  
\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

Minutes of the regular meeting of the Hobbs City Commission held on Tuesday, February 18, 2020, in the City Commission Chamber, 200 East Broadway, 1<sup>st</sup> Floor Annex, Hobbs, New Mexico.

### **Call to Order and Roll Call**

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone in attendance to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb  
Commissioner Marshall R. Newman  
Commissioner Christopher Mills  
Commissioner Patricia A. Taylor  
Commissioner Joseph D. Calderón (*left at 6:35 p.m.*)  
Commissioner Dwayne Penick  
Commissioner Don Gerth

Also present:

Manny Gomez, Acting City Manager/Fire Chief  
Efren Cortez, City Attorney  
John Ortolano, Police Chief  
Barry Young, Deputy Fire Chief  
Todd Randall, City Engineer  
Kevin Robinson, Development Director  
Matt Hughes, Rockwind Community Links Superintendent  
Kevin Shearer, Battalion Chief  
Nicholas Goulet, Human Resources Director  
Tracy South, Assistant Human Resources Director  
Toby Spears, Finance Director  
Ron Robert, Information Technology Director  
Bobby Arther, Municipal Judge  
Tim Woomeer, Utilities Director  
Shelia Baker, General Services Director  
Meghan Mooney, Communications Director  
Ann Betzen, Risk Manager/Executive Assistant  
Mollie Maldonado, Deputy City Clerk  
Jan Fletcher, City Clerk  
140 citizens

### **Invocation and Pledge of Allegiance**

Commissioner Penick delivered the invocation and Commissioner Mills led the Pledge of Allegiance.

Mayor Cobb requested that Public Comments and Agenda Item No. 6 - Resolution No. 6909 - Declaring Opposition to the Extreme Risk Protection Order Act be moved up on tonight's agenda after the approval of minutes due to the large crowd wanting to speak on the issue.

### **Approval of Minutes**

Commissioner Calderón moved that the minutes of the regular meeting held on February 3, 2020, be approved as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Newman yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

### **Public Comments**

Mayor Cobb requested comments from Ms. Carole Parish and Mr. \_\_\_\_\_ who signed the public comment form to speak tonight on the Red Flag Bill. Both citizens opted to let Lea County Sheriff Corey Helton speak on the item instead.

Mr. Nick Maxwell stated the City Clerk's Office does a wonderful job, and he congratulated Ms. Mollie Maldonado, Deputy City Clerk, on 25 years of service with the City of Hobbs.

Mr. Maxwell commented on Resolution No. 6909 declaring opposition to the Extreme Risk Protection Order Act, New Mexico Senate Bill 5 (SB5). He stated this bill has passed the House and Senate but is still unsigned by the New Mexico Governor. Mr. Maxwell stated SB5 violates our constitutional rights and our rights cannot be taken away. He stated he hopes the Commission votes yes on this resolution and comes together in unity on the issue. Mr. Maxwell thanked the Commission for listening.

At this time, Mayor Cobb called upon Lea County Sheriff Corey Helton to speak. Sheriff Helton addressed comments to the Commission on Resolution No. 6909 declaring opposition to the Extreme Risk Protection Order Act, also known as the "Red-Flag Bill", which passed the House and Senate last week. He stated SB5 calls for law enforcement officials to require the relinquishment of firearms from a person who may be deemed a threat to themselves or others. Sheriff Helton stated the bill is unconstitutional and should not be approved by the Governor. He stated the Lea County Commission approved a resolution declaring opposition to the bill as have many other municipalities and counties. He encouraged the Hobbs City Commission to follow suit and be unified on the issue. He stated he took an oath to defend the Constitution and he will continue his fight if the Governor signs SB5 into law.

Sheriff Helton received a standing ovation and applause from the large crowd in attendance.

**Moved Action Item**

**Resolution No. 6909 - Declaring Opposition to the Extreme Risk Protection Order Act**

Mayor Cobb stated he, Acting City Manager/Fire Chief Manny Gomez and many of the Hobbs City Commissioners went to Santa Fe during the Legislative Session and met with State lawmakers on their opposition to SB5. He stated the Legislative bodies from Lea and Eddy Counties voted against the bill in committee and on the House floor.

Commissioner Mills stated he attended a debate on SB5 and watched it online. He stated the people who voted in favor of SB5 are not from the Lea County area and are mainly from the northern part of New Mexico. Commissioner Mills stated the northern New Mexico Representatives voted in favor of the bill and do not care about the input from southern New Mexico. He added the bill is not only a violation of due process but it violates the State Constitution.

Commissioner Penick stated he supports Sheriff Helton and the Constitution. He stated SB5 is not about risk but about disarming Americans. He thanked everyone for attending the meeting tonight and for standing together.

There being no further discussion, Commissioner Taylor moved that Resolution No. 6909 be approved as submitted. Commissioner Gerth seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Taylor yes, Calderon yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution is attached and made a part of these minutes.

**Proclamations and Awards of Merit**

**Recognition of City Employees - Milestone Service Awards for the Month of February, 2020.**

Acting City Manager/Fire Chief Manny Gomez recognized Ms. Mollie Maldonado, Deputy City Clerk, who has reached a milestone service award with the City of Hobbs for the month of February, 2020, for a total of 25 years of service worked. Acting City Manager/Fire Gomez gave a brief summary of her job duties performed for the City and commended Ms. Maldonado for earning her Master Municipal Clerk Certification in November, 2019.

Acting City Manager/Fire Chief Gomez thanked the Commission for recognizing employees each month for their service to the City. He stated employees are the most



important resource and asset within the organization. Acting City Manager/Fire Chief Gomez expressed thanks and appreciation to Ms. Maldonado and her family.

*Recognition of the City of Hobbs Water Production Facility for Receiving the 2020 Max Summerlot Award.*

Mr. Tim Woomer, Utilities Director, recognized the following staff members from the Wastewater Reclamation Facility (WWTP) who are present at the meeting: Mr. Chris Menard, Mr. Martin Gutierrez, Mr. Todd Ray, Mr. Frank Crane, Mr. Randy Lawson and Mr. Elijah Rascon (not present).

Mr. Woomer stated the City of Hobbs received a high honor at the New Mexico Water and Wastewater Association's 61<sup>st</sup> Annual Meeting held January 27-30, 2020, in Las Cruces, New Mexico, for both its Wastewater Reclamation Facility and its Water Production Division. He stated the Wastewater Reclamation Facility received the Max Summerlot Award, the State's highest and most respected industry award. Mr. Woomer stated this is the fourth time the WWRF has been a recipient of the award. He stated the City is very fortunate to have a great group of certified men and women that work at the facility.

Commissioner Calderón left the meeting at 6:35 p.m. to attend the Hobbs Municipal School Board meeting.

**Consent Agenda**

Commissioner Penick moved for approval of the following Consent Agenda Item(s):

*Resolution No. 6908 - Determining that Certain Structures are Ruined, Damaged and Dilapidated Requiring Removal from the Municipality (1223 Perry Drive)*

Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Taylor yes, Calderón no vote, Gerth yes, Penick yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached and made a part of these minutes.

**Discussion**

Acting City Manager/Fire Chief Gomez stated in 2019, the City began providing a City Manager's monthly report to the City Commission and the public regarding the services and programs provided by the City. He stated the Department Heads will be presenting an Annual Report to the Commission and citizens during some of the upcoming Commission meetings. Acting City Manager/Fire Chief Gomez stated the City also provides a Financial Transparency website outlining how City funds are allocated. This feature on the City's website is updated every Friday with the week's current information.

*Presentation of 2019 Annual Report - Legal Department*

The Legal Department consisting of Mr. Efren Cortez, Mr. Erik Scramlin and Ms. Valerie Chacon, presented the 2019 Legal Department Annual Report to the Commission. Mr. Efren Cortez, City Attorney, thanked the Commission and City Manager for their support throughout the year and for the growth of the department. Through a PowerPoint presentation, the Legal Department reviewed their activity and prosecutions in Municipal Court, community outreach, mentoring and comprehensive training for the Hobbs Police Department.

The Commission thanked Mr. Cortez and the Legal Department for the great presentation.

**Action Items**

*Approving the Purchase of New Electromagnetic Flow Meters and New Automatic Quarter Turn Butterfly Valves from Vector Controls, LLC, for the Five (5) Booster Pump Stations and Reservoir Sites in the Amount of \$202,118.34*

Mr. Woomer explained the purchase of new electromagnetic flow meters and new automatic quarter turn butterfly valves from Vector Controls, LLC, for the five Booster Pump Stations (BPS) and reservoir sites in the amount of \$202,118.34. He stated the system is comprised of a total of 14 high volume booster pumps and associated appurtenances. Mr. Woomer stated five existing BPS are located at HIAP, HYDRO, Del Norte, Jefferson and Snyder. He further stated the five sites require new electronic water flow metering to accurately measure the water being delivered to the citizens of Hobbs. He added each of the 14 booster pumps will be fitted with new electromagnetic flowmeters and automatic butterfly valves. Mr. Woomer stated these process upgrades will allow the City to obtain accurate and real time flow delivery data from each booster pump station. He stated this data will be compared to the well production flow into the reservoirs and system delivery flow using the service meter data to assist in the detection of possible leaks and other sources of water loss within the water distribution system. Mr. Woomer stated accurate water metering and sufficient rate structure to sustain the utility are the fundamental criteria used to obtain state and federal grant and loan funding. He stated this project replaces existing metering equipment that is old, outdated, and beginning to fail resulting in inaccurate measurement of system flows. Mr. Woomer added the Utilities Department crews will install the new electromagnetic flowmeters, automatic butterfly valves, associated pipe fittings, and communication/connection to the Potable Water SCADA System.

There being no discussion, Commissioner Newman moved to approve the purchase of new electromagnetic flow meters and new automatic quarter turn butterfly valves for the five booster pump stations and reservoir sites in the amount of \$202,118.34.

Commissioner Taylor seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Calderón no vote, Gerth yes, Penick yes, Taylor yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached and made a part of these minutes.

Consideration of Approval of a Contract with MWI for Pedestrian Signal Improvements on Dal Paso Utilizing GSA State Price Agreement

Mr. Todd Randall, City Engineer, stated the City has requested quotes from MWI Incorporated for construction of the Pedestrian Hybrid Signals (HAWKS) at Dal Paso, Sunset and Dal Paso/Texas. He stated the City received a COOP grant for this work; however, signal poles and additional improvements to meet ADA minimum requirements have added to the cost of the project. Mr. Randall stated MWI will be installing the signal poles, indications, cabinets and wiring while Ramirez & Sons will be installing sidewalk, curb and pavement patching on a separate purchase order. He stated the materials have already been ordered and delivery is anticipated in March, 2020. He further stated the existing school zone flashers will remain in place and operational while the project is constructed. Mr. Randall stated the attached quotes utilize a State price agreement in the amount of \$178,343.51 plus gross receipts tax.

Commissioner Gerth stated the City will need to educate the public on the HAWKS systems and how it works.

There being no further discussion, Commissioner Taylor moved to approve the contract with MWI for Pedestrian Signal Improvements on Dal Paso utilizing GSA State Price Agreement in the amount of \$178,343.51 plus gross receipts tax. Commissioner Penick seconded the motion and the vote was recorded as follows: Mills yes, Newman yes, Calderón no vote, Gerth yes, Penick yes, Taylor yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached and made a part of these minutes.

Resolution No. 6910 - Authorizing Approval of a Development Agreement with Property Management Plus, LLC, Concerning the Development of Market Rate Single-Family Housing

Mr. Kevin Robinson, Development Director, explained the development agreement and stated Property Management Plus, LLC has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He stated the developer proposes to produce market rate single-family units and is requesting infrastructure incentives in the amount of \$30,000.00.

In answer to Mayor Cobb's question, Mr. Robinson stated he does not know the average sales price of the units.

There being no further discussion, Commissioner Newman moved that Resolution No. 6910 be approved as submitted. Commissioner Gerth seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Taylor yes, Calderon no vote, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and development agreement are attached and made a part of these minutes.

*Resolution No. 6911 - Authorizing Approval of a Development Agreement with Berry & Gomez, LLC, Concerning the Development of Market Rate Single-Family Housing*

Mr. Robinson explained the development agreement and stated Berry & Gomez, LLC has requested a Development Agreement concerning the development of single-family housing units located within the municipal boundaries. He stated the developer proposes to produce market rate single-family units and is requesting infrastructure incentives in the amount of \$50,000.00.

There being no further discussion, Commissioner Newman moved that Resolution No. 6911 be approved as submitted. Commissioner Taylor seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Taylor yes, Calderon no vote, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and development agreement are attached and made a part of these minutes.

**Comments by City Commissioners, City Manager**

Acting City Manager Gomez thanked the Street Department and Parks and Open Spaces staff for clearing the roads during the recent snowstorm in Hobbs.

Commissioner Gerth stated it was nice to have a full house at tonight's meeting.

Commissioner Mills stated it was a great turnout at tonight's meeting. He stated local officials need to monitor amendments and new laws the Legislature is going to pass. Commissioner Mills stated most of the amendments and new laws benefit people in the northern part of the state.

Commissioner Taylor thanked the Waste Water employees for a team that works for excellence. She also congratulated Ms. Chacon for working with Teen Court. Commissioner Taylor thanked everyone for attending tonight's meeting.

Commissioner Penick thanked Mr. Scramlin for his work in drafting the resolution opposing the Extreme Risk Protection Order Act.

Commissioners Penick, Taylor and Gerth and Mayor Cobb expressed their appreciation to Ms. Maldonado for her years of service and stated she is an asset to the City of Hobbs.

**Adjournment**

There being no further business or comments, Commissioner Newman moved that the meeting adjourn. Commissioner Taylor seconded the motion and the vote was recorded as follows: Newman yes, Mills yes, Calderón no vote, Penick yes, Gerth yes, Taylor yes, Cobb yes. The motion carried. The meeting adjourned at 7:15 p.m.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk



**PROCLAMATIONS**

**AND**

**AWARDS OF MERIT**

Office of the Mayor  
Hobbs, New Mexico

## PROCLAMATION

**WHEREAS**, food is the substance by which life is sustained; and

**WHEREAS**, the type, quality, and amount of food that individuals consume each day plays a vital role in their overall health and physical fitness; and

**WHEREAS**, there is a need for continuing nutrition education and a wide-scale effort to enhance healthy eating practices.

**NOW THEREFORE**, I, Sam D. Cobb, Mayor of the City of Hobbs, do hereby proclaim March, 2020, as

### “NATIONAL NUTRITION MONTH”

in the City of Hobbs and encourage all citizens to join the campaign and become concerned about their nutrition and the nutrition of others in the hope of achieving optimum health for both today and tomorrow.

**IN WITNESS, WHEREOF**, I have hereunto set my hand this 2<sup>nd</sup> day of March, 2020, and cause the seal of the City of Hobbs to be affixed hereto.

\_\_\_\_\_  
Sam D. Cobb, Mayor

ATTEST:

  
\_\_\_\_\_  
Jan Fletcher, City Clerk



Office of the Mayor  
Hobbs, New Mexico

## PROCLAMATION

**WHEREAS**, the Greek letter (Pi) is the symbol used in mathematics to represent a constant- the ratio of the circumference of a circle to its diameter – which is approximately 3.14; and

**WHEREAS**, Pi has been studied throughout history and is central in mathematics as well as science and engineering; and

**WHEREAS**, mathematics and science are a critical part of our children's education, and children who perform better in math and science have higher graduation and college attendance rates; and

**WHEREAS**, aptitude in mathematics, science, and engineering is essential for a knowledge-based society; and

**WHEREAS**, mathematics and science can be a fun and interesting part of a child's education, and learning about Pi can be an engaging way to teach children about geometry and attract them to study science and mathematics; and

**WHEREAS**, Pi can be approximated as 3.14 and thus March 14, 2020, is an appropriate day for 'National Pi Day'.

**NOW, THEREFORE**, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim March 14, 2020 as

### **PI DAY**

in the City of Hobbs and urge all citizens to recognize the importance of math and science education programs.

**IN WITNESS, WHEREOF**, I have hereunto set my hand this 2<sup>nd</sup> day of March 2020, and cause the seal of the City of Hobbs to be affixed hereto.

\_\_\_\_\_  
SAM D. COBB Mayor

ATTEST:

  
\_\_\_\_\_  
JAN FLETCHER, City Clerk







# **CONSENT AGENDA**



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

**SUBJECT: Assistance to Firefighters Grant (AFG)**

DEPT. OF ORIGIN: Fire Department  
DATE SUBMITTED: February 25, 2020  
SUBMITTED BY: Barry Young, Deputy Fire Chief

**Summary:**

The Assistance to Firefighters Grant (AFG) was created to enhance the safety of the public and firefighters with respect to fire and related hazards by providing critically needed resources to equip and train personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience. The objective of AFG is to enhance a fire department's ability to protect the health and safety of the public, as well as that of first responder personnel. The Hobbs Fire Department will utilize this opportunity to apply for funding for the purchase of portable radios.

**Fiscal Impact:**

Reviewed By:   
Finance Department

The total cost of the portable radios is approximately \$279,942.00. According to the grant portal, the grant will cover \$254,492.73, with the City responsible for \$25,449.27. Cost share requirements are based on the population of the community the department serves. Any community with more than 20,000 residents, but less than 1,000,000 must agree to provide 10% of the funds requested in the grant.

**Attachments:**

- 1. Resolution
- 2. AFG grant information

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

Approval of resolution and to proceed with the application for the Assistance to Firefighters Grant (AFG).

Approved For Submittal By:

  
Department Director

  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 6912

A RESOLUTION APPROVING THE GRANT APPLICATION  
WITH THE DEPARTMENT OF HOMELAND SECURITY FEDERAL  
ASSISTANCE TO FIREFIGHTER GRANT PROGRAM

WHEREAS, the City of Hobbs Fire Department is eligible for funding from the Department of Homeland Security's Assistance to Firefighters Grant Program; and

WHEREAS, the grant will provide financial assistance directly to the Fire Department to purchase portable radios; and

WHEREAS, cities with more than 20,000 residents, but less than 1,000,000 must agree to provide 10% of the funds requested in the grant; and

WHEREAS, the total cost of the portable radios is approximately \$279,942.00; and

WHEREAS, the grant will cover 90% or \$254,492.73 with the City being responsible for 10% or approximately \$25,449.27;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to execute on behalf of the City of Hobbs this resolution approving the Grant Application with the Department of Homeland Security and the Federal Emergency Management Agency for funding to provide portable radios to the Hobbs Fire Department.

PASSED, APPROVED AND ADOPTED this 2<sup>nd</sup> day of March, 2020.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

**The Department of Homeland Security (DHS)  
Notice of Funding Opportunity (NOFO)  
Fiscal Year 2019 Assistance to Firefighters Grant Program (AFG)**

**NOTE:** If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS and SAM is also provided in Section D – Application and Submission Information of this NOFO, subsection, Content and Form of Application Submission. An active registration is required in order to apply for funding.

**A. Program Description**

**Issued By**

Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

**Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number)**  
97.044

**Assistance Listings Title (formerly CFDA Title)**  
Assistance to Firefighters Grants (AFG)

**Notice of Funding Opportunity Title**  
FY 2019 Assistance to Firefighters Grants

**Notice of Funding Opportunity Number**  
DHS-19-GPD-044-00-99

**Authorizing Authority for Program**

Section 33 of the *Federal Fire Prevention and Control Act of 1974*, Pub. L. No. 93-498, as amended (15 U.S.C § 2229)  
<https://www.govinfo.gov/content/pkg/USCODE-2018-title15/pdf/USCODE-2018-title15-chap49-sec2229.pdf>

**Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2019* (Pub. L. No. 116-6)  
<https://www.govinfo.gov/content/pkg/PLAW-116publ6/pdf/PLAW-116publ6.pdf>

**Program Type**  
New

## **Program Overview, Objectives, and Priorities**

### ***Overview***

The Fiscal Year (FY) 2019 Assistance to Firefighters Grant (AFG) Program is one of three grant programs that constitute the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program accomplishes this by providing financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTA) for critical training and equipment. The AFG Program represents one part of a comprehensive set of measures authorized by Congress and implemented by DHS. Among the five basic homeland security missions noted in the DHS Quadrennial Homeland Security Review, the AFG Program supports the goal to Strengthen National Preparedness and Resilience. In awarding grants, the Administrator of FEMA is required to consider the following:

- The findings and recommendations of the Technical Evaluation Panel (TEP);
- The degree to which an award will reduce deaths, injuries, and property damage by reducing the risks associated with fire related and other hazards;
- The extent of an applicant's need for an AFG grant and the need to protect the United States as a whole; and
- The number of calls requesting or requiring a firefighting or emergency medical response received by an applicant.

The 2018-2022 FEMA Strategic Plan creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The AFG Program supports the goal of Readying the Nation for Catastrophic Disasters. We invite all of our stakeholders and partners to also adopt these priorities and join us in building a stronger Agency and a more prepared and resilient Nation.

### ***Objectives***

The objectives of the AFG program are to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience.

### ***Priorities***

Information on program priorities and objectives for the FY 2019 AFG can be found in Appendix B, FY 2019 AFG Programmatic Information and Priorities.

## Performance Metrics

Performance metrics for this program are as follows:

- Percentage of AFG PPE recipients who equipped 100 percent of on-duty active members with PPE in compliance with applicable NFPA and OSHA standards
- Percentage of AFG equipment recipients who reported that the AFG grant brought them into compliance with either state, local, NFPA, or OSHA standards
- Percentage of AFG award recipients who reported having successfully replaced their fire vehicles 25 years old or older in accordance with industry standards

## B. Federal Award Information

### Award Amounts, Important Dates, and Extensions

Available Funding for the NOFO: \$315,000,000<sup>1</sup>

Projected number of Awards: 2,500

**Period of Performance:** Twelve months from the date of award. For additional information on period of performance extensions, refer to Section H.

Projected Period of Performance Start Date(s): May 1, 2020

Projected Period of Performance End Date(s): April 30, 2021

Funding Instrument: Grant

## C. Eligibility Information

### Eligible Applicants

**Fire Departments:** Fire departments operating in any of the 50 states, as well as fire departments in the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,<sup>2</sup> or any federally recognized Indian tribe or tribal organization. A fire department is an agency or organization having a formally recognized arrangement with a state, local, tribal or territorial authority (city, county, parish, fire district, township, town or other governing body) to provide fire suppression to a population within a

<sup>1</sup> Note that this figure differs from the total amount appropriated under the *Department of Homeland Security Appropriations Act, 2019*, Pub. L. No. 116-6. In this FY 2019 AFG NOFO, percentages of "available grant funds" refers to the total amount appropriated—\$350,000,000—by Pub. L. No. 116-6 to meet the statutory requirements of § 33 of the *Federal Fire Prevention and Control Act of 1974*, as amended (codified at 15 U.S.C. § 2229). A portion of these "available grant funds" will be allocated to the Fire Prevention & Safety (FP&S) program, which will have a separate NOFO and application period. \$35,000,000 will be allocated to FP&S for FY 2019.

<sup>2</sup> The District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico are all defined as "States" in the *Federal Fire Prevention and Control Act of 1974*. See 15 U.S.C. § 2203(10).

geographically fixed primary first due response area.

**Nonaffiliated EMS organizations:** Nonaffiliated EMS organizations operating in any of the 50 states, as well as, the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,<sup>2</sup> or any federally recognized Indian tribe or tribal organization. A nonaffiliated EMS organization is an agency or organization that is a public or private nonprofit emergency medical service entity providing medical transport that is not affiliated with a hospital and does not serve a geographic area in which emergency medical services are adequately provided by a fire department. FEMA considers the following as hospitals under the AFG Program:

- Clinics
- Medical centers
- Medical college or university
- Infirmary
- Surgery centers
- Any other institution, association, or foundation providing medical, surgical, or psychiatric care and/or treatment for the sick or injured.

**State Fire Training Academies:** A State Fire Training Academy (SFTA) operates in any of the 50 states, as well as the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of Puerto Rico.<sup>2</sup> Applicants must be designated either by legislation or by a Governor's declaration as the sole fire service training agency within a state, territory, or the District of Columbia. The designated SFTA shall be the only agency/bureau/division, or entity within that state, territory or the District of Columbia, to be an eligible AFG SFTA applicant.

### **Eligible Activities**

AFG has three activities:

- Operations and Safety
- Vehicle Acquisition
- Regional Projects

Each activity has its own eligibility requirements. These requirements are outlined in Appendix B: Programmatic Information and Priorities.

### **Other Eligibility Criteria**

#### ***National Fire Incident Reporting System (NFIRS)***

NFIRS reporting is not a requirement to apply for any AFG Program; however, fire departments that receive funding under this program must agree to provide information to the NFIRS for the period covered by the assistance. If a recipient does not currently

participate in the incident reporting system and does not have the capacity to report at the time of the award, that recipient must agree to provide information to the system for a twelve-month period commencing as soon as possible after they develop the capacity to report. Capacity to report to the NFIRS must be established prior to the termination of the one-year performance period. The recipient may be asked by FEMA to provide proof of compliance in reporting to NFIRS. Any recipient that stops reporting to NFIRS during their grant's period of performance may be subject to the remedies for noncompliance at 2 C.F.R. § 200.338, unless it has yet to develop the capacity to report to NFIRS, as described above. There is no NFIRS reporting requirement for nonaffiliated EMS organizations or SFTAs.

**Note:** Although data collection is an important tool for understanding and justifying assistance, participation in other data sources, (e.g., National Fire Operations Reporting System [NFORS]) does not satisfy the requirement for reporting to NFIRS).

#### ***National Incident Management System (NIMS) Implementation***

AFG applicants are not required to be in compliance with NIMS to apply for AFG funding or to receive an AFG award. Any applicant who receives an FY 2019 AFG award must achieve the level of NIMS compliance required by the Authority Having Jurisdiction (AHJ) over the applicant's emergency service operations (e.g., a local government), prior to the end of the grant's period of performance.

#### **Maintenance of Effort**

Pursuant to 15 U.S.C. § 2229(k)(3), an applicant seeking an AFG grant shall agree to maintain, during the term of the grant, the applicant's aggregate expenditures relating to activities allowable under this NOFO, at not less than 80 percent of the average amount of such expenditures in the two fiscal years prior to the fiscal year an AFG grant is awarded.

In other words, an applicant agrees that, if it receives a grant award, the applicant agrees to keep its overall expenditures during the award's period of performance (including those funded with non-Federal funding) for activities that could be allowable costs under this AFG NOFO at a level that is at least 80 percent or more of the average of what the applicant spent on such costs for those activities in fiscal years 17 and 18.

#### **Cost Share or Match**

Recipient cost sharing is generally required as described below and pursuant to 15 U.S.C. § 2229(k)(1). In general, eligible applicants shall agree to make available non-federal funds to carry out an AFG award in an amount equal to and not less than 15 percent of the grant awarded. Exceptions to this general requirement apply to entities serving smaller communities as follows:

- When serving a jurisdiction of 20,000 residents or fewer, the applicant shall agree to make available non-federal funds in an amount equal to not less than 5 percent



- of the grant awarded;
- When serving a jurisdiction of more than 20,000 residents, but not more than 1 million residents, the applicant shall agree to make available non-federal funds in an amount equal to not less than 10 percent of the grant awarded;
- When serving a jurisdiction of more than 1 million residents, the applicant shall agree to make available non-federal funds in an amount equal to not less than 15 percent of the grant awarded.

The cost share for SFTAs will apply the requirements above based on the total population of the state. The cost share for a Regional application will apply the requirements above based on the aggregate population of the primary first due response areas of the Host and participating partner organizations that execute a Memorandum of Understanding (MOU) as described in Appendix B, Section J, Regional projects.

FEMA has developed a cost share calculator tool in order to assist applicants with determining their cost share. The cost share tool is available at: <https://www.fema.gov/media-library/assets/documents/153366>

### **Types of Cost Share**

- Cash (Hard Match):** Cost share of non-federal cash is the only allowable recipient contribution for AFG activity (Vehicle Acquisition, Operations and Safety, and Regional).
- Trade-In Allowance/Credit:** On a case-by-case basis, FEMA may allow recipients already owning assets acquired with non-federal cash, to use the trade-in allowance/credit value of those assets as cash for the purpose of meeting their cost share obligation. For FEMA to consider a trade-in allowance/credit value as cash, the allowance amount must be reasonable, and the allowance amount must be a separate entry clearly identified in the acquisition documents.
- In-kind (Soft Match):** In-kind cost share is not allowable for AFG.

The award budget will not account for any voluntary committed cost sharing or overmatch. The use of an overmatch is not given additional consideration when scoring applications.

### ***Economic Hardship Waivers***

The Administrator of FEMA may waive or reduce recipient cost share or maintenance of effort requirements in cases of demonstrated economic hardship. Please see Appendix C: Award Administration Information for additional information.

## **D. Application and Submission Information**

### ***Key Dates and Times***

<b>Date Posted to Grants.gov:</b>	January 27, 2020
<b>Application Start Date:</b>	February 3, 2020 at 8:00 AM ET

**Application Submission Deadline:** March 13, 2020 at 5:00 PM ET  
**Anticipated Funding Selection Date:** April 30, 2020  
**Anticipated Award Date:** April 30, 2020

In general, DHS/FEMA will not review applications received after the deadline or consider them for funding. DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant’s control that prevent submission of the application by the deadline, or other exigent or emergency circumstances. If applicants experience technical issues, they must notify the AFG Help Desk as soon as possible. The AFG Help Desk can be reached at 1-866-274-0960 or by e-mail: [firegrants@fema.dhs.gov](mailto:firegrants@fema.dhs.gov). The AFG Help Desk is open Monday – Friday, 8:00am – 4:00pm Eastern Time.

**Other Key Dates**

Event	Suggested Deadline for Completion
Obtaining DUNS Number	Four weeks before actual submission deadline
Obtaining a valid EIN	Eight weeks before actual submission deadline
Updating SAM registration	Four weeks before actual submission deadline
Register Organization in FEMA GO	Prior to beginning application
Submitting complete application in FEMA GO	One week before actual submission deadline

**Agreeing to Terms and Conditions of the Award**

By submitting an application, the applicant agrees to comply with the requirements of this NOFO and the terms and conditions of its award, should the applicant receive an award.

**Address to Request Application Package**

The online FY 2019 AFG application is only available via the Assistance to Firefighters Grant Program’s FEMA GO (FEMA Grants Outcomes) application portal, at <https://go.fema.gov>.

**Note:** Hard copies of the application are not available. However, the Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice is: (800) 462-7585.

FEMA will process applications through FEMA GO. Application tutorials and Frequently Asked Questions (FAQs) explain the current AFG grant program, assist with the online grant application, and highlight lessons learned and changes for FY 2019. For more details, please visit the AFGP website at <http://www.fema.gov/firegrants>.

applicant.

### **Electronic Delivery**

DHS is participating in the Grants.gov initiative that provides the grant communities a single site to find grant funding opportunities. Before applying for a DHS Grant, applicants must have a Data Universal Number System, or DUNS number, and must be registered and active in SAM.

### **DUNS Number**

All entities applying for funding, including renewal funding, must have a Data Universal Numbering System (DUNS) number from Dun & Bradstreet (D&B). Applicants must enter the DUNS number in the data entry field labeled "Organizational DUNS" on the SF-424 form. Instructions for obtaining a DUNS number can be found at the following website: <http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>.

### **System for Award Management (SAM)**

Applicant registration in SAM is free. All applicants must be registered and active in order to apply online. Step-by-step instructions for registering with SAM can be found here: [SAM Registration Home Page](#). Please remember that SAM registration is only active for one year and must be renewed annually.

Existing SAM.gov account holders should check their account to make sure it is "ACTIVE." SAM registration should be completed at the very beginning of the application period and renewed annually to avoid becoming "INACTIVE."

*Please allow plenty of time before the grant application submission deadline to obtain a DUNS number and then to register in SAM. It may take four weeks or more after the applicant submits the SAM registration before the registration is active in SAM, then an additional 24 hours for Grants.gov to recognize the information.*

FEMA may not make a federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time DHS is ready to make a federal award. DHS may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

**IMPORTANT:** The SAM registration process must be completed by the applicant. It is imperative that the information provided by the applicant is correct and current. Please ensure that your organization's name, address, DUNS number, and Employer Identification Number, or EIN, are up to date in SAM and that the DUNS number used in SAM is the same one used to apply for all other FEMA awards. The organization's name on the SF 1199A Direct Deposit Form must be entered as it appears in SAM. Payment under any FEMA award is contingent on the recipient's having a current SAM registration.

### **Help with SAM**

The SAM quick start guide for new recipient registration and SAM video tutorial for new applicants are tools created by the General Services Administration (GSA) to assist those registering with SAM. If applicants have questions or concerns about a SAM registration, please contact the Federal Support Desk at <https://www.fsd.gov/fsd-gov/home.do> or call toll free (866) 606-8220.

### **How to Get a Commercial and Government Entity (CAGE) Code**

To get a CAGE code, applicants must first be registered in SAM, which is a requirement for doing business with the Federal Government. Applicants will be assigned a CAGE code as part of the SAM validation process, and as soon as the registration is active, applicants may view the CAGE code online by logging in to the SAM account.

### **Timely Receipt Requirements and Proof of Timely Submission**

All applications must be received by March 13, 2020 at 5 p.m. Eastern Time. FEMA GO automatically records proof of timely submission and the system generates an electronic date/time stamp when FEMA GO successfully receives the application. The individual with the Authorized Organization Representative (AOR) role that submitted the application will also receive the official date/time stamp and a FEMA GO tracking number in an email serving as proof of their timely submission on the date and time that FEMA GO received the application. Applications received by FEMA GO after the established due date for applications will be considered late and will not be considered for funding.

Applicants using slow internet connections, such as dial-up connections, should be aware that transmission can take some time before FEMA GO receives your application. FEMA GO will provide either an error message or a successfully received transmission in the form of an email sent to the AOR that submitted the application. The FEMA GO Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Do not do this – it may cause your application to fail to be submitted and consequently not be considered for funding. Please be patient and give the system time to process the application.

### **Intergovernmental Review**

An intergovernmental review may be required. Applicants must contact their State's Single Point of Contact (SPOC) to comply with the State's process under Executive Order 12372 (see <https://www.archives.gov/federal-register/codification/executive-order/12372.html>; <https://www.whitehouse.gov/wp-content/uploads/2019/02/SPOC-February-2019.pdf>).

### **Funding Restrictions**

Federal funds made available through this award may only be used for the purposes set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or

adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. Failure to adhere to the award conditions will cause the recipient to be considered in default of the grant agreement and may require the return of all federal funds disbursed under the grant.

***Federal employees are prohibited from serving in any capacity (paid or unpaid) on the development of any proposal submitted under this program.***

### **Construction**

Construction costs are *not eligible* under the AFG grants. Construction includes major alterations to a building that changes the profile or footprint of the structure. Modifications to facilities activities described in Appendix A Funding Priorities, are not considered construction costs and may be eligible.

### **Pre-award Costs**

Generally, grant funds cannot be used to pay for products and services contracted for or obligated prior to the effective date of the award. Fees for grant writers are considered an exception and may be included as a pre-award expenditure. Further, other costs incurred after the application deadline, but prior to an offer of award, may be eligible for reimbursement only if the following conditions are met:

- The recipient must submit a written request to FEMA to incur such pre-award costs by providing notification (containing the application number and a justification narrative) to FEMA via email to the AFG Help Desk at [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov). The notification to FEMA should be concurrent with the recipient's acquisition activity and must be submitted prior to the effective date of the award.
- The recipient must receive confirmation from FEMA that the expenses have been reviewed and that FEMA has determined the costs to be justified, unavoidable, and consistent with the grant's scope of work.

### ***Fire Departments and Nonaffiliated EMS organizations***

The total amount of funding a fire department or nonaffiliated EMS organization recipient may receive under an AFG award is limited to maximum amounts set by §33(c)(2) of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. § 2229(c)(2)). These award limits are based on two factors: population served and a one percent aggregate amount of available grant funds.

The population of the jurisdiction served by the recipient will determine the maximum amount of AFG funding a recipient is eligible to receive but no recipient may receive an award that exceeds one (1) percent of available grant funds in FY 2019, or \$3,500,000. FEMA may waive this aggregate cap of \$3.5 million in individual cases where FEMA determines that a recipient has an extraordinary need for a grant that exceeds the aggregate cap. FEMA may not waive the statutory funding caps based on population se

The following table explains the maximum funding that a recipient may receive in FY

2019:

Population of jurisdiction served by the recipient	Maximum award in FY 2019	Statutory waiver available subject to extraordinary need?
100,000 or fewer people	No more than \$1 million	None available
100,001 – 500,000 people	No more than \$2 million	None available
500,001 – 1,000,000 people	No more than \$3 million	None available
1,000,001 – 2,500,000 people	No more than \$3.5 million	Yes, but no more than \$6 million
More than 2,500,000 people	No more than \$3.5 million	Yes, but no more than \$9 million

Regional applicants will be subject to the funding limitations based on the total population served by the host and participating partners. Additionally, Regional grants awarded are included in the host organization’s funding limitations. For example: if a recipient serves a population of 100,000 or fewer and is the recipient of a Regional award for \$1 million, they have met their cap and are no longer eligible for additional funds through the Operations & Safety or Vehicle activity.

***Allocations and Restrictions of Available Grant Funds by Organization Type***

- **Nonaffiliated EMS Organizations:** Not more than 2 percent of available grant funds shall be collectively awarded to all nonaffiliated EMS organization recipients.
- **Emergency Medical Services Providers:** Not less than 3.5 percent of available grant funds shall fund emergency medical services provided by fire departments and nonaffiliated EMS organizations.
- **State Fire Training Academy:** Not more than 3 percent of available grant funds shall be collectively awarded to all State Fire Training Academy recipients. Further, not more than \$500,000 of available grant funds are eligible per applicant.
- **Vehicles:** Not more than 25 percent of available grant funds may be used by recipients for the purchase of vehicles. Of that amount, based on stakeholder recommendations, FEMA intends to allocate 10 percent of the total vehicle funds for ambulances.
- **Micro Grants:** The selection of the voluntary Micro Grant option (cumulative federal funding of \$50,000) for eligible Operations and Safety activities does not impact an applicant’s request or federal participation under the Vehicle Acquisition or Regional projects. Applicants who select Micro Grants under Operations and Safety as a funding opportunity choice may still apply for a Vehicle(s) Acquisition or Regional project.

**Management and Administration (M&A) Costs**

Management and administrative expenses should be based only on actual expenses or known contractual costs; requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement. No more than 3 percent of the federal share of AFG funds awarded may be expended by the recipient for management and administration (M&A) for purposes associated with the AFG award.

**Indirect Facilities & Administrative (F&A) Costs**

Indirect costs are allowable under this program as described in 2 C.F.R. pt. 200, including 2 C.F.R. § 200.414. Applicants with a negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants that are not required by 2 C.F.R. pt. 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. pt. 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Copies of the indirect cost rate agreements or proposals, along with the AFG application number, must be submitted electronically to [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov). Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above.

**Environmental and Historical Preservation (EHP)**

As a federal agency, DHS/FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by the agency, including grant-funded projects, comply with Federal EHP regulations, laws, and Executive Orders as applicable.

Recipients proposing projects that have the potential to impact the environment, including but not limited to modification or renovation of existing buildings, structures, and facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a screening form that includes a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation, so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA may also be required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP Review.

*Applicants will be notified via email if EHP review is required and will be provided instructions on how to comply.*

Additionally, all recipients are required to comply with FEMA EHP Policy Guidance. EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance.

All modifications to Facility activities, and any renovation to facilities that would qualify as a modification to facilities supporting activities under Training, Equipment, PPE, or Wellness and Fitness, will require an EHP review. Some Equipment activities will require an EHP review as well. Such activities include but are not limited to the installation of:

- Air compressor/fill station/cascade system (fixed) for filling SCBA
- Air quality systems
- Fire/smoke/carbon monoxide alarm systems for the facility (life safety)
- Generators (fixed)
- Sprinklers
- Vehicle exhaust systems (fixed)
- Washer/dryer/extractor

The following activities would not require the submission of the FEMA EHP Screening Form:

- Planning and development of policies or processes
- Management, administrative or personnel actions
- Classroom-based training
- Acquisition of mobile and portable equipment (not involving installation) on or in a building

**E. Application Review Information**

Funding priorities and criteria for evaluating AFG applications are established by FEMA based on the recommendations from the Criteria Development Panel (CDP). Each year, FEMA convenes a panel of fire service professionals to develop funding priorities for the AFG grant program. The panel makes recommendations about funding priorities as well as developing criteria for awarding grants.

The **nine major fire service organizations** represented on the panel are:

- International Association of Fire Chiefs
- International Association of Fire Fighters
- National Volunteer Fire Council
- National Fire Protection Association
- National Association of State Fire Marshals
- International Association of Arson Investigators
- International Society of Fire Service Instructors
- North American Fire Training Directors



- Congressional Fire Service Institute

The CDP is charged with making recommendations to FEMA regarding the creation or modification of previously established funding priorities as well as developing criteria for awarding grants. The content of this NOFO reflects implementation of the CDP's recommendations with respect to the priorities, direction, and criteria for awards.

FEMA will rank all complete and submitted applications based on how well they match the program priorities for the type of jurisdiction(s) served. Answers to the application's activity specific questions provide information used to determine each application's ranking relative to the stated program priorities.

### **Application Evaluation Criteria**

Prior to making a federal award, the federal-awarding agency is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB- designated repositories of government-wide eligibility qualification or financial integrity information. Therefore, application evaluation criteria may include the following risk based considerations of the applicant: (1) financial stability; (2) quality of management systems and ability to meet management standards; (3) history of performance in managing federal award (s); (4) reports and findings from audits; and (5) ability to effectively implement statutory, regulatory, or other requirements.

All investments selected for recommendation will also undergo an additional risk review conducted by the DHS/FEMA Grants Management Specialist to evaluate the risk for noncompliance in carrying out the federal award. Using their subject matter expertise, the questions the DHS/FEMA Grants Management Specialist may assess include, but are not limited to:

- Is the applicant on any exclusion lists as identified in the System for Award Management (SAM.gov)?
- If the applicant has received federal funding in the past, has the applicant performed all audits required by the Single Audit requirements under 2 C.F.R. Part 200, Subpart F?
- Has the applicant provided sufficient budget information and justification as required by the NOFO?
- Are the costs proposed by the applicant in the budget information and justification allowable and reasonable based on the criteria set forth in this Manual and the applicable appendix, NOFO, and regulations?
- Is the budget representative of the total cost of performance of the projects?
- If indirect costs are included, has the applicant provided an approved Indirect Cost Rate agreement?
- Is the applicant delinquent on any federal debt?
- Has the applicant had substandard performance in a prior award?
- Is the applicant on the Do Not Pay List?

Based on the outcome of this review, DHS/FEMA may determine that it will not make an award to an applicant that poses a risk of noncompliance. DHS/FEMA may also determine that it will make an award to an at-risk applicant, subject to additional terms and conditions as described in 2 C.F.R. § 200.207.

### **Supplemental Financial Integrity Review**

Prior to making a federal award where the anticipated federal share of a federal award will be greater than the simplified acquisition threshold, currently \$250,000 (see Section 805 of the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, OMB Memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>; see also FEMA Information Bulletin No. 434, *Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds*):

- DHS/FEMA is required to review and consider any information about the applicant in the designated integrity and performance system accessible through the System for Award Management (SAM), which is currently the Federal Awardee Performance and Integrity Information System (FAPIIS) and is also accessible through the SAM website.
- An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a federal awarding agency previously entered.
- DHS/FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants, as described in 2 C.F.R. § 200.205.

### **Review and Selection Process**

AFG applications are reviewed through a multi-phase process. All applications are electronically pre-scored and ranked based on how well they align with the funding priorities outlined in this NOFO.

Applications with the highest pre-score rankings are then scored competitively by (no less than three) members of a Peer Reviewer Panel. Applications will also be evaluated through a series of internal FEMA review processes for completeness, adherence to programmatic guidelines, technical feasibility, and anticipated effectiveness of the proposed project(s). Below is the process by which applications will be reviewed:

#### **i. Pre-Scoring Process**

The application undergoes an electronic pre-scoring process based on established program priorities listed in Appendix B and answers to activity specific questions within the online application. Application Narratives are not reviewed during pre-score process. "Request Details" and "Budget" information

should comply with program guidance and statutory funding limitations. The pre-score is 50 percent of the total application score.

**ii. Peer Review Panel Process**

Applications with the highest rankings from the pre-score process will undergo a peer review process. A panel of peer reviewers is comprised of fire service representatives recommended by the national organizations from the CDP. Peer reviewers will assess each application's merits based on the narrative statement on the requested activity. The evaluation elements listed in the "Narrative Evaluation Criteria" below will be used to calculate the narrative's score for each activity requested. Panelists will independently score each requested activity within the application, discuss the merits and/or shortcomings of the application with his or her peers, and document the findings. A consensus is not required. The panel score is 50 percent of the total application score.

**iii. Technical Evaluation Process (TEP)**

The highest ranked applications will be considered within the fundable range. Applications that are in the fundable range will undergo both a Technical Review by a Subject-Matter Expert (SME) as well as a FEMA Program Office review prior to being recommended for award. The FEMA Program Office will assess the request with respect to costs, quantities, feasibility, eligibility, and recipient responsibility prior to recommending any application for award.

Once the TEP is complete, each application's cumulative score will be determined and a final ranking of applications will be created. FEMA will award grants based on this final ranking and the ability to meet statutorily required funding limitations outlined in Appendix B, V. Restrictions on Use of Award Funds.

**Narrative Evaluation Criteria**

**1. Financial Need (25 percent)**

Applicants should describe their financial need and how consistent it is with the intent of the AFG Program. The Financial Need statement should include details describing the applicant's financial distress such as summarizing budget constraints, unsuccessful attempts to secure other funding, and proving the financial distress is out of their control.

**2. Project Description and Budget (25 percent)**

The Project Description and Budget statement should clearly explain the applicant's project objectives and its relationship to the applicant's budget and risk analysis. The applicant should describe various activities, including program priorities or facility modifications, ensuring consistency with project objectives, the applicant's mission and national, state, and/or local requirements. Applicants should link the proposed expenses to operations and safety, as well as to the completion of the project's goals.

### **3. Cost Benefit (25 percent)**

Applicants should describe how they plan to address the operations and personal safety needs of their organization, including cost effectiveness and sharing assets. The Operations and Safety/Cost Benefit statement should also include details about gaining the maximum benefits from grant funding by citing reasonable or required costs, such as specific overhead and administrative costs. The applicant's request should also be consistent with their mission and identify how funding will benefit their organization and affected personnel.

### **4. Statement of Effect on Operations (25 percent)**

The Statement of Effect on Operations statement should explain how this funding request will enhance an organization's overall effectiveness. It should address how an award will improve daily operations and reduce an organization's risk(s). Applicants should include how frequently the requested item(s) will be used and in what capacity. Applicants should also indicate how the requested item(s) will help the community and increase an organization's ability to save additional lives and property. Jurisdictions that demonstrate their commitment and proactive posture to reducing fire risk, by explaining their code enforcement (to include Wildland Urban Interface code enforcement) and mitigation strategies (including whether or not the jurisdiction has a FEMA-approved mitigation strategy) may receive stronger consideration under this criterion.

## **F. Federal Award Administration Information**

### **Notice of Award**

Once FEMA has approved and recorded an award in the system, FEMA GO sends an award package to the grant official authorized by the recipient. FEMA GO will provide the award package and email notification. The authorized grant official should follow the directions in the notification to accept the award documents. The authorized grant official should read the award package carefully for instructions on administering the grant, to determine whether there has been an adjustment to the award, and to become familiar with the terms, conditions and responsibilities of federal award recipients.

The offered award will remain on hold and be available for a maximum of 30 days until the recipient either accepts or declines the award via FEMA GO online or unless FEMA grants additional time to accept the award. The recipient should follow the directions in the notification to confirm acceptance of the award. Failure to accept the grant award within 30 days of an offer of award may result in a loss of funds. Recipients may request additional time to accept the award if needed.

### **Differences Between Application Request and Award**

During the review process for an AFG award, FEMA may have modified the application request(s). These modifications will be identified in the award package provided upon the offer of an award. If the awarded activities, scope of work, or requested dollar amount(s) do not match the application as submitted, the recipient shall only be

responsible for completing the activities actually funded by FEMA. The recipient is under no obligation to start, modify, or complete any activities requested by but not funded by the award. The award package will identify any differences under the Approved scope of work section.

#### **Turndown Notifications**

FEMA GO will provide all applicants who do not receive an FY 2019 AFG award with a turndown notification.

#### **Administrative and National Policy Requirements**

All successful applicants for all DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at: [DHS Standard Terms and Conditions](#). The applicable DHS Standard Terms and Conditions will be those in effect at the time in which the award was made.

Before accepting the award, the Authorized Organizational Representative (AOR) should carefully read the award package for instructions on administering the grant award and the terms and conditions associated with responsibilities under Federal Awards. Recipients must accept all conditions in this NOFO as well as any special terms and conditions in the Notice of Award to receive an award under this program. By submitting an application, applicants are deemed to have accepted all of the conditions in this NOFO as well.

#### **Reporting**

Recipients are required to submit various financial and programmatic reports as a condition of their award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other proof of payment documentation for verification.

#### **Record Retention**

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for at least three years from the date the final FFR is submitted or longer if the award or entity is under audit or other circumstances necessitate longer retention of records. See, e.g., 2 C.F.R. § 200.333. If the recipient does not submit a final FFR and the award is administratively closed, FEMA uses the date of administrative closeout as the start of the three-year retention period.

FEMA requires that recipients maintain the following documentation for federally funded purchases:

- Specifications
- Solicitations

- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts
- Invoices
- Cancelled checks

Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks for verification. See, e.g., 2 C.F.R. §§ 200.318(i), 200.333, 200.336.

Recipients who fail to fully document all purchases may find their expenditures questioned and subsequently disallowed.

### **Federal Financial Reporting Requirements**

#### ***Federal Financial Reports (FFR)***

Recipients of AFG grants are required to submit a Federal Financial Report (SF-425) on a semi-annual basis. The FFR is to be submitted using the online FEMA GO based on the calendar year beginning with the period after the award is made. Grant recipients are required to submit an FFR throughout the entire period of performance of the grant.

Reports are due:

- No later than July 30 (for the period January 1 – June 30)
- No later than January 30 (for the period July 1 – December 31)
- Within 90 days after the end of the Period of Performance

The Federal Financial Report Form (SF-425) and instructions are available at the following sites: [SF-425 OMB #4040-0014](#).

#### ***Financial and Compliance Audit Report***

For audits of fiscal years beginning on or after December 26, 2014, recipients that expend \$750,000 or more from all federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of GAO's Government Auditing Standards, located at <http://www.gao.gov/govaud/ybk01.htm>, and the requirements of Subpart F of 2 C.F.R. Part 200, located at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=6f12725a5b5811eb8f2ed19f6dde0417&mc=true&node=pt2.1.200&rgn=div5>.

### **Program Performance Reporting Requirements**

The recipient is responsible for completing and submitting a Programmatic Performance Report (PPR) using FEMA GO. The programmatic Performance Report is due every six months after the grant's award date, and thereafter until the period of performance ends.

The PPR should include the following:

- A brief narrative of overall project(s) status
- A summary of project expenditures
- A description of any potential issues that may affect project completion

### **Program Performance Reporting Periods and Due Dates**

The following reporting periods and due dates apply for the PPR:

- **No later than July 30** (for the period January 1 – June 30)
- **No later than January 30** (for the period July 1 – December 31)

### **Monitoring**

Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestones, budgets, and other related program criteria are being met. Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance, and administrative processes and policies, activities, and other attributes of each federal assistance award and will identify areas where technical assistance, corrective actions, and other support may be needed. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other adequate payment documentation for verification. Recipients have the opportunity to participate in a Post Award Orientation (PAO) offered by the FEMA Regional Fire Program Specialist (FPS) to have their questions answered, receive technical assistance, or to review the terms and conditions of the grant. The PAO is optional.

### **Closeout**

Within 90 days after the end of the period of performance, recipients must submit a final Federal Financial Report Form (SF-425) and a final performance report (within the closeout module in FEMA GO) detailing all accomplishments and a qualitative summary of the impact of those accomplishments throughout the period of performance. The closeout tutorial may be found at: <https://www.fema.gov/closeout-report-tutorial-introduction>.

In addition, any recipient that issues subawards to any subrecipient is responsible for closing out those subawards as described in 2 C.F.R. § 200.343. Recipients must ensure that they complete the closeout of their subawards in time to submit all necessary documentation and information to DHS/FEMA during the closeout of their prime grant award.

After the final SF-425 and final performance reports have been reviewed and approved by FEMA, a Closeout Notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be

deobligated, and address the requirement of maintaining the grant records for a minimum of three years from the date of the final Federal Financial Report Form (SF-425). The recipient is responsible for returning any federal funds that they have liquidated but remain unobligated by the recipient. Information on how to return funds to FEMA is available at:

<http://www.fema.gov/media-library/assets/documents/31261?id=7080>.

### **Administrative Closeout**

Administrative closeout is a unilateral mechanism for FEMA to move forward with closeout of a grant award using available grant award information in lieu of final reports from the recipient. It is a last resort and recipients should always submit their final reports instead of relying on this mechanism. This mechanism can also require FEMA to make cash or cost adjustments and ineligible cost determinations based on the information it has, which may result in identifying a debt owed to FEMA by the recipient.

FEMA may use the administrative closeout process when a recipient is not responsive to FEMA's reasonable efforts to collect required reports needed to complete the standard closeout process. FEMA will make three written attempts to collect required reports before initiating administrative closeout.

If FEMA administratively closes an award where no final FFR has been submitted, FEMA uses that administrative closeout date in lieu of the final FFR submission date as the start of the three-year record retention period under 2 C.F.R. § 200.333.

In addition, if an award is administratively closed, FEMA may decide to impose remedies for noncompliance per 2 C.F.R. § 200.338, consider this information in reviewing future award applications, or apply special conditions to existing or future awards.

### **Disclosing Information per 2 C.F.R. § 180.335**

This reporting requirement pertains to disclosing information related to government-wide suspension and debarment requirements. Before a recipient enters into a grant award with FEMA, the recipient must notify FEMA if it knows if it or any of the recipient's principals under the award fall under one or more of the four criteria listed at 2 C.F.R. § 180.335:

- Are presently excluded or disqualified;
- Have been convicted within the preceding three years of any of the offenses listed in 2 C.F.R. § 180.800(a) or had a civil judgment rendered against it or any of the recipient's principals for one of those offenses within that time period;
- Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 C.F.R. § 180.800(a); or



- Have had one or more public transactions (federal, state, or local) terminated within the preceding three years for cause or default.

At any time after accepting the award, if the recipient learns that it or any of its principals falls under one or more of the criteria listed at 2 C.F.R. § 180.335, the recipient must provide immediate written notice to FEMA in accordance with 2 C.F.R. § 180.350.

## **G. DHS Awarding Agency Contact Information Contact and Resource Information**

### ***AFG Help Desk***

The AFG Help Desk provides technical assistance to applicants for the online completion and submission of applications into FEMA GO, answers questions concerning applicant eligibility and recipient responsibilities, and helps in the programmatic administration of awards. The AFG Help Desk can be contacted at (866) 274-0960 or by email at [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov). Normal hours of operation are from 8:00 a.m. to 4:30 p.m., Monday through Friday. All times listed are Eastern Time.

### ***FEMA Regional Fire Program Specialists***

Each FEMA region has Fire Program Specialists who can assist applicants with application information, award administration, and technical assistance. Contact information for a Regional Fire Program Specialist can be located on the AFG website at <https://www.fema.gov/fire-grant-contact-information>.

### ***FEMA GO System Information***

For technical assistance with FEMA GO, please contact the Enterprise Service Desk at (877) 611-4700. Regular hours of operation are also from 8:00 a.m. to 4:30 p.m. ET, Monday through Friday.

## **H. Additional Information**

### **Extensions to the Grant Period of Performance**

Extensions to the period of performance under this grant program are allowed. An award's period of performance must be active for a recipient to submit a proposed extension request to FEMA. Recipients should request extensions sparingly and only under exceptional circumstances. ***Approval is not guaranteed.***

Extensions to the initial period of performance identified in the award will only be considered through formal amendment requests, via FEMA GO, and must contain specific and compelling justifications as to why an extension is required.

All extension requests must contain:

- Grant Program, fiscal year, and award number
- Reason for delay—this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the

- applicable deadline
- Current status of the activity/activities
- Approved period of performance termination date and new project completion date
- Amount of funds drawn down to date
- Remaining available funds, both federal and non-federal
- Budget outlining how remaining federal and non-federal funds will be expended
- Plan for completion, including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA

### **Requirements for Extension Consideration**

To be eligible for consideration, recipients must submit extension requests via FEMA GO. Recipients generally can submit requests no later than 60 days prior to the end of the award's period of performance. In accordance with FEMA policy, FEMA reviews extensions on a case-by-case basis and typically grants them for no more than a six-month period. FEMA will grant extension requests only due to compelling legal, policy, or operational challenges. The review process can take up to 30 days or longer. Applicants should factor this review period in to the timing of when to submit a request for an extension.

**Example:** Recipients may request an extension, for example, when an equipment order was placed during the period of performance but factors beyond the recipients' control have resulted in a delay in the expected delivery and receipt of the equipment outside of the existing period of performance; or where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe or where other extenuating circumstances warrant a brief extension.



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

**SUBJECT: REJECT PROPOSAL No 511-20 FOR LOCKSMITH SERVICES**  
**DEPT. OF ORIGIN:** General Services Dept.  
**DATE SUBMITTED:** 2-25-20  
**SUBMITTED BY:** Shelia Baker

**Summary:**

Proposal were due by 5:00 PM on Tuesday, January 21, 2020 for the Locksmith Services. The project consists of locksmith services for the City of Hobbs. There are approximately 25 City Buildings which may require services. The majority of the work would be utilizing the City's current master key infrastructure, utilizing BEST products. Services include:

- Install, maintain, repair, open and modify all types of locks and their components for buildings and offices/rooms.
- Replace and repair mechanical or electrical locking devices, springs and other parts.
- Insert new or repaired tumblers.
- Cut new or duplicate key.
- Inspect completed work for conformance with specifications, requirements and compliance with applicable building and safety codes and regulations.
- Produce and/or modify hardware for locks.

An advertisement was placed in the local newspaper. One proposal was submitted. The submittal provided an hourly rate for services but did not contain pricing for the purchase of the hardware or key blanks that would be necessary for the work. According to the project specifications, in case of ambiguity or lack of clearness in stating proposal prices, the City of Hobbs reserves the right to adopt the most advantageous thereof or reject any or all proposals and waive irregularities. Therefore, staff is recommending that the proposals received are rejected.

**Fiscal Impact:**

Reviewed By: \_\_\_\_\_

*[Signature]*  
Finance Department

Amount Budgeted: \$34,000.00  
Budgeted Line Item: 01-0421-42501

**Attachments:** Bid Summary Sheet

**Legal Review:**

Approved As To Form: \_\_\_\_\_

*[Signature]*  
City Attorney

**Recommendation: Staff recommends rejecting all proposals**

Approved For Submittal By:

*[Signature]*  
Shelia Baker

Department Director

*[Signature]*  
City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied: \_\_\_\_\_  
File No. \_\_\_\_\_

Bid Summary

BID/PROPOSAL NO. 511-20

FURNISH Locksmith Services for the City of Hobbs

Bidder	Mr Key Locksmith			
NM Contractors License No.				
Bid Bond				
Addendum(s)				
Bid Form	✓			
List of Subcontractors				
Resident Bidders Pref No.	✓			
Veterans Preference	✓			
Campaign Cont. Dis. Form	✓			
Non-Collusion Affidavit	✓			
Related Party Disclosure Form	✓			
Non-Debarment Cert	✓			
Alternate 1				
Alternate 2				
Alternate 3				
Alternate 4				
TOTAL				

Hourly Rates \$65<sup>00</sup>  
 After Hours \$85<sup>00</sup>  
 Holiday \$95<sup>00</sup>



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

SUBJECT: A Resolution Authorizing the Transfer of Ownership of the Hobbs Police Department K-9 Rico.

DEPT. OF ORIGIN: Legal Department  
DATE SUBMITTED: February 25, 2020  
SUBMITTED BY: Erik Scramlin, Deputy City Attorney

Summary:

The City currently has ownership of a working police dog named Rico, which has completed his beneficial service to the citizens of Hobbs. Rico's handler, Officer Brandon Marinovich, has been the handler for a number of years and has formed a close bond with Rico. Officer Marinovich desires the City transfer ownership to him. In return, Officer Marinovich will become responsible for the dog's medical care, annual licensing, and food and will assume all liability associated with Rico as specifically enumerated in a Transfer of Ownership and Release of Liability Agreement. Officer Marinovich shall not receive any further stipends from the City as associated with his handling of Rico.

Fiscal Impact:

There will be no other fiscal impact to the City in that Officer Marinovich will be solely responsible for all care and liability of Rico and Officer Marinovich will not receive any further stipends associated with Rico.

The Fixed Asset listing will be updated and ratified during the FY20 Asset Certification/Disposition process to indicate that these items were removed from the fixed asset listing by resolution.

Reviewed By: \_\_\_\_\_

*[Signature]*  
Finance Department

Attachments:

1. Resolution
2. Transfer of Ownership and Release of Liability

Legal Review:

Approved As To Form: \_\_\_\_\_

*[Signature]*  
City Attorney DCA

Recommendation:

The Commission should consider the Resolution authorizing transfer of ownership.

Approved For Submittal By:

*[Signature]*  
Department Director

*[Signature]*  
Acting City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 6913

A RESOLUTION AUTHORIZING  
THE TRANSFER OF OWNERSHIP OF THE  
CITY OF HOBBS POLICE DEPARTMENT K-9 NAMED RICO

WHEREAS, the City of Hobbs currently has ownership of a working police dog named Rico, and;

WHEREAS, Rico has completed his beneficial service to the citizens of Hobbs and;

WHEREAS, Rico's handler, Officer Brandon Marinovich, desires that the City transfer ownership of Rico to him; and

WHEREAS, Officer Marinovich will become responsible for the dog's medical care, annual licensing and food and will assume all liability associated with Rico as set forth in a Transfer of Ownership and Release of Liability Agreement; and

WHEREAS, Officer Marinovich shall not receive any further stipends from the City as associated with the handling of Rico; and

WHEREAS, The Police Chief finds that King presents no threat to public safety; and

WHEREAS, NMSA 1978, §13-16-1(L) authorizes the release of Rico from public ownership, and transfer free of charge to his handler Officer Marinovich; should be authorized;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, that the Mayor be and hereby is authorized and directed to take all necessary and appropriate action to effectuate this resolution and specifically to transfer ownership of the City of Hobbs Police Department K-9 named Rico to his handler, Officer Brandon Marinovich, as set forth in a Transfer of Ownership and Release of Liability Agreement.

PASSED, ADOPTED AND APPROVED this 2nd day of March, 2020.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

TRANSFER OF OWNERSHIP AND  
RELEASE OF LIABILITY

WHEREAS, The City of Hobbs, hereinafter referred to as "City", owns a working police dog named Rico. Officer Brandon Marinovich, hereinafter referred to as "Marinovich", has served as Rico's handler for a number of years; and

WHEREAS, Marinovich and Rico have developed a significant bond during their service; and

WHEREAS, the decision has been made to retire Rico from Hobbs Police Department as a working police dog as he has completed his beneficial service to the City of Hobbs; and

WHEREAS, Marinovich desires to keep Rico and become responsible for the complete care of Rico; and

WHEREAS, The City desires to transfer ownership of Rico in return for a complete release from Marinovich of any and all legal liability associated with Rico that may arise in the future and the complete care and responsibility of Rico.

1. The City of Hobbs shall transfer ownership of Rico to Marinovich upon approval by the City Commission and at the time this document is executed by all parties.
2. Marinovich shall be responsible for the on-going care for Rico, including, but not limited to, any and all medical care, preventative inoculations (rabies, distemper, bordetella, etc.), all annual city/state licensing fees, and food.
3. Marinovich agrees to abide by all City Ordinances and State Statutes regarding the ownership of Rico.
4. Marinovich agrees to assume all responsibility and liability associated with Rico. Marinovich agrees to indemnify the City of Hobbs, its employees, mayor and commission for any legal action initiated alleging negligence on the part of Rico wherein the City of Hobbs, its employees, mayor and/or commission are named as defendants. Currently, the parties are unaware of any pending legal matters as a result of acts or alleged negligence on the part of Rico. This indemnification provision shall not apply to any event giving rise to potential liability that occurred before the signing of this document.
5. Upon the signing of this document by all parties, Marinovich will no longer be entitled to any additional compensation from the City of Hobbs associated with his dog handling responsibilities, as it pertains to Rico. This provision does not preclude Marinovich from serving as a canine officer with any other police dog and receiving appropriate compensation for such new responsibilities



6. The City shall present this Transfer of Ownership and Release of Liability to the City Commission to obtain an appropriate Resolution, authorizing Mayor Sam D. Cobb to execute this agreement on behalf of the City of Hobbs.

DATED this 4<sup>th</sup> day of November, 2013.

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SAM D. COBB  
City of Hobbs Mayor

ATTEST:

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JAN FLETCHER  
City Clerk

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TOBY SPEARS  
Finance Director

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BRANDON MARINOVICH

Approved as to Form:

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ERIK SCRAMLIN  
Deputy City Attorney



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

SUBJECT: A Resolution Authorizing the Transfer of Ownership of the Hobbs Police Department K-9 King.

DEPT. OF ORIGIN: Legal Department  
DATE SUBMITTED: February 25, 2020  
SUBMITTED BY: Erik Scramlin, Deputy City Attorney

Summary:

The City currently has ownership of a working police dog named King, which has completed his beneficial service to the citizens of Hobbs. King's handler, Officer Dustin Seay, has been the handler for a number of years and has formed a close bond with King. Officer Seay desires the City transfer ownership to him. In return, Officer Seay will become responsible for the dog's medical care, annual licensing, and food and will assume all liability associated with King as specifically enumerated in a Transfer of Ownership and Release of Liability Agreement. Officer Seay shall not receive any further stipends from the City as associated with his handling of King.

Fiscal Impact:

There will be no other fiscal impact to the City in that Officer Seay will be solely responsible for all care and liability of King and Officer Seay will not receive any further stipends associated with King.

The Fixed Asset listing will be updated and ratified during the FY20 Asset Certification/Disposition process to indicate that these items were removed from the fixed asset listing by resolution.

Reviewed By:   
Finance Department

Attachments:

1. Resolution
2. Transfer of Ownership and Release of Liability



Legal Review:

Approved As To Form:   
City Attorney DCA

Recommendation:

The Commission should consider the Resolution authorizing transfer of ownership.

Approved For Submittal By:

  
Department Director  
  
Acting City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_ Continued To: \_\_\_\_\_  
Ordinance No. \_\_\_\_\_ Referred To: \_\_\_\_\_  
Approved \_\_\_\_\_ Denied \_\_\_\_\_  
Other \_\_\_\_\_ File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 6914

A RESOLUTION AUTHORIZING  
THE TRANSFER OF OWNERSHIP OF THE  
CITY OF HOBBS POLICE DEPARTMENT K-9 NAMED KING

WHEREAS, the City of Hobbs currently has ownership of a working police dog named King, and;

WHEREAS, King has completed his beneficial service to the citizens of Hobbs and;

WHEREAS, King's handler, Officer Dustin Seay, desires that the City transfer ownership of King to him; and

WHEREAS, Officer Seay will become responsible for the dog's medical care, annual licensing and food and will assume all liability associated with King as set forth in a Transfer of Ownership and Release of Liability Agreement; and

WHEREAS, Officer Seay shall not receive any further stipends from the City as associated with the handling of King; and

WHEREAS, The Police Chief finds that King presents no threat to public safety; and

WHEREAS, NMSA 1978, §13-16-1(L) authorizes the release of King from public ownership, and transfer free of charge to his handler Officer Seay; should be authorized;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, that the Mayor be and hereby is authorized and directed to take all necessary and appropriate action to effectuate this resolution and specifically to transfer ownership of the City of Hobbs Police Department K-9 named King to his handler, Officer Dustin Seay, as set forth in a Transfer of Ownership and Release of Liability Agreement.

PASSED, ADOPTED AND APPROVED this 2nd day of March, 2020.

ATTEST:

\_\_\_\_\_  
SAM D. COBB, Mayor

\_\_\_\_\_  
JAN FLETCHER, City Clerk

TRANSFER OF OWNERSHIP AND  
RELEASE OF LIABILITY

WHEREAS, The City of Hobbs, hereinafter referred to as "City", owns a working police dog named King. Officer Dustin Seay, hereinafter referred to as "Seay", has served as King's handler for a number of years; and

WHEREAS, Seay and King have developed a significant bond during their service; and

WHEREAS, the decision has been made to retire King from Hobbs Police Department as a working police dog as he has completed his beneficial service to the City of Hobbs; and

WHEREAS, Seay desires to keep King and become responsible for the complete care of King; and

WHEREAS, The City desires to transfer ownership of King in return for a complete release from Seay of any and all legal liability associated with King that may arise in the future and the complete care and responsibility of King.

1. The City of Hobbs shall transfer ownership of King to Seay upon approval by the City Commission and at the time this document is executed by all parties.
2. Seay shall be responsible for the on-going care for King, including, but not limited to, any and all medical care, preventative inoculations (rabies, distemper, bordetella, etc.), all annual city/state licensing fees, and food.
3. Seay agrees to abide by all City Ordinances and State Statutes regarding the ownership of King.
4. Seay agrees to assume all responsibility and liability associated with King. Seay agrees to indemnify the City of Hobbs, its employees, mayor and commission for any legal action initiated alleging negligence on the part of King wherein the City of Hobbs, its employees, mayor and/or commission are named as defendants. Currently, the parties are unaware of any pending legal matters as a result of acts or alleged negligence on the part of King. This indemnification provision shall not apply to any event giving rise to potential liability that occurred before the signing of this document.
5. Upon the signing of this document by all parties, Seay will no longer be entitled to any additional compensation from the City of Hobbs associated with his dog handling responsibilities, as it pertains to King. This provision does not preclude Seay from serving as a canine officer with any other police dog and receiving appropriate compensation for such new responsibilities

6. The City shall present this Transfer of Ownership and Release of Liability to the City Commission to obtain an appropriate Resolution, authorizing Mayor Sam D. Cobb to execute this agreement on behalf of the City of Hobbs.

DATED this 2nd day of March, 2020.

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SAM D. COBB  
City of Hobbs Mayor

ATTEST:

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JAN FLETCHER  
City Clerk

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TOBY SPEARS  
Finance Director

---

DUSTIN SEAY

Approved as to Form:

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ERIK SCRAMLIN  
Deputy City Attorney



# **ACTION ITEMS**



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

**SUBJECT:** Resolution accepting and approving the FY2019 Audit.  
**DEPT. OF ORIGIN:** Finance Department  
**DATE SUBMITTED:** 02/18/2020  
**SUBMITTED BY:** Deborah Corral, Assistant Finance Director

**Summary:**

The City of Hobbs is required by statute to contract with an independent auditor to perform the required annual audit. The audit has been completed by Hinkle + Landers, PC and the NM Office of the State Auditor has authorized the release of this audit per their release letter dated February 18, 2020.

Per NMAC 2.2.2.10 (M) (4), once the report is released and a 5 day waiting period has passed, the audit shall be presented by the independent audit firm to a quorum of the governing authority at a meeting held in accordance with the Open Meetings Act.

This resolution is seeking acceptance and approval of the completed FY19 audit report and findings.

**Fiscal Impact:**

No fiscal impact.

Reviewed By: 

Finance Department

**Attachments:** Resolution

**Legal Review:**

Approved As To Form: 

City Attorney

**Recommendation:**

Approval of resolution.

Approved For Submittal By:

  
Department Director  
  
City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 6915

**RESOLUTION OF ACCEPTANCE AND APPROVAL OF THE FY19 AUDIT**

**WHEREAS**, the City of Hobbs is required by statute to contract with an independent auditor to perform the required annual audit or agreed upon procedures for Fiscal Year 2019; and,

**WHEREAS**, the City of Hobbs has directed the accomplishment of the audit for FY19 be completed; and,

**WHEREAS**, this audit has been completed and presented to the Hobbs City Commission per the February 18, 2020 Letter from the State Auditor authorizing release of the FY19 audit.

**WHEREAS**, NMAC 2.2.2.10 (M) (4) provides in pertinent part that “Once the audit report is officially released to the agency by the state auditor (by a release letter) and the required waiting period of five calendar days has passed, unless waived by the agency in writing, the audit report shall be presented by the IPA, to a quorum of the governing authority of the agency at a meeting held in accordance with the Open Meetings Act, if applicable;” and,

**NOW THEREFORE, BE IT RESOLVED**, that the Hobbs City Commission does hereby accept and approve the completed audit report and findings as indicated within this document.

**ACCEPTED AND APPROVED** this 2<sup>nd</sup> day of **March, 2020**, in regular session by the Hobbs City Commission, at Hobbs, Lea County, New Mexico.

\_\_\_\_\_  
SAM D. COBB, Mayor

\_\_\_\_\_  
MARSHALL NEWMAN, Commissioner

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CHRISTOPHER MILLS, Commissioner

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PATRICIA TAYLOR, Commissioner

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JOSEPH D. CALDERÓN, Commissioner

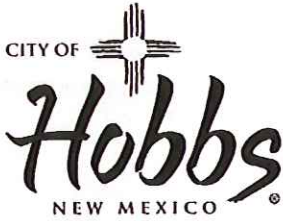
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DWAYNE PENICK, Commissioner

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DON R. GERTH, Commissioner

ATTEST BY:

\_\_\_\_\_  
JAN FLETCHER, City Clerk





**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2nd, 2020

**SUBJECT: (PUBLICATION) AN ORDINANCE AMENDING CHAPTER 3.20 OF THE HOBBS MUNICIPAL CODE REGARDING THE CITY OF HOBBS PROCUREMENT POLICY**

**DEPT. OF ORIGIN:** Finance Department  
**DATE SUBMITTED:** 02-27-2020  
**SUBMITTED BY:** Toby Spears, CPA, CFE - Finance Director

**Summary:**

The City of Hobbs is a "home rule charter" government who enacts its own procurement ordinance. The City of Hobbs adopted the home rule procurement ordinance # 1080 on November 17th, 2014. The last update of the procurement ordinance was June 1, 2015. The City of Hobbs needs to update its ordinance to incorporate additional needed processes and procedures for guidance on procurement. The following is a list of the proposed changes:

- Changes thresholds from \$20,000 to \$75,000 on written quotes, Bids, RFP'S, NM GSA, CES, HGAC, Sole Source and Emergency contracts
- Adds an exemption section
- Adds an approval of contract section
- Adds language for trade in's and auction services


**Fiscal Impact:**

Reviewed By:   
Finance Department

No changes are anticipated with the passage of this proposed ordinance

**Attachments:** Ordinance

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

**Staff recommends approval of the Publication of the Ordinance**

Approved For Submittal By:

  
Department Director

\_\_\_\_\_  
City Manager

**CITY CLERK-S USE ONLY  
COMMISSION ACTION TAKEN**

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

ORDINANCE NO. \_\_\_\_\_

ORDINANCE AMENDING CHAPTER 3.20 OF THE  
HOBBS MUNICIPAL CODE REGARDING THE  
CITY PROCUREMENT POLICY

BE IT HEREBY ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that Chapter 3.20 of the Hobbs Municipal Code is hereby repealed in its entirety and a new Chapter 3.20 of the Hobbs Municipal Code is hereby enacted to read as follows:

**Chapter 3.20 CITY PROCUREMENT POLICY**

**Article 1. General Provisions**

[3.20.010 Title.]

3.20.020 Objective.

3.20.030 Definitions.

3.20.035 Exemptions.

3.20.036 Approval of Contracts

3.20.040 Purchasing policies.

3.20.050 Public works contracts.

3.20.060 Miscellaneous expenditures.

3.20.070 Fixed asset policy.

3.20.075 Budgeting policy/procedures.

3.20.080 Contract policy/procedures.

3.20.085 Procedures for obtaining a purchase order.

3.20.090 Procedures for obtaining a request for proposal (RFP).

3.20.095 Bid policy/procedures.

3.20.100 Related party expenditures procedures.

3.20.105 Inventory management policy.

[3.20.010 Title.]

[This chapter shall constitute and be referred to as the official "procurement policy" of the City. This chapter shall apply to all purchases of the City.]

**3.20.020 Objective.**

The objective of this policy is to guide City of Hobbs employees in the legal steps required to purchase quality materials and services needed at competitive prices in

accordance with regulations set forth by the Hobbs City Commission and the State of New Mexico.

1. Administration. The City of Hobbs Central Purchasing Office (CPO) staff are charged with the responsibility of procuring all materials and services effectively and efficiently. The City Manager and CPO shall have the responsibility and authority to insure that all provisions of the law and this policy are followed and shall be authorized to issue any supplement consistent with this policy deemed necessary to administer, manage or clarify this policy. Supplements shall be approved by the City Manager and copies of all supplements shall be attached to and made a part of this policy. The CPO shall be responsible for having the knowledge to insure that all provisions of this policy and all other purchasing concerns and activities of the City of Hobbs are appropriate and consistent with the most current, generally accepted purchasing techniques, and all provisions of the law. CPO personnel are available to answer any questions concerning the methods and policies regarding procurement of materials and services.
2. Scope. Except as otherwise provided, this procurement policy applies to every expenditure by the City of Hobbs for the procurement of items of tangible personal property, services and construction (13-1-30 NMSA 1978).
3. Consistency with State Procurement Code. The provisions of this policy are subject to change as per State Procurement Code revisions. Any revision thereof that is inconsistent with the provisions of this policy shall control. All purchase users shall be given a copy of such revisions and notified that they are in effect.
4. Unauthorized Purchases. Any purchase which does not substantially comply with the provisions of this policy shall be considered an unauthorized purchase. Any individual initiating any unauthorized purchase may be subject to disciplinary action and may be held solely responsible for payment.
5. Approval of Unauthorized Purchases. All purchases determined to be an unauthorized purchase shall be considered by the City of Hobbs Finance Director, who will make a recommendation to the City Manager to approve or not approve an unauthorized purchase for payment. Unauthorized purchases shall not be processed for payment prior to City Manager approval. The City Manager will make a determination, based on the facts and circumstances of each case, of whether or not to pay for any unauthorized purchase.
6. Civil Penalties. Persons knowingly violating the State Procurement Code, or this policy based on State law, may be subjected to a penalty not to exceed one thousand dollars (\$1,000.00) per occurrence (13-1-196 NMSA 1978).

Items not specifically identified in this policy are regulated by Chapter 13 NMSA 1978.

### 3.20.030 Definitions.

"Authorized department employees" authorized department employees are designated and authorized by each Department Head to approve purchases within their department.

"Central purchasing office (CPO)" means the Central Purchasing Office (CPO) is defined as the Finance Department and other departmental staff assigned or delegated the responsibility to ensure compliance with the City of Hobbs procurement policy for all purchases. The CPO personnel are responsible to verify that each expenditure is coded to the proper account, and that each expenditure is allowable considering the budget as adopted by the City Commission with amendments.

"Change order" means a written order signed and issued by a procurement officer directing the contractor to make changes which the changes clause of the contract authorizes the procurement officer to order with or without the consent of the contractor.

"Contract modification (amendment)" means any written alteration in the provisions of a contract accomplished by mutual action of the parties to the contract.

"Construction management and construction manager" means consulting services related to the process of management applied to a public works project for any duration from conception to completion of the project for the purpose of controlling time, cost and quality of the project. "Construction manager" means a person who acts as an agent for the City of Hobbs for construction management, for whom the City of Hobbs shall assume all the risks and responsibilities.

"Construction manager at risk" means a person who, pursuant to a contract with a governing body, provides the preconstruction services and construction management required in a construction manager at risk delivery method.

"Construction manager at risk delivery method" means a construction method for the City of Hobbs wherein a construction manager at risk provides a range of preconstruction services and construction management, including cost estimation and consultation regarding the design of the building project, preparation and coordination of bid packages, scheduling, cost control, value engineering and, while acting as the general contractor during construction, detailing the trade contractor scope of work, holding the trade contracts and other subcontracts, prequalifying the evaluating trade contractors and subcontractors and providing management and construction services, all at a guaranteed maximum price for which the construction manager at risk is financially responsible.

"Cooperative procurement" means procurement conducted by or on behalf of more than one (1) state agency or local public body, or by a state agency or local public body with an external procurement unit. This also means purchasing agreements when the agreement has been evaluated through a **Federal or a State of New Mexico** formal bidding process. (Examples: Cooperative Educational Services, HGAC,)

"Exemptions" means ~~any merchandise for resale is exempt from the bidding and request for proposal process.~~ **See 3.20.035**

"Indefinite quantity contract" means a contract which requires the contractor to furnish an indeterminate quantity of specified services, items of tangible personal property or construction during a prescribed period of time at a definite unit price or at a specified discount from list or catalogue prices.

"Invitation for bids (IFB)" means all documents, including those attached or incorporated by reference, utilized for soliciting sealed bids.

"Lease option" means an operating lease for acquiring tangible equipment and "lease purchase options" means a capital lease for acquiring tangible equipment. The City of Hobbs can enter into either an operating lease or a capital lease in acquiring tangible equipment. Thresholds still apply as to the total value of the leased asset. All lease agreements valued at under ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** must be signed by the City Manager or designee. All lease agreements with tangible equipment valued at over ~~sixty thousand dollars (\$60,000.00)~~ **seventy five (\$75,000.00)** must be processed through bidding, request for proposal, GSA, or cooperative purchasing and be approved by the City Commission.

"Multi-term contract" means a contract having a term longer than one (1) year.

"Public works contracts" means a construction project of the City of Hobbs, to construct, repair, alter or extend an improvement on real property or to improve real property owned, used or leased by the City of Hobbs.

"Purchase order" means the document issued by the central purchasing office which directs a contractor to deliver items of tangible personal property, services or construction pursuant to an existing contract.

"Purchase request" means the document by which a using department or division requests that a contract be obtained for a specified service, construction or item of tangible personal property and may include but is not limited to the technical description of the requested item, delivery schedule, transportation requirements, suggested sources of supply and supporting information.

"Request for proposal (RFP)" means all documents, including those attached or incorporated by reference, used for soliciting proposals.

"Task order" means a written contract associated with a multi-award RFP or bid.

"Total cost" means total cost of the materials or services required, defined as all costs associated with the purchase, including shipping and any applicable taxes.

### **3.20.035 Exemptions.**

**Purchases of parts and labor or maintenance agreements to repair disabled equipment or machinery if the equipment or machinery is repaired by a franchised dealer or by a factory authorized repair shop.**

**Purchases of parts and labor for equipment or machinery where a breakdown of this equipment or machinery could cause an emergency or costly condition to exist and where the machinery or equipment is in immediate danger of failure.**

Purchases of computer software and ancillary services required to match other software in use is required to be used in the public interest. This includes licensing fees and services to modify or maintain proprietary software.

Purchases of specialty goods, as defined by the Chief Procurement Officer or Finance Director, for resale to the general public at a retail business operated by the City.

Agreements for the services of attorneys and legal assistants.

Contracts and expenditures in connection with court or administrative proceedings, including, but not limited to, experts, mediators, interpreters, translators, court reporters, process servers, witness fees, security services and printing and duplicating of materials for filing

Infrastructure Development Agreements

Railroad Infrastructure Agreements

Agreements for the services of lobbyists

Third party lodgers' tax awards

Social service agencies

Exempt agencies

Fully funded restricted private donations as required by the private donor

Leases, licenses, permits, exchanges, or purchases of real property and all other real property transactions.

Purchases from regulated utilities such as gas, electricity, water, telephone, cable TV, refuse collection services

Purchases of books, periodicals, films, training materials, subscriptions, on-line information services, or advertising from the publishers and distributors or agents.

Purchases of travel by common carrier or by private conveyance and related travel expenditures such as meals and lodging.

Purchase of surety bonds.

Agreements for the services of medical practitioners such as doctors and veterinarians.

Purchase, lease, rental or any other financial management for the acquisition of works of art.

Contracts with professional entertainers and associated expenditures.

The purchase of used items if available for a limited time, such as by auction or public sale, and if determined to be at a cost advantage to the City. A memo shall be written to the Finance Director for approval describing the steps taken to determine that a cost advantage to the City exists.

### **3.20.036 Approval of Contracts.**

The following contracts must be approved by the City Commission:

Any contract for professional/technical services in an amount exceeding \$75,000.00, including, but not limited to, legal service contracts.

Any amendment to a professional/technical services contract which causes the amount of that contract to exceed \$75,000.00.

Any CES/HGAC contract exceeding \$75,000.00. Note: Items that utilize NM GSA contracts are excluded from the \$75,000.00 threshold but must be approved in the current fiscal year budget.

Any amendment to a GSA/CES/HGAC contract which causes the amount of that contract to exceed \$75,000.00.

Any exempt agency contract in an amount exceeding \$75,000.00 and any amendment to an exempt agency contract which causes the amount of that contract to exceed \$75,000.00.

Any social service agency contract in an amount exceeding \$75,000.00 and any amendment to a social service agency contract which causes the amount of that contract to exceed \$75,000.00

Concession contracts expected to generate revenues to the contractor in excess of \$75,000.00, over a 12 month period.

Sole source contracts for goods, services or construction in excess of \$75,000.00 for a single project.

Emergency service contracts for goods, services or construction in excess of \$75,000.00. Note: The City Manager must determine that urgent and compelling reasons requiring an emergency procurement of professional/technical services exceeding \$75,000.00 or social service exceeding \$75,000.00, the City Manager shall notify the Mayor and City Commission at its regularly scheduled meeting. The City



Manager shall give a full description of the urgent and compelling reasons, the scope of work, the contract amount, and the name of the contractor.

Contracts with the New Mexico State Auditor, or other contracts required by law.

Note: City Manager may require contracts under \$75,000.00 to be approved by City Commission on a case by case basis.

### **3.20.040 Purchasing policies.**

- A. Certificates of Insurance. Vendors must provide a certificate of insurance to the CPO, or have a certificate on file with the City Clerk's office prior to any purchase that includes labor exceeding twenty thousand dollars (\$20,000.00). The certificate of insurance shall include all general liability, auto liability, and worker's compensation coverage as required by the CPO. Certificates of insurance may also be required for other purchases as deemed necessary.
- B. Certification of Procurement Officer. The City of Hobbs is required to maintain a Certified Public Accountant within the Finance Department. The certification of a procurement officer is optional as it relates to the City of Hobbs Certified Public Accountant status.
- C. Competitive Sealed Proposals (Request for Proposal). When the City of Hobbs requires competitive sealed proposals, the entire proposal document must be reviewed and approved by the Department Head originating the proposal, CPO, City Attorney, and City Manager. Additional department staff may be required to review the proposal document. Notice of proposals must clearly identify the City of Hobbs, Finance Department, 200 E. Broadway, Hobbs, NM 88240 as the location and time for submittal.
  - 1. Public notices must be published at least ten (10) calendar days prior to the deadline for submission and posted to the City of Hobbs website. (13-1-113 NMSA 1978). Proposals will not be opened prior to the scheduled deadline for submission. Proposals are not publicly opened.
  - 2. After the deadline for submission, proposals will be evaluated based on the evaluation criteria set forth in the proposal document, by an evaluation committee designated by the City Manager or his designee (13-1-114 NMSA 1978). A minimum of twenty (20) percent cost factor must be included in the evaluation criteria. (Note: only on non-qualification based proposals will the minimum cost factor be applied.)
  - 3. Any negotiations will be conducted by the City Manager or his designee. Negotiations may be conducted with responsible offeror who submit proposals found to be reasonably likely to be selected for award (13-1-115 NMSA 1978, 1997 Repl.). The contents of any proposal shall not be disclosed so as to be available to competing offeror during the negotiation process (13-1-116 NMSA 1978).

4. After award, all proposals are subject to the "Inspection of Public Records Act" (14-2-1 through 14-2-12 NMSA 1978).
5. Proposals that are rejected and never awarded are not subject to the Inspection of Public Records Act (14-2-1 through 14-2-12 NMSA 1978).
6. In addition to the requirements above, proposals for the services of architects, engineers, landscape architects and surveyors must also comply with Sections 13- 1-120 through 13-1-124 NMSA 1978 (Section 13-1-115 NMSA 1978).
7. If federal grant revenues are associated with a proposal, the proposal must contain language as it relates to the specific federal grant guidelines.
8. All proposers shall be required to sign an affidavit attesting that collusion has not occurred.
9. All proposers shall be required to sign a Related Party Form, disclosing any financial interest the proposer may have with the City of Hobbs.
10. All proposers shall be required to sign a Debarment Certificate disclosing any debarment from the State of New Mexico, Federal Government and or the City of Hobbs.

D. Construction Manager at Risk Delivery Method.

1. Construction manager at risk delivery method authorized; multiphase selections procedure.
  - a. A construction manager at risk delivery method may be used when the City Commission or designee determines that it is in its interest to use that method on a specific project, provided that the construction manager at risk shall be selected pursuant to the provisions described of this section.
  - b. The City Commission or designee shall form a selection committee of at least three (3) members with at least one (1) member being an architect or engineer. The selection committee shall develop an evaluation process, including a multiphase procedure consisting of three (3) steps. The three (3) step process shall consist of a request for qualifications, a request for proposals and an interview.

A request for qualifications shall be published and shall include at a minimum the following:

- i. A statement of the minimum qualifications for the construction manager at risk, including the requirements for:
  - (A) A contractor's license for the type of work to be performed, issued pursuant to the Construction Industries Licensing Act;
  - (B) Registration pursuant to 13-4-13.1 NMSA 1978; and
  - (C) A minimum bond capacity;
- ii. A statement of the scope of work to be performed, including;

- (A) The location of the project and the total amount of money available for the project
  - (B) A proposed schedule, including a deadline for submission of the statements of qualification;
  - (C) Specific project requirements and deliverables;
  - (D) The composition of the selection committee;
  - (E) A description of the process the selection committee shall use to evaluate qualifications;
  - (F) A proposed contract; and
  - (G) A detailed statement of the relationships and obligations of all parties, including the construction manager at risk, agents of the City Commission or designee, such as an architect or engineer;
- iii. A verification of the maximum allowable construction cost; and
  - iv. A request for a proposal bond as required by Section 13-1-146 NMSA 1978.
  - v. All proposers shall be required to sign an affidavit attesting that collusion has not occurred.
  - vi. All proposers shall be required to sign a Related Party Form, disclosing any financial interest the proposer may have with the City of Hobbs.
  - vii. All proposers shall be required to sign a Debarment Certificate disclosing any debarment from the State of New Mexico, Federal Government and or the City of Hobbs.
- c. The selection committee shall evaluate the statements of qualifications submitted and determine the offerors that qualify for the construction manager at risk. The committee shall issue a request for proposal to the offerors that qualify.
  - d. The selection committee shall issue a request for proposal and evaluate the proposals pursuant to Sections 13-1-112 through 13-1-117 NMSA 1978 except that:
    - i. The request for proposals shall be sent only to those determined to be qualified.
    - ii. The selection committee shall evaluate the proposals and conduct interviews with up to three (3) of the highest-ranked offerors instead of negotiating with responsible offerors found to be reasonably likely to be selected; and
  - e. After conducting interviews with the highest-ranked offerors and after considering the factors listed in this section, the selection committee shall recommend to the City Commission the offeror that will be most advantageous to the City of Hobbs. Should the City Commission or designee be unable to negotiate a satisfactory contract with the offeror considered to

be the most qualified at a price determined to be fair and reasonable, negotiations with that offeror shall be formally terminated. The City Commission or designee shall then undertake negotiations with the second most qualified offeror. Failing accord with the second most qualified offeror, the City Commission or designee shall formally terminate negotiations with the offeror. The City Commission or designee shall then undertake negotiations with the third most qualified offeror. Should the governing body or designee be unable to negotiate a contract with any of the offerors selected by the committee, additional offerors shall be ranked in order of their qualifications and the City of Hobbs or designee shall continue negotiations in accordance with this section until a contract is signed with a qualified offeror or the procurement process is terminated and a new request for proposal is initiated.

- f. In evaluating and ranking statements of qualifications, proposals and results of interviews, and in the final recommendations of a construction manager at risk, the selection committee shall consider:
    - i. The offeror's experience with construction of similar types of projects;
    - ii. The qualifications and experience of the offeror's personnel and consultants and the role of each in the project;
    - iii. The plan for management actions to be undertaken on the project, including services to be rendered in connection with safety and the safety plan for the project;
    - iv. The offeror's experience with the construction manager at risk method; and
    - v. All other selection criteria, as stated in the request for qualifications and the request for proposals.
  - g. Nothing in this section precludes the selection committee from recommending the termination of the selection procedure and repeating the selection process pursuant to this section. Any material received by the selection committee in response to a solicitation that is terminated shall not be disclosed so as to be available to competing offerors.
  - h. After a contract is awarded, the selection committee shall make the names of all offerors and the names of all offerors selected for interview available for public inspection along with the selection committee's final ranking and evaluation scores. Offerors who were interviewed but not selected for contract award shall be notified in writing within fifteen (15) days of the award.
2. Responsibilities of construction manager at risk following award of project.
- a. The contract with the construction manager at risk shall specify:
    - i. The guaranteed maximum price; and
    - ii. The percentage of the guaranteed price that the construction manager at risk will perform with its own work force.

- b. The construction manager at risk, in cooperation with the City Commission or designee, shall seek to develop subcontractor interest in the project and shall furnish to the City Commission or designee and any architect or engineer representing the City Commission or designee a list of subcontractors who state in writing that they are a responsible bidder or a responsible offeror, including suppliers who are to furnish materials or equipment fabricated to a special design and from whom proposals or bids will be requested for each principal portion of the project. The governing body and its architect or engineer shall promptly reply in writing to the construction manager at risk if the governing body, architect or engineer knows of any objection to a listed subcontractor or supplier, provided that the receipt of the list shall not require the City Commission or designee, architect or engineer to investigate the qualifications of proposed subcontractors or suppliers, nor shall it waive the right of the City Commission or designee, architect or engineer later to object to or reject any proposed subcontractor or supplier.
  - c. The construction manager at risk shall:
    - i. Conduct pre-bid or pre-proposal meetings;
    - ii. Advise the City Commission or designee about bidding or proposals;
    - iii. Enter into contracts; (only on City Commission approval) and
    - iv. Assist the City Commission or designee in evaluating submissions by responsible bidders and offerors.
- E. Competitive Sealed Bids (Invitation for Bids). When the City of Hobbs requires sealed bids, the entire bid document must be reviewed and approved by the Department Head originating the bid, CPO, City Attorney, and City Manager. Additional department staff may be required to review the bid document. Notice of bids must clearly identify the City of Hobbs, Finance Department, 200 E. Broadway, Hobbs, NM 88240 as the location and time for submittal.
- 1. Public notice must be published at least ten (10) calendar days prior to the scheduled bid opening and posted to the City of Hobbs website. (13-1-104 NMSA 1978). Bids will not be opened prior to the scheduled bid opening. All bids shall be opened publicly in the presence of one or more witnesses. (13-1-107 NMSA 1978). Award shall be made to the lowest responsible bidder. The City reserves the right to waive technicalities and accept the bid deemed to be in the best interest of the City.
  - 2. Price negotiations can be conducted in order to avoid rejection of all bids only if the lowest responsible bid has otherwise qualified, and if there is no change in the original terms and conditions, if the lowest bid was up to ten percent higher than budgeted project funds. (Section 13-1-105 NMSA 1978).
  - 3. All bids are subject to the Inspection of Public Records Act (14-2-1 through 14-2-12 NMSA 1978).
  - 4. Addendums to bids must be disclosed by the CPO within twenty-four (24) hours of prior bid opening date.

5. If federal grant revenues are associated with a bid, the bid must contain language as it relates to the specific federal grant guidelines.
  6. All proposers shall be required to sign an affidavit attesting that collusion has not occurred.
  7. All proposers shall be required to sign a Related Party Form, disclosing any financial interest the proposer may have with the City of Hobbs.
  8. All proposers shall be required to sign a Debarment Certificate disclosing any debarment from the State of New Mexico, Federal Government and or the City of Hobbs.
- F. Expenditure Categories. The following policies are to be applied by the CPO for all expenditures of the City of Hobbs. The application of the policy is based on the appropriate cost category that each purchase fits into; as well as the additional requirements for public works contracts, see section 3.20.060; and miscellaneous purchases, see section 3.02.050.
1. Category #1—Total Cost is Less Than Twenty Thousand Dollars (\$20,000.00). Price quotes for these purchases are required, however a good faith effort must be made to acquire the materials or services at the best obtainable price. All departments can purchase services, construction or items of tangible personal property having a value not exceeding twenty thousand dollars (\$20,000.00) by issuing a direct small purchase order. (Note: all purchase requisitions must have a quote before a conversion to a purchase order) Purchases made in this category must obtain prior approval from an authorized department employee.
  2. Category #2—Total Cost is More Than Twenty Thousand Dollars (\$20,000.00), but Less Than ~~Sixty Thousand Dollars (\$60,000.00)~~ **Seventy Five Thousand Dollars (\$75,000.00)**. Purchase of services, construction or items of tangible personal property having a value not exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** are accomplished by obtaining three (3) written quotes. The quotes will be turned in to the CPO with a quote/purchase request form for issuance of a purchase order. Purchases made in this category must obtain prior approval from an authorized department employee.
  3. Category #3—Total Cost is More Than ~~Sixty Thousand Dollars (\$60,000.00)~~ **Seventy Five Thousand Dollars (\$75,000.00)**. Purchases of services, construction or items of tangible personal property in this category must be procured using formal sealed bids or competitive sealed proposals through the CPO. Only the CPO can distribute bid and proposal documents, maintain an approved bidder list, or issue any addendum to bids or proposals. Purchases made in this category must obtain prior approval from the Department Head and approved by the City Manager and City Commission.

Purchases are not to be artificially divided to shift the classification of the purchase into an inappropriate expenditure category. Violation of this policy is subject to possible disciplinary action as defined in the personnel policy.

- G. Freight Designations. The City of Hobbs will not accept title of any goods until they are received by an agent of the City of Hobbs (13-1-157, 13-1-158 NMSA 1978).
1. The shipping terms of all purchases made by the City of Hobbs must be F.O.B. destination or F.O.B. destination, freight prepaid by the vendor.
  2. In most instances, the City of Hobbs will not prepay freight on any purchases. The CPO will make an assessment of the facts and circumstances, and determine if pre-payment of freight is the only available means of purchasing the goods in the best interest of the City of Hobbs.
- H. Gross Receipts Tax. In accordance with state law, the City of Hobbs is responsible to pay New Mexico gross receipts tax on all payments for labor (7-9-1 through 7-9-85 NMSA 1978). Some materials for construction projects may also be subject to New Mexico gross receipts tax.
- I. Indefinite Quantity Contract Purchases. Purchases of the same materials or services at various times during the year may require formal bids if the total cost for the fiscal year exceeds ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** for all departments. Examples of these types of purchases are fertilizer, asphalt, chlorine, lime, concrete, uniforms, **janitorial**, etc.
1. The City of Hobbs may procure multiple indefinite quantity construction contracts pursuant to a price agreement for multiple projects under a single RFP, provided that the total amount of a contract and all renewals does not exceed two million dollars (\$2,000,000.00) over four (4) years and the contract provides that any one (1) purchase order under the contract may not exceed five hundred thousand dollars (\$500,000.00). (13-1-154.1 - B)
- J. Multi-Year Contracts. The City of Hobbs may enter into multi-year contracts that are in the best interest of the City of Hobbs as determined by the CPO.
1. The maximum length of any contract for tangible personal property, construction or services under ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** is not to exceed four (4) years, over ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** is not to exceed eight (8) years including extensions and renewals.
  2. The maximum length of any contract for professional services is not to exceed four (4) years with all extensions and renewals (13-1-150 NMSA 1978)
  3. The terms of these multi-year contracts must be specified in the specifications of the bid or proposal (13-1-150 NMSA 1978).
  4. Task orders can be issued as it relates to multi-award bids and proposals. Task orders between twenty thousand dollars (\$20,000.00) and ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** shall obtain approval from, the Department Head Committee (Department Head Committee defined as a Department Head and one or more evaluators) and the City Manager. The committee shall have a written justification of why the chosen contractor is in the best interest of the City. Any artificial divide of task orders exceeding the ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**

threshold would require City Commission approval. (eg: three (3) task orders to the same contractor, with each task order amount at ~~twenty thousand dollars (\$20,000.00)~~ **twenty five thousand dollars (\$25,000.00)**. Task orders exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** must obtain prior approval from the Department Head and approved by the City Manager and City Commission. In determining the contractor for multi-award task orders exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, the Department Head Committee will make the recommendation based on the best interest of the City.

5. The City of Hobbs may procure multiple architectural or engineering services contracts for multiple projects under a single qualifications-based RFP; provided that the total amount of multiple contracts and all renewals for a single contractor does not exceed two million dollars (\$2,000,000.00) over four (4) years and that a single contract, including any renewals, does not exceed five hundred thousand dollars (\$500,000.00) (13-1-154.1 - A)

K. Professional Services Expenditures. "Professional services" means the services of architects, archaeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, lawyers, psychologists, planners, researchers and persons or businesses providing similar services (13-1-76 NMSA 1978).

Professional services are procured at the direction of the City Manager for contracts under ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** including for the services of architects, landscape architects, engineers or surveyors for state public works projects or local public works projects, in accordance with professional services procurement regulations promulgated by the Department of Finance and Administration, the General Services Department or a Central Purchasing Office with the authority to issue regulations. Professional services between twenty thousand dollars (\$20,000.00) and ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, not related to public works projects, shall obtain three (3) written competitive quotes with justification (when applicable) before the City Manager may approve the contract. Contracts over ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** are procured at the direction of the City Manager with City Commission approval, and are subject to the competitive sealed proposal requirements. The CPO will issue a contract after documentation of the appropriate approval is delivered to the CPO.

NOTE: The City of Hobbs is subject to 2.22 NMAC State Audit Rule in contracting for the audit services.

L. Cooperative Purchasing Agreements. "Cooperative procurement" means procurement conducted by or on behalf of more than one (1) state agency or local public body, or by a state agency or local public body with an external procurement unit. Purchases of services, construction or items of tangible personal property can be made through the use of a "cooperative purchase agreement". The cooperative agency agreement must be approved by the City Commission. If multiple purchasing agreements exists with vendors for a project, and the project exceeds two hundred



thousand dollars (\$200,000.00), the Department Head must attempt and obtain multiple quotes. Purchases exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** must obtain prior approval from the Department Head and approved by the City Manager and City Commission.

- M. Amendments to Contracts. Any amendment exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** must obtain prior approval from the Department Head and approved by the City Manager and City Commission.
- N. Change Orders. Any change order on a contract exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** must obtain prior approval from the Department Head and approved by the City Manager and City Commission.
- O. Purchases from Elected Officials or Employees. The City of Hobbs shall follow the NM Governmental Conduct Act as it relates to purchases from elected officials or employees. Procedures for related party expenditures are in Section 3.20.100 of the City of Hobbs Procurement Ordinance.
- P. Quotations. When the City of Hobbs Procurement Policy requires quotations, either written or oral, all vendors must be given the same information concerning the material or service required and any other specifications. Each vendor contacted must be given an equal opportunity to supply the material or service. If an addendum to a request for a quotation is required, it must be provided to all vendors that were asked to respond.
- Q. Resident Bidder's Preference. Vendors registered with the State of New Mexico who have received a resident bidder's preference number are eligible for a five (5) percent preference in the evaluation of their bid price (13-1-21 NMSA 1978). This five (5) percent resident bidder's preference is applicable to formal sealed bids and proposals. The resident bidder's preference does not apply to the expenditure of federal funds (13-1-21 NMSA 1978). The CPO is responsible for the verification of the resident bidders' preference number with the State of New Mexico.
- R. Resident Veteran Business Preference. Vendors registered with the State of New Mexico who have received a resident veteran business preference number are eligible for the following bidder preference (13-1-21 or 13-1-22 NMSA 1978): (Note: The resident veteran business preference is applicable to formal sealed bids and proposals).
  - 1. Resident veteran business with annual revenues of three million dollars (\$3,000,000.00) or less to be ten (10) percent lower than the bid actually submitted and a ten (10) percent factor for a request for proposal.

The CPO is responsible for the verification of the resident veteran business preference number with the State of New Mexico.

- S. Sole Source and Emergency Purchases.
  - 1. "Sole source purchases" are defined as a purchase for which there is only one known source for the required service, construction or item of tangible personal property (13-1-126 NMSA 1978). At least thirty (30) days before a sole source contract is awarded, the CPO or designee of either shall post notice of the intent

to award a sole source contract on its website and forwarded to the State of New Mexico Department of Information Technology for posting on the sunshine portal. The notice shall identify at a minimum:

- a. The parties to the proposed contract.
- b. The nature and quantity of the service, construction or item of tangible personal property being contracted for; and
- c. The contract amount.

Any qualified potential contractor who was not awarded a sole source contract may protest to the CPO. The protest shall be submitted in writing within fifteen (15) calendar days of the notice of intent to award a contract being posted by the CPO. (13-1-126.1, A B, 13-1-128)

2. Emergency purchases are valid only when there exists a threat to public health, welfare, safety or property requiring procurement under emergency conditions (13-1-127 NMSA 1978). An emergency condition creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods and the lack of which would seriously threaten:
    - a. The functioning of government;
    - b. The preservation or protection of property; or
    - c. The health or safety of any person (13-1-127 NMSA 1978).
  3. Every effort should be made to purchase competitively if the situation allows (13-1-127 NMSA 1978). A written determination of the basis for the emergency procurement and for the selection of the particular contractor shall be included in the procurement file (13-1-128 NMSA 1978).
  4. Written documentation of these types of purchases must be submitted to the CPO by the Department Head making the purchase (13-1-128 NMSA 1978). This documentation must be maintained for a minimum of three (3) years (13-1-128 NMSA 1978).
  5. Within three (3) business days of awarding an emergency procurement contract, the CPO or designee of either shall post notice of the intent to award the emergency purchase contract on its website and forwarded to the State of New Mexico Department of Information Technology for posting on the sunshine portal. The notice shall identify at a minimum:
    - a. The parties to the proposed contract;
    - b. The nature and quantity of the service, construction or item of tangible personal property being contracted for; and
    - c. The contract amount.
- T. State of New Mexico Purchasing Contracts and GSA contracts. The CPO may make purchases utilizing any State of New Mexico Purchasing Contract, or any GSA contract deemed to be in the best interest of the City of Hobbs. The CPO is not

required to obtain quotes or formal sealed bids for purchases under these contracts regardless of the total cost (13-1-129 NMSA 1978), but may utilize these contracts as one (1) of the price quotes when quotations are required.

1. When using GSA contracts the contractor (not the distributor) must indicate in writing a willingness to extend to the City of Hobbs the terms and conditions specified in the GSA contract (13-1-129 NMSA 1978).
2. The CPO must have a complete copy of the State contract or GSA contract (13-1-129 NMSA 1978). The CPO will verify the terms of the contract as well as the effective date of the contract prior to issuance of a purchase order.

### **3.20.050 Public works contracts.**

- A. Public works contracts are subject to the policies detailed above as well as the following additional procedures.
- B. All contracts of more than sixty thousand dollars (\$60,000.00), must contain a provision stating the minimum wages to be paid to various classes of laborers and mechanics as determined by State of New Mexico. Contractors must pay the laborers at least weekly, on the job site. The wage scale must be prominently posted by the contractor at the work site (13-4-11 NMSA 1978). If the City of Hobbs is utilizing a cooperative purchase agreement, the determination of wage rates for the agreement must be forwarded and filed with the City of Hobbs CPO. Non-submittal of wage rate determinations from the cooperative service agency could result in a delay of payment.
- C. For all contracts of more than ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, the City of Hobbs must receive a performance bond from the contractor equal to one hundred (100) percent of the contract price, and a payment bond from the contractor equal to one hundred (100) percent of the contract price.
- D. The CPO can require performance bonds and payment bonds on any public works contract.
- E. The City of Hobbs may require a close out fee of no greater than five (5) percent be held from each partial payment to the contractor until the job is completed.
- F. Any vendor submitting a bid for a public works construction project more than five thousand dollars (\$5,000.00), shall submit a subcontractor list of who will perform work or labor or render service. The subcontractor's list shall give in detail the nature of the work which will be done by each subcontractor. Any bid submitted by any person which fails to comply with this policy will be considered a non-responsive bid and will not be accepted by the City of Hobbs (13-4-34 NMSA 1978).
- G. In order to submit a bid, proposal or to be considered for award of any portion of a public works project greater than sixty thousand dollars (\$60,000.00), the public works project is subject to the Public Works Minimum Wage Act. The contractor, serving as a prime contractor or not, shall be registered with the labor and industrial division of the labor department. The City shall not accept a bid on a public works

project subject to the Public Works Minimum Wage Act from a prime contractor that does not provide proof of required registration for itself.

- H. The City of Hobbs may procure multiple architectural or engineering services contracts for multiple projects under a single qualifications-based RFP; provided that the total amount of multiple contracts and all renewals for a single contractor does not exceed two million dollars (\$2,000,000.00) over four (4) years and that a single contract, including any renewals, does not exceed five hundred thousand dollars (\$500,000.00) (13-1-154.1 - A).

### **3.20.060 Miscellaneous expenditures.**

- A. Some miscellaneous expenditures do not lend themselves to classification as services or materials, and are not handled in the same way as most purchases.
- B. Travel expenditures, meal reimbursements, postage, dues/subscriptions and registration fees are several examples.
- C. Check requests can be utilized for these expenditures. It is encouraged to use purchase orders whenever necessary to assure budgeted funds are available.
- D. Documentation for the expenditure should be attached to the request, and submitted directly to the Finance Department for payment.

### **3.20.070 Fixed asset policy.**

- A. Capital outlay items are budgeted annually and approved by the City Commissioners.
- B. Purchases from funds budgeted as a capital outlay must have an Inventory Data Sheet attached when submitted to the Finance Department for payment.
- C. All capital expenditures are accounted for in a fixed asset inventory and not charged to an operating expense account.
- D. Generally, expenditures for items with an original cost of more than five thousand dollars (\$5,000.00), and an estimated life of more than one (1) year, are classified as fixed assets.
- E. Generally, expenditures of less than five thousand dollars (\$5,000.00) are charged to the current year's operating expenses.
- F. Repairs should be charged to an operating expense account.
- G. Purchases for shrubbery, trees, sod, fencing, carpeting, roofing, plumbing, etc. should not be considered fixed assets.
- H. Installation, engineering services, architectural services and repairs extending the life of the asset should be charged and budgeted directly to the fixed asset as to assure

proper value of the fixed asset. Note: When budgeting fixed assets, items F through H should be considered in the code series of the budgeting process. Operations should be budgeted in the 42000 object code series and capital should be budgeted in the 43000 or higher object code series.

- I. Disposition of any item requires prior approval from the Department Head (13-6-1 NMSA 1978), and completion of an inventory data sheet - transfers and deletions. Items are deemed to have a salvage value and are believed to be sold at a public auction must be specified on the inventory data sheet - transfers and deletions form. **Minimum bid amounts for auction items may be determined by the Department Head and Finance Director prior to auction and communicated in writing to the auctioneer.** The Finance Department is responsible for organizing the auction and will communicate when and where to transport the items before and after the auction. **For chain of custody control, the Department is required to obtain a signature, with time and date, from the auctioneer and City staff once the item has been delivered. Signature sheets will be forwarded to the Finance Department.**
- J. Each Department Head is responsible for maintaining an accurate inventory of all fixed assets assigned to their department.
- K. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency (NMAC 2.20.1.16.E)
- L. Annexing of property will be evaluated and added to the fixed asset inventory list at the end of every fiscal year (when applicable). The basis for valuation will be determined by reasonable methods determined by GAAP (Generally Accepted Accounting Principles).
- M. Donation of property will be evaluated and added to the fixed asset inventory list at the end of every fiscal year (when applicable). The basis for valuation will be determined by reasonable methods determined by GAAP (Generally Accepted Accounting Principles).
- N. Trade in of property – Where it is desired to trade-in or exchange used articles as part payment on the purchase price of new articles, the Finance Department shall, in requesting vendor offers, describe such used property, inform prospective vendor offerors where the used property can be examined, and notify prospective vendor offerors that the sale price of the new article and the allowance as credit for the trade-in or exchange shall be stated separately. The difference between the sale price of the new article and the trade-in allowance shall be deemed the offer of the seller. Note: If the trade-in item is on the physical certified asset list, all necessary approvals required by 13-6-1 NMSA 1978 must be processed first prior to the trade-in transaction.**
- O. Recycled materials (scrap material which retains a salvage value) will be sold through a competitive process determined by the Finance Director. Note: If the sale of recycled material/item is on the physical certified asset list, all necessary approvals required by 13-6-1 NMSA 1978 must be processed prior to the recycled material transaction.**

**3.20.075 Budgeting policy/procedures.**

A. In order to comply with Section 6-6-2 NMSA 1978, local governments have the following deadlines to adhere to:

June 1	Budget (preliminary) requests are due to New Mexico Local Government Division
	Budget (final) Final Day to submit budget adjustment resolutions for current fiscal year
July 31	Final budget requests for next fiscal year including the approving resolution due at New Mexico Local Government Division
	Fiscal year-end financial reports due at New Mexico Local Government Division

The New Mexico Local Government Division requires the City of Hobbs to establish and maintain a cash balance in the general fund equal to one-twelfth ( 1/12 ) of the budgeted expenditures at fiscal year-end (June 30).

The City of Hobbs will hold a minimum of one (1) budget public work session prior to the first Commission meeting in May.

A portion of the general fund cash balance can be reserved in a separate reserve fund by direct action of the City of Hobbs Commission. The action to set up a reserve must specify the purpose, the amount and the expected date for its use. Reserves which remain unused for a period of three (3) years will revert to the general fund.

**B. Budget Fund Establishment:**

1. General Fund. Accounts for all financial resources, except those required to be accounted for in another fund.
2. Special Revenue Fund. Accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.
3. Capital Projects Fund. Accounts for financial resources to be used for the acquisition or construction of major capital facilities.
4. Debt Service Fund. Accounts for the accumulation of resources for the payment of general obligation and long-term debt principal and interest.

5. Proprietary Fund. Accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
  6. Internal Service Fund. Accounts for the financing of goods or services provided by one (1) department or agency to other departments or agencies of the City of Hobbs on a cost-reimbursement basis.
  7. Fiduciary Fund (Trust and Agency). Accounts for assets held by the City of Hobbs in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds.
- C. Adjustments and Reclassifications.
1. Definitions.

"Budget adjustment" means any revenue or expenditure adjustment made after June 1, increasing or decreasing budgeted cash fund balance.

"Budget reclassification" means any revenue or expenditure reclassification made after June 1, having no effect on budgeted cash fund balance.
  2. Budget Fund Adjustments.
    - a. New Mexico Local Government Division approval is required to adjust the budget after the budget is adopted. The following list establishes the criteria:
      - i. Meeting date that the City Commission approved the adjustments.
      - ii. Fund or funds affected by the adjustments.
      - iii. Department affected by the adjustments.
      - iv. The dollar amount of the adjustment and the available resources to fund the adjustment.
      - v. A brief explanation stating why the adjustment is necessary.
    - b. The signature of the Mayor, Commission Chair or designate (Manager, Finance Officer, etc) with attestation by the Municipal Clerk must be provided.
    - c. Budget adjustments requiring Local Government Division approval include:
      - i. Any budget increases.
      - ii. Any transfer of budget between funds.
      - iii. Transfers of cash, both permanent and temporary, between funds.
      - iv. Any combination of the above.
    - d. All budget increases, transfers (permanent and temporary) must be approved by the New Mexico Local Government Division prior to making the actual increase or transfer.

- e. Budget increases or transfers from the general fund requiring the use of cash balances may not be approved if the result reduces estimated ending cash balance below LGD requirements.
- f. Quarterly budget review establishes the second Commission meeting at the end of each quarter. The quarterly review requires the City of Hobbs to examine fiscal performance and make budget adjustments, if needed. The examination should include a comparison of revenues and expenditures to date to the approved budget.

3. Budget Categories.

- a. The City of Hobbs establishes budget categories within the funds and Departments as the following:

Revenue—(Object code beginning with a 30)

Personnel and Benefits—(Object code beginning with a 41)

Operating—(Object code beginning with a 42)

Capital Assets (Tangible Equipment)—(Object code beginning with a 43)

Capital Projects—(Object code beginning with a 44, includes a project number)

Debt Service—(Object code beginning with a 46)

- b. All budget reclassifications must be approved by the City Manager or Finance Director. Any budget reclassifications must be between budget categories. (example: reclassifications from personnel to personnel, reclassifications from operating to operating, reclassifications from capital assets to capital assets.) The budgetary cash fiscal impact on reclassifications should be zero with ratification of those adjustments at the quarterly budget review Commission meeting.
- c. Any budget adjustment reducing the budgeted cash by sixty thousand dollars (\$60,000.00), Commission approval must be obtained prior to the adjustment being recorded.
- d. Budget adjustments that do not reduce budgeted cash balance by sixty thousand dollars (\$60,000.00), ratification of the adjustment at the quarterly budget review must be approved by the City Commission.
- e. End of the year fiscal year budget adjustments must be approved by the City Commission and submitted for approval to the Local Government Division by July 31.

D. Procedures for Submitting Fiscal Year Preliminary Budget.

- 1. Salary and Benefits.



- a. Finance Department will create the fiscal year budget file (in the MUNIS system) in the second week in December for the upcoming fiscal budget year.
  - b. Finance Department will create a point in time, personnel projection file, in the MUNIS system prior to January 31.
  - c. Any added departments must be approved by Finance Director prior to January 31.
  - d. Department Heads will submit to the Human Resource Department by January 31, any added positions or reclassifications of personnel for the upcoming fiscal year budget.
  - e. The Human Resource Department will update the personnel projection file with changes submitted by Department Heads by the second week in February.
  - f. Once the projection file is updated, the salary projection will be executed and posted no later than March 1. The final projection must be compiled in the budget book by FTE by department, with salary amounts and compared to prior year. (Note: State of NM Local Government Division requires FTE counts and salary amounts with an average increase or decrease from prior budget year)
  - g. Benefit projections will be determined by City management and updated in the salary/benefit projection prior to March 1.
2. Operating.
    - a. Finance Department will create the fiscal year budget file (in the MUNIS system) in the second week in December for the upcoming fiscal year budget year.
    - b. Departments must input detailed line item budgets (within the MUNIS system) no later than March 1. (Note: detail input is required with justifications.)
    - c. Any additions of departments or object codes must be approved by Finance Director prior to March 1.
3. Capital Assets and Capital Projects.
    - a. Finance Department will create the fiscal year budget file (in the MUNIS system) in the second week in December for the upcoming fiscal year budget year.
    - b. Departments adding new fiscal year budgeted projects must submit those projects to Finance no later than March 1. Any grant revenues associated with new projects also needs to be submitted to Finance. (Note: project numbers need to be added within the MUNIS system)
    - c. Departments must input detailed line item capital asset and capital project budgets no later than March 1. (Note: detail input is required with justifications.)

- d. Existing budgeted projects will be carried over into the next budget year. These existing budgeted should not be re-budgeted in the preliminary budget process unless an enhancement or addition needs to be made to the project after July 1.
4. Finance Department will project, an input revenues as it relates to the General Fund, Special Revenue Funds, Capital Asset Funds, Debt Service Funds, Enterprise Funds and Fiduciary/Trust Funds by March 1.
5. After March 1, the Finance Department will roll all components of the preliminary budget to the City Manager for review. The City Manager may establish departmental meetings during this review process.
6. Once City Manager review is complete, the Finance Department will compile preliminary fiscal year budget and create a projected budgeted cash fund balance report. The minimum general fund cash reserve as a percentage of general fund revenues shall be thirty (30) percent. (Note: City Commission reserves the right to set the reserve percent from fiscal year to fiscal year). The State of New Mexico Local Government Division requires one-twelfth (1/12) (8.33 percent) of general fund budgeted expenditures as the cash reserve.
7. The City of Hobbs preliminary budget will hold two (2) public meetings regarding the preliminary budget. The two (2) public meetings are as follows:
  - 1) Preliminary budget work session discussions; and
  - 2) Final adoption of fiscal year preliminary budget. The timeline for work session is the second Commission meeting in April and the first Commission meeting in May.
8. Once the preliminary budget is adopted, the budget will be cross walked to the required DFA forms and submitted prior to June 1.

### **3.20.080 Contract policy/procedures.**

- A. Contract Background. Typically, the City of Hobbs requires contracts for any labor/services over twenty thousand dollars (\$20,000.00). There are some cases that might require a contract under twenty thousand dollars (\$20,000.00) if the department and vendor need to detail out certain attributes that would otherwise not reflect on the purchase order (examples of these are timelines, quantity amounts, methods of payment, scope of work, expectations etc.) **Contracts under twenty thousand dollars (\$20,000) will be assigned a purchase order.** Contracts are not to be artificially divided to shift the classification of the purchase into an inappropriate expenditure category. In obtaining a contract the following procedures must be followed as to make your department and vendor, an enjoyable experience with the Finance Department.
- B. Procedure.

1. Determine if labor or services are over the twenty thousand dollar (\$20,000.00) threshold.
2. **Contracts under twenty thousand dollars (\$20,000.00 will be assigned a purchase order (authorized contract will serve as backup to the purchase order).** If over the twenty thousand dollar (\$20,000.00) threshold, three (3) written quotes (use quote/purchase request form) must be obtained. Any professional service between twenty thousand dollars (\$20,000.00) and ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, not related to public works projects, should obtain three (3) competitive written quotes with justification (when applicable) before the City Manager can approve the contract.
3. Obtain an electronic version contract on the City's Intranet page or contact Finance for a pro forma contract. (Note: the contract pro forma version has been vetted through the Finance Department and Legal Department. Any other contract form used will be subject to additional review by the Legal/Finance Department.)
4. Update the contract with the vendor, scope of service, amounts, quantity or any other language is deemed necessary for clarification.
5. Check budget for available funds and update contract with coding instructions.
6. Contract needs to be signed by the Department Head, Finance Director, **City Attorney, City Manager** and vendor before work is to begin. If a contract is obtained through a bidding process or RFP process then the Mayor must sign contract.
7. Once signatures are obtained, the contract must be forwarded to Purchasing (along with the three (3) written quotes) for encumbering into the MUNIS system. This assures that the City of Hobbs has the most current status of contractual liabilities owed to vendors.
8. Invoices associated with the contracts will be submitted to accounts payable and disseminated to the Department who issued the contract.
9. The Department Head will sign off on the invoice verifying the work was complete and satisfactory. The Department Head will then forward to accounts payable for payment. (Note: all invoices must be paid within fifteen (15) days of receipt of payment per ordinance.)
10. All contracts will be drafted for a one (1) year term with a three (3) year option to renew (when applicable). Before the contract year, a reminder notice will be sent by the Finance Department to the department who initiated the contract for review. The department will review and update any terms, scope of services, or any other terms set in the initial contract. Once reviewed, the department will sign the contract reminder notice along with the vendor. This constitutes exercising one (1) of the three (3) year options. Any significant changes to the initial contract will need to be reflected in an amendment to the initial contract, identifying any updates. The amended contract must be signed by all parties listed in the initial contract.

11. Employment Contracts vs. Contracts of Independent Contractors. All contracts will be subject to review by the City Manager, Human Resources Director and Finance Director as it relates to determining whether a contract is considered to be an employment contract or a contract with an independent contractor. (IRS rules apply) Employment contracts will be reviewed annually by the City Manager during his/her evaluation process for the employee. Contracts with an independent contractor will follow the review procedure mentioned in procedure 9 Section 3.20.080 of procedures for obtaining a contract.

### 3.20.085 Procedures for obtaining a purchase order.

- A. Purchase Order Background. The City of Hobbs requires a purchase order for any tangible property, labor, and services under twenty thousand dollars (\$20,000.00). A purchase order can also be obtained for any tangible property over twenty thousand dollars (\$20,000.00) and under ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, however, three (3) written quotes (use quote/purchase request form) must be obtained. (note: in obtaining three (3) quotes, the lowest quote does not have to be lowest, but a statement as to why lowest quote was not chosen) A purchase order can be obtained for tangible property or indefinite quantity amounts over ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, but a formal bid, sole source, emergency request, GSA, cooperative purchasing (see ordinance policy) or formal RFP process would have to occur first. Any purchase orders over twenty thousand dollars (\$20,000.00) needs to be created in the Finance Department - Purchasing. It is noted the City of Hobbs uses a purchase order system for two (2) reasons; 1) that authorization of public funds has occurred before the purchase, and 2) only authorized personnel from the City of Hobbs can spend public funds. The purchase order system also tracks by department, checks availability of funds and contractually encumbers public funds. The City of Hobbs uses an electronic report and planning system (MUNIS) to obtain a purchase order. The steps involved in the City of Hobbs electronic procurement process is first, creating a requisition, converting to a purchase order, receiving an invoice, department receiving the item indicating the product or service was adequate and then a check is processed. Purchase orders are not to be artificially divided to shift the classification of the purchase into an inappropriate expenditure category. (example: creating purchase orders to one (1) vendor, same budget line item, three (3) different times at ten thousand dollars (\$10,000.00) per PO making the total purchase to the vendor thirty thousand dollars (\$30,000.00). This purchase should have obtained three (3) written quotes since total purchase to one (1) vendor exceeded twenty thousand dollars (\$20,000.00). In the prior example, if total purchases exceeded ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**, then a formal bid or RFP process would need to followed) In obtaining a purchase order, the following procedures must be followed as to make your department and vendor, an enjoyable experience with the Finance Department.
- B. Procedure—Requisition to Purchase Order.

1. Complete a requisition entry in MUNIS. Please include a detailed description of the item or items purchased in the line detail field.
  2. All requisitions must have documentation (such as a quote, **contract under \$20,000.00** or an estimate) attached to justify the price, timeline, and/or quantity needed.
  3. Release the requisition in MUNIS so that it can be processed through the workflow in MUNIS.
  4. Once all approvals have been made, the requisition will be converted into a purchase order.
  5. The originator will receive two (2) copies of the purchase order by email - the department copy and the vendor copy. Please provide your vendor with the vendor copy of the purchase order.
- C. Procedure—Receiving on a Purchase Order.
1. Per the purchase order, the invoice should be received by the Finance Department.
  2. Finance will email a copy of the invoice to the department for authorization to pay.
  3. Please receive using the MUNIS receiving module any items on the invoice you have physically received.
    - a. Please contact Finance as soon as possible if you have received an invoice from us and you do not have your merchandise.
    - b. Receiving documentation should be scanned and attached (when applicable) within the receiving module to verify that all merchandise shipped was properly vetted. Examples are to verify that no prepayments exist between the vendor and the City of Hobbs, quantities are correct, and no damage of goods occurred.
  4. If you have more than one (1) line item on your purchase order, please **ensure be sure** that you are receiving on the correct line item.
  5. Please do not put a quantity in your receiving record - only a cost.
  6. Please utilize the comments section to communicate any necessary information regarding your invoice.
    - a. This is especially useful if you have multiple invoices paying against the same line on your PO. Please provide the invoice number in the comments section for multiple invoices.
  7. Please receive one (1) invoice at a time in the receiving record.
- D. Checks are Written Once Per Week. (Thursday afternoon). All purchase orders, invoices and receiving must be done by 5:00 p.m. Tuesday for payment to the vendor on Thursday of that week. (note: during holidays, the check run may be changed.)

### 3.20.090 Procedures for obtaining a request for proposal (RFP).

- A. RFP (Request for Proposals) Background. Request for proposals follow the same procedure noted in the State of New Mexico Procurement Code. RFP's are done when other factors need to be considered for tangible property, capital projects, professional services and other services. This section of RFP does not fully encompass the process when public works projects are being considered for an RFP. This section details out the basic process, thru RFP, in procuring services exceeding ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**.
- B. Procedure for Creating an RFP.
1. Obtain pro forma RFP form on the City's intranet page or request from purchasing an electronic copy of the pro forma request for proposal.
  2. Once the department has a working template of the RFP, the following items need to be either updated or changed:
    - a. The proposal number (obtain thru purchasing).
    - b. The specific timeline from publishing to opening of the RFP. The date, time and place of opening (minimum time from publication to opening is ten (10) business days). Also, note that all RFP's need to be evaluated and submitted to the City Commission for approval.
    - c. A detail description of the scope of service needing to be performed.
    - d. Evaluation criteria ranked on a grading scale or point scale. (examples: cost forty (40) percent- timeline twenty (20) percent - personnel experience on similar services twenty (20) percent - responsiveness to RFP ten (10) percent).
    - e. RFPs not related to public works projects shall have a minimum cost factor of twenty (20) percent.
    - f. Resident preference of five (5) percent and veteran's preference of ten (10) percent need to be included as an evaluation criteria factor.
    - g. A cost sheet needs to be included in the RFP if cost is an evaluation factor.
    - h. A campaign contribution form needs to be included in the RFP.
    - i. All proposers shall be required to sign an affidavit attesting that collusion has not occurred.
    - j. All proposers shall be required to sign a Related Party Form, disclosing any financial interest the proposer may have with the City of Hobbs.
    - k. All proposers shall be required to sign a Debarment Certificate disclosing any debarment from the State of New Mexico, Federal Government and or the City of Hobbs.
  3. The department will submit a proposer list to purchasing for filing and submission of RFP to prospective proposers.

4. Once the department has updated and completed the RFP, the department will submit to Purchasing for review. Purchasing will then make any suggestions or corrections before a check route is established. (a check route is a sign off sheet in order for complete compliance review). Purchasing creates a check route, with authorized signatures, in the following order:
    - a. Author of the RFP.
    - b. Department Head.
    - c. Purchasing.
    - d. Finance Director.
    - e. Legal.
    - f. City Manager.
  5. The check route needs to contain the budgeted funds available and the account number the RFP is budgeted in.
  6. When the check route is complete, the City Manager shall sign the notice to publish. The RFP publication will also be submitted to IT for publication on the City of Hobbs website.
  7. Any addendums to the RFP must be submitted twenty-four (24) hours in advance.
- C. Procedure for Evaluating an RFP. Specific guidelines in evaluating an RFP are detailed in the State of NM Procurement Code. The following procedures establish a benchmark for departments in completing the RFP process:
1. Finance Department will receive all RFP's and time/date stamp.
  2. Finance Department will compile an evaluation form specific to the criteria established in the formal RFP.
  3. The department will establish an evaluation committee with a minimum of three (3) evaluators. At least one (1) member needs to be independent of the RFP origination department. (refer to NM State Procurement Code for specific procedures)
  4. The evaluation team will score the RFP and submit scoring sheets to the Finance Department. An average score sheet will be calculated and submitted to the Finance Department as well. Any possible proposers deemed non-responsive must be vetted through the Finance Department and Legal Department.
  5. The RFP origination department will create a staff summary and start negotiations of a contract agreement (see contract procedure). If contract negotiations fail with the highest rated proposer, the department will begin negotiations with the second highest proposer. (see detailed RFP negotiations in NM State Procurement Code) The staff summary, average scoring sheet and contract (when necessary) will be submitted to the City Commission for approval.
  6. Upon City Commission approval, purchasing will submit an award letter to the highest rated proposer and notify (in writing) the non-successful proposers.

7. Once all contract documents are signed, the department will submit to purchasing a copy of the contract and enter the document into the MUNIS system. All contracts that are processed through the RFP process must be signed by the Mayor.

### **3.20.095 Bid policy/procedures.**

- A. Bid Background. Bids follow the same procedure noted in the State of New Mexico Procurement Code. Bids are done when only costs need to be considered for tangible property, capital projects, and other services deemed necessary for the City of Hobbs. This section of bidding does not fully encompass the process when public works projects are being considered for a bid. It is also noted that a construction manager assigned to assist the City of Hobbs, thru a prior RFP, can process bids, evaluate and make recommendations to the City of Hobbs Commission or designee. This section details out the basic process, thru bidding, in procuring tangible property, capital projects and other services exceeding sixty thousand dollars (~~\$60,000.00~~) **seventy five thousand dollars (\$75,000.00)**.
- B. Procedure for Creating a Bid.
  1. Obtain pro forma bid form on the City's intranet page or request from purchasing an electronic copy of the pro forma bid document.
  2. Once the department has a working template of the bid document, the following items need to be either updated or changed:
    - a. The bid number (obtain thru purchasing).
    - b. The specific timeline from publishing to opening of the bid. The date, time and place of opening (minimum time from publication to opening is ten (10) business days). Also, note that all bids need to be evaluated and submitted to the City Commission for approval.
    - c. A detail description of the tangible property, capital project or other service.
    - d. Resident preference of five (5) percent and veteran's preference of ten (10) percent need to be included as a cost factor.
    - e. A cost sheet needs to be included in the bid document.
    - f. A campaign contribution form needs to be included in the bid document.
    - g. All bidders shall be required to sign an affidavit attesting that collusion has not occurred.
    - h. All bidders shall be required to sign a Related Party Form, disclosing any financial interest the bidder may have with the City of Hobbs.
    - i. All bidders shall be required to sign a Debarment Certificate disclosing any debarment from the State of New Mexico, Federal Government and or the City of Hobbs.
  3. The department will submit a bidders list to purchasing for filing and submission of bid to prospective bidders.



4. Once the department has updated and completed the bid document, the department will submit to Purchasing for review. Purchasing will then make any suggestions or corrections before a check route is established. A check route is a sign off sheet in order for complete compliance review). Purchasing creates a check route, with authorized signatures, in the following order:
    - a. Author of the bid document.
    - b. Department Head.
    - c. Purchasing.
    - d. Finance Director.
    - e. Legal.
    - f. City Manager.
    - g. The check route needs to contain the budgeted funds available and the account number the bid is budgeted in.
    - h. When the check route is complete, the City Manager shall sign the notice to publish. The bid document will also be submitted to IT for publication on the City of Hobbs website.
    - i. Any addendums to the bid document must be done twenty-four (24) hours in advance.
- C. Procedure for Evaluating a Bid. Specific guidelines in evaluating a bid are detailed in the State of NM Procurement Code. It is also noted that if the City of Hobbs is contracting with a construction manager then the following process does not apply. The following procedures establish a benchmark for departments in completing the bid process (without a construction manager):
1. Finance Department will receive all bids and time/date stamp.
  2. Finance Department will compile an evaluation form specific to the cost established in the formal bid process.
  3. All bids will be publicly opened and read out loud.
  4. The bid will be summarized and checked for completeness. Any possible bidders deemed non-responsive must be vetted through the Finance Department and Legal Department.
  5. The bid origination department will create a staff summary and create a contract agreement (see contract procedure). The staff summary, bidding sheet and contract (when necessary) will be submitted to the City Commission for approval.
  6. Upon City Commission approval, purchasing will submit an award letter to the apparent low bidder and notify (in writing) the non-successful bidders.
  7. Once all contract documents are signed, the department will submit to purchasing a copy of the contract and enter the document into the MUNIS system. All contracts that are processed through the bidding process must be signed by the Mayor.

### 3.20.100 Related party expenditures procedures.

Pursuant to the NM Governmental Conduct Act, the following procedures shall be followed by any employee/elected official conducting business with the City of Hobbs:

1. All employees and elected officials shall be required to submit a Financial Disclosure Form to the Finance Department annually.
2. All signed disclosure forms by employees/elected officials shall be filed in their personnel file.
3. Any possible conflict of interests with employees/elected officials may be reviewed by the Finance Director, City Attorney and City Manager.
4. If a conflict of interest arises with an employee/elected official, any future goods or services provided by the related party shall be subject to a competitive process and disclosed at a future City Commission meeting.
  - a. A competitive process is defined as written quotes with a minimum of three (3) vendors. The dollar amount threshold for the written quotes is one thousand dollars (\$1,000.00) to ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)**. The recommended vendor, if an employee or elected official, shall require disclosure at a City Commission meeting.
  - b. Formal bid or RFP above ~~sixty thousand dollars (\$60,000.00)~~ **seventy five thousand dollars (\$75,000.00)** shall require a formal competitive process of sealed bids/proposals with a disclosure of conflict of interest from the vendor. All formal bids or RFPs shall be disclosed at a City Commission meeting.
5. Any change in financial interest during the calendar year, the employee/elected official shall disclose the change to the Finance Department in writing.
6. All new employees/elected officials shall submit a Financial Disclosure Form upon hire or start of election term.

### 3.20.105 Inventory management policy.

- A. Objective. The policy aims to achieve the following objectives which are to:
  1. Provide guidelines that employees of the City of Hobbs must follow in the management and control of inventory, including safeguarding and disposal of inventory.
  2. Procure inventory in line with the established City of Hobbs Procurement Ordinance.
  3. Eliminate any potential misuse of inventory and possible theft.
- B. Definitions. [The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

"Cost" shall comprise costs of purchase, costs conversion, shipping and other costs incurred in bringing the inventories to their present location and condition.

"Inventories" are assets:

1. In the form of material or supplies to be consumed or distributed in the rendering of services.
2. Held for sale or distribution in the ordinary course of operations.

"Warehouse manager" means the official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory.

"Obsolete inventory" means items that have expired, are redundant or damaged.

"Reorder level" means the level of inventory at which inventory is reordered.

"Net realizable" means the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.

"Purchase requisition" means an electronic request that performs a budget check and detailing inventory items as to description, quantity, cost, and shipping.

"Purchase order" means an electronic authorized contract which is converted from a purchase requisition, detailing inventory items as to description, quantity, cost and shipping.

"Receiving" means ordered inventory items from an authorized purchase order are received by the warehouse manager, against the purchase order by line item.

"Invoice" means vendor billing document that matches authorized purchase order.

C. Scope. This policy applies to City of Hobbs inventory received by the warehouse manager and when applicable, the golf course manager.

D. Inventory Procedures. The procedures for inventory must be followed to ensure that:

1. Inventory is safeguarded at all times.
2. There are accurate records of quantities on hand at all times.
3. Optimum inventory levels are maintained to meet the needs of users.
4. Only authorized issues of inventory are made to users.
5. Items placed in warehouse are secured and only used for the purpose for which they were purchased.

E. Ordering of Inventory.

1. Each department must set its own inventory reorder levels for all items in consultation with the Utilities Director or Golf Pro Shop Manager, the inventory levels must indicate the minimum and maximum inventory that can be maintained.

2. Due diligence and care shall be exercised in identifying low value and high value items of inventory.
3. Minimum inventory level of high value items shall be ordered, any maximum order shall be based on specific requirement/need in order to avoid large amount of cash tied up on inventory.
4. The purchase requisition will be requested by the warehouse manager/golf course manager detailing out description, items, cost, shipping and other costs and submitted through the MUNIS system or equivalent.
5. The purchase requisition will be converted to an authorized purchase order by the Finance Department and forwarded to the warehouse/golf pro shop for the receiving warehouse manager/golf pro manager to match the goods received against the order once goods are delivered.
6. Purchase orders must thereafter be filed in date sequence.
7. This file must form the basis for follow up of orders and for matching goods that are delivered to the warehouse department/golf course pro shop.
8. The orders file should be reviewed weekly by the warehouse manager/golf course manager and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.

F. Receipt of Inventory.

1. The quantity and quality of the inventory received from suppliers must be according to specifications and information on the purchase order.
2. The warehouse manager/golf course manager must compare the delivery receiving document to the purchase order before accepting the goods.
3. The invoice or delivery receiving document must match the supplier name and order number.
4. The warehouse manager/golf course manager must create an electronic receiving input into the MUNIS system or equivalent to record all the inventory items delivered in good condition.
5. The warehouse manager/golf course manager must ensure that:
  - a. All receiving documents or invoices are signed by him/her and the driver.
  - b. All incorrect delivery items are rejected and clearly identified on both copies of the delivery receiving document and or invoice.
  - c. The supplier signs all amendments.
6. The inventory received must then be transferred to the secured warehouse/golf course pro shop by the warehouse/golf pro shop designated staff, and the goods received are numbered and quantities captured on the bin by the warehouse manager (when applicable by the golf course manager).
7. The inventories must be stored in their respective sections once they have been received.

8. The inventory record/database system must be updated on the day the goods are received by the warehouse manager/golf course manager.

G. Storage of Inventory:

1. Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured.
2. The area must be used exclusively for the storage of inventory, with limited authorized access only.
3. Inventory must be positioned to facilitate efficient handling and checking.
4. All items must be stored separately, with proper segregation.
5. Inventory must be clearly labeled for easy identification. Inventory tag/bin labels may be used to identify each item and to aid in the physical verification of the items.
6. Where possible, all items of the same typed and reference must be stored together as per the description on the inventory records.
7. Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.
8. Steps must be taken to ensure safe custody of items, including precautions against loss or theft.
9. The warehouse manager is responsible for the custody and care of inventory and must ensure that in his/her absence, such items, where applicable, are securely stored.
10. No unauthorized persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the warehouse manager or designee.

H. Issuing of Inventory:

1. Only the warehouse manager is authorized to issue inventory from the warehouse.
2. Inventory must only be issued in terms of the approved "pick ticket" form generated by the City of Hobbs MUNIS system.
3. The warehouse manager must update quantities in the MUNIS database any inventory items issued from the "pick ticket".
4. Inventories must be issued and used for official purposes only.

I. Obsolete Inventory:

1. The preparatory work for the disposal of obsolete inventory must be undertaken by the warehouse manager and verified by the Utilities Director/Parks Director.
2. The Finance Officer must approve the disposal of obsolete inventory.
3. The final approval of write-off of obsolete inventory would be executed by resolution with approval of the Hobbs City Commission.

4. The obsolete inventory must satisfy that:
  - a. The inventory has expired and is redundant.
  - b. The inventory is of a specialized nature and has become outdated due to the introduction of upgraded and more effective products.
  - c. The inventory cannot be used for the purpose for which it was originally intended.

J. Inventory Count:

1. Items may be subject to an inventory spot count on a monthly basis.
2. Inventory counts may be carried out on a four (4) monthly basis with a full inventory count at the end of each fiscal year.
3. All approved City of Hobbs procedures and processes must be complied with during the inventory count.
4. The warehouse manager/golf course manager must document and report to the Utilities Director, Parks Director and Finance Director, any discrepancies between the inventory records database and the physical inventory.
5. Once reported to the Utilities Director/Parks Director and Finance Director, the amount will be forwarded to City Commission by resolution for write-off of any inventory losses or write ups of surpluses.
6. The appropriate disciplinary action must be instituted when applicable.
7. The inventory record database must be updated accordingly.

K. Inventory Records. An inventory record database must be maintained for all inventory items, electronically. All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:

1. Order number/date.
2. Item description.
3. Quantity and value of stock on hand.
4. Quantity and value of stock received.
5. Quantity and value of stock issued.
6. Reorder level.
7. Optimum inventory level.
8. Quantity and value of obsolete stock.
9. Opening and closing balance.

An inventory database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

L. Reporting.

1. A report must be submitted at each stock count to the Finance Department, Parks Director and Utilities Director detailing the following:
  - a. Any inventory shortages or surpluses and the reasons for such.
  - b. Any inventory deficits proposed to be written-off.
  - c. Any obsolete inventory items.
2. Inventories purchased during the fiscal year must be disclosed at cost.
3. All fiscal year reports must be submitted to the Finance Department which will be forwarded to the City of Hobbs external auditors.

PASSED, ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2020, to become effective May 1, 2020.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

SUBJECT: RESOLUTION TO SUPPORT A PROPOSED ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF THE FOUR SEASON APARTMENTS AMOUNT NOT IN EXCESS OF \$9,750,000.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: February 24, 2020
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: A request has been submitted to the City of Hobbs by representatives of Huntly Witmer Development LLC, a California Limited Liability Company, for the City to Issue Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Four Seasons Apartments.

Project revenue bonds are a finance tool whereby the project receives funds upfront based on the issuance and sale of the bonds and the projects future revenue stream is pledged for the repayment of the bonds. The Municipality in this instance acts as a conduit between the project and the bond market. Issuance of these types of bonds does not affect the Municipalities bonding capacity, because the income securitizing the bonds are and will be outside the control of the Municipality. All costs associated with this issuance will be paid by the bond proceeds recipient, including fees charged by the Municipalities Bond Counsel. Additionally, the Developer is not asking the Municipality for financial participation with this project, and the project will not be competing with NMMFA's 9% LIHTC project funds.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Multifamily Housing Bonds will be exempt from property taxes over the life of the revenue bonds. In lieu of the property tax abatement, the Huntly Witmer Development, LLC has stated that the proposed issuance will be an upfront cash payment fee to the City upon acquisition of the property.

Attachments: Request and Resolution.

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Staff recommends consideration of approval of the Resolution supporting the proposed issuance of Multifamily Housing Revenue Bonds.

Approved For Submittal By:

[Signature] Department Director
[Signature] City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_ Continued To: \_\_\_\_\_
Ordinance No. \_\_\_\_\_ Referred To: \_\_\_\_\_
Approved \_\_\_\_\_ Denied \_\_\_\_\_
Other \_\_\_\_\_ File No. \_\_\_\_\_



CITY OF HOBBS

RESOLUTION NO. 6916

**RESOLUTION TO SUPPORT A PROPOSED ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF THE FOUR SEASON APARTMENTS AMOUNT NOT IN EXCESS OF \$9,750,000.**

WHEREAS, Huntly Witmer Development LLC, has proposed that the City of Hobbs issue Multi-family Housing Bonds for the acquisition and rehabilitation of Four Season Apartments located at 2405 N. Jefferson; and

WHEREAS, a proposed letter of support is attached to this resolution, along with the local support request to the City from Huntly Witmer Development, LLC.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Letter of Support for the proposed issuance of Multi-Family Housing Bonds, and the Mayor is hereby authorized to sign the letter, a copy of which is attached hereto as Exhibit "A" and made a part of this Resolution.

PASSED, ADOPTED AND APPROVED this 2<sup>nd</sup> day of March, 2020.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk



HWDEVELOPMENT

## FOUR SEASONS APARTMENTS

HW Development is submitting a request that the City of Hobbs act as issuer for multifamily housing revenue bonds for the acquisition and rehabilitation of Four Seasons Apartments at 2405 N. Jefferson Street in Hobbs. HW Development would finance the acquisition and rehabilitation using low-income housing tax credits from New Mexico Mortgage Finance Authority along with the tax-exempt bonds issued by the City.

### Project Details

Four Seasons Apartments is located at 2405 N. Jefferson Street. Constructed in 1977, Four Seasons has 80 units in five residential buildings on a 5.88 acre site. There is a separate building for manager's office and laundry facilities. The property condition is poor and its systems are beginning to deteriorate. There has been little improvement done to the property and years of deferred maintenance is negatively impacting the property.

### Unit Mix

Unit Type	Number of Units	Square Footage
One-Bedroom	20	626
Two-Bedroom	20	829
Three-Bedroom	40	1,050
	<b>TOTAL</b>	72,500

### Schedule

- Partnership Closing: May 2020
- Construction Period: 10 months;
- Conversion to Permanent Financing: Summer 2021.

### City Issuance & Impacts

By the City as issuer, the development team would be able to leverage the savings from the City acting as issuer and increase the scope of its rehab with much needed improvements to the Four Seasons property. The development team would be able to address more needs on the project and have a greater impact on the overall improvements. The project would also create investment in the City through hiring for construction jobs and use of supplier. The total development costs are

expected to be \$11,800,000 with \$9,750,000 in tax-exempt bonds. The construction costs are expected to be between \$4,500,000 and \$5,000,000, which will involve local suppliers, vendors, contractors, and other services. Direct and indirect construction jobs will be created.

The rehab of Four Seasons Apartments would provide long term affordability and high, quality affordable housing options for decades to come in the City. The development team would bring add professional property management to the project with strong enforcement of house rules and leases. Security features and cameras would be added to ensure tenant responsibility and minimize criminal activity at the property.

### No City Liability

There would be no liability or recourse for the City as issuer. The City would have no obligation to pay debt or interest on the bonds, nor would it be associated as debt obligation to the City. The development team is not asking for direct contribution from the City for Four Seasons.

### PILOT

As the financing structure will create a tax abatement, the project will be a fee to the City as a payment in lieu of taxes. The payment in lieu of taxes axes will be a cash payment paid upon acquisition of the property directly to the City.

### Affordability Mix

The project will have all units at 60% and 50% AMI. The projected income mix is as follows:

Units at 60% AMI		Units at 50% AMI	
One-Bedroom	16	One-Bedroom	4
Two-Bedroom	16	Two-Bedroom	4
Three-Bedroom	32	Three-Bedroom	8
<b>TOTAL</b>	<b>64</b>	<b>TOTAL</b>	<b>16</b>

### Scope of Work for Rehab

Four Seasons will undergo an extensive renovation that will address its critical needs and bring the buildings up to community standards and ensure its useful life for decades to come. Four Seasons was built in 1977 and the years of wear and tear are evident throughout, as evidenced by the tired exterior condition, the use of old and obsolete equipment, and deferred maintenance within unit interiors. The focus of the rehab will be to improve the look and feel of the existing buildings, upgrade building systems and to update the condition of the Project, while providing decent, safe, and sanitary housing for tenants. During the rehab, there will be limited to no relocation of tenants. Most of the work will be tenant-in-place.

- **Exterior Improvements:** parking lot repair, upgrading interior site walks to meet accessibility requirements, installing drought tolerant landscaping, constructing new trash enclosures, installing new signage, monument sign,
- **Common Area & Security:** office and laundry facilities will be modified to ensure accessibility compliance. New site lighting will be installed to increase security throughout the property. cameras will be added throughout the property;
- **Roofs and Structural Repairs:** new roofs will be installed on all buildings, stairs will be repaired or replaced, and hand railings will be replaced to meet code requirements. Site drainage will be corrected. Decks and breezeway will be repaired to ensure structural integrity.
- **Units & Building Systems:** units will get all new doors and windows; and new water heaters will be installed. New sinks and toilets will be installed and will be low-flow models. Combination smoke/CO2 detectors will be installed in units as well. Countertops, cabinets and vanities in kitchens and bathrooms will be replaced. Appliances will be also replaced with Energy Star models. Interior plumbing will be upgraded. The HVAC systems will be replaced with high-energy efficient models
- **Accessibility Upgrades:** to meet accessibility guidelines, the rehab project will also modify four units to comply to meet ADA tenant accommodations. There will also be conversion of units to meet the needs of residents with hearing and vision disabilities.
- **Amenities:** the project will add play area for children of all ages, bike parking, picnic and bbq equipment,

### **Financing Structure:**

The project will be funded by 4% tax credits and tax-exempt bonds issued by the New Mexico Mortgage Finance Authority (MFA) and the State Board of Finance. The 4% tax credits are non-competitive. The acquisition of Four Seasons will be funded by the partnership closing late this year.

### **Lender/Investor**

The project's proposed lender and investor is expected to be Regions Bank, a publicly traded bank with approximately 1,500 branches in 16 states. Regions Bank will conduct regular site visits and inspections and oversight and continuous to ensure that property is operated at high standards.

### **Development Team & Experience**

HW Development is committed to be a long term owner and part of the community. It will own the property for a minimum of 15 years. It will hire quality third party management to oversee the property and strictly enforce house rules at the property.

The project team has experience in Hobbs and owns. The project was acquired in September 2015.



CITY OF HOBBS  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 2, 2020

**SUBJECT:** AWARD PROPOSAL No 515-20 FOR HVAC REPAIRS/REPLACEMENT FOR THE CITY OF HOBBS  
**DEPT. OF ORIGIN:** General Services Dept.  
**DATE SUBMITTED:** 2-25-20  
**SUBMITTED BY:** Shelia Baker

**Summary:**

Proposal were due by 5:00 PM on Tuesday, February 6, 2020 for HVAC Repairs/Replacement. There are approximately 25 City Buildings which may require services. The service includes repair and/or replacement of standard freon and/or liquid cooled HVAC systems to include duct work and appropriate HVAC plumbing.

An advertisement was placed in the local newspaper. Two proposals were submitted and evaluated based on specified criteria. It is the desire of the evaluation committee to multi-award the contract to both ABSW and A.G. Custom Sheet Metal, Inc. When a HVAC project is identified, a work order will be created and provided to the Contractor. The Contractor will provide a time schedule and cost estimate, utilizing the contract rates.

**Fiscal Impact:**

Reviewed By: 

Finance Department

Amount Budgeted: \$60,379.68  
Budgeted Line Item: 010421-44901-00285

**Attachments:** Bid Summary Sheet and Total Score Sheet

**Legal Review:**

Approved As To Form: 

City Attorney

**Recommendation:** Staff recommends awarding proposal to ABSW and A.G. Custom Sheet Metal

Approved For Submittal By:

  
Department Director

  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied: \_\_\_\_\_  
File No. \_\_\_\_\_

## Bid Summary

BID/PROPOSAL NO. 515-20

FURNISH HVAC Repairs/Replacement

Bidder	ABSLO	AG Custom		
NM Contractors License No.				
Bid Bond				
Addendum(s)	—	—		
Bid Form	✓	✓		
List of Subcontractors	—	—		
Resident Bidders Pref No.	✓	✓		
Veterans Preference	✓	✓		
Campaign Cont. Dis. Form	✓	✓		
Non-Collusion Affidavit	✓	✓		
Related Party Disclosure Form	✓	✓		
Non-Debarment Cert				
Alternate 1				
Alternate 2				
Alternate 3				
Alternate 4				
TOTAL				

HVAC Tech \$300 <sup>00</sup> /hr	950 <sup>00</sup> /hr
HVAC Asst 130 <sup>00</sup> /hr	65 <sup>00</sup> /hr
Crane 265 <sup>00</sup> /hr 2 hr min	300 <sup>00</sup> /hr
manlift —	\$150/hr

**RFP No. 515-20 TOTAL SCORE SHEET**

**HVAC REPAIRS/REPLACEMENT FOR THE CITY OF HOBBS**

	<b>MAX PNTS</b>	<b>ABSW</b>	<b>A.G. CUSTOM SHEET METAL INC</b>
1. HOURLY COST	<b>50</b>	45	33
2. REFERENCE CHECK OF PAST/PRESENT CUSTOMERS THIS WILL BE EVALUATED FOR QUALITY OF WORK AS REPORTED BY REFERENCES	<b>25</b>	25	10
3. A MINIMUM OF 2 YEARS OF EXPERIENCE IN SIMILAR HVAC SERVICES.	<b>25</b>	25	24
4. RESIDENT BIDDER/PREFERENCE OR VETERANS PREFERENCE	<b>10</b>	0	0
<b><u>TOTAL</u></b>	<b>110</b>	<b>95</b>	<b>67</b>