

CIBOLA COUNTY BOARD OF COMMISSIONERS

T. Walter Jaramillo
Chairman

Robert Armijo
1st Vice Chairman

Jack Moleres
2nd Vice Chairman

Patrick Simpson
Commissioner

Lloyd F. Felipe
Commissioner

**Regular Meeting
Wednesday, July 27, 2016
5:00 p.m.
Cibola County Convention Room**

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Prayer**
- 5. Approval of Agenda**
- 6. Approval of Minutes:**
 - a. June 22, 2016 Regular Commission Meeting
 - b. July 13, 2016 Workshop
- 7. Reports**
 - a. Monthly Sheriff's Department Activity Report
 - b. Monthly Detention Report
 - a) PREA
 - c. Monthly Road Department Report
 - d. County Complex Remodel Expense Report
- 8. Public Comment**

The Public has the opportunity to provide comment at this time regarding any agenda item only. Your Comments will be limited to three minutes unless the Board of County Commissioners requests more information. The time limit is given in an effort to allow public input but also to move the agenda forward in a prompt yet efficient manner.
- 9. Public Hearing for Comment on:**
 - a. Waste Littering and Refuse Ordinance
 - b. Abatement of Dangerous or Abandoned Buildings, Structures, Mobile or Manufactured Housing, Wreckage and Debris Ordinance
 - c. Countywide Emergency Communications and Emergency Medical and Behavioral Health Services Tax Ordinance
 - d. Public Nuisance Ordinance of Cibola County
- 10. Presentations**
 - a. Employee of the Month
- 11. Unfinished Business – Action May Be Taken**
 - a. Consideration of Road Name Change from Garcia Blvd to Bajar
 - b. Consideration of Resolution 16-29, Budget Adjustments

12. New Business-Action May Be Taken

- a. Consideration of Appointment of State Representative for District 69 per NMSA 1978, Section 2-7c-5 (1991)
- b. Consideration of Resolution 16-31, Local Road Fund Project SP-6-17(171)
- c. Consideration of Resolution 16-32, Local Road Fund Project SB-7731(181)
- d. Consideration of Resolution 16-33, Local Road Fund Project CAP-6-17(178)
- e. Consideration of Resolution 16-34, 4th Quarter Report to DFA
- f. Consideration of Resolution 16-35, Final Budget
- g. Consideration of Resolution 16-36, Adopting an Infrastructure Capital Improvements Plan (ICIP)
- h. Consideration of Resolution 16-37, Fixed Asset Accounting and Management Procedures
- i. Consideration of Resolution 16-38, Execution of Contracts; Grant Agreements; Memoranda of Understanding; Joint Powers Agreements; Settlement Agreements; Purchases
- j. Consideration of Resolution 16-39, Amateur Radio Emergency Communications Team (ARES)
- k. Consideration of Copiers for Cibola County
- l. Consideration of Memorandum of Agreement between the Detention Center and Kirkland Air Force Base
- m. General Election Canvassing Process (Discussion Only)
- n. Consideration of EMT Mechelle Cody's request to attend Kidz in Motion Conference in Orlando, Florida
- o. Consideration of Policy and Procedures Administrative Section for Volunteer Fire Department
- p. Consideration of Contract
 - a) Medical Direction - Vikram Allad
 - b) DWI Assessments - Sindy Sacoman
 - c) DWI Counseling - Valle Del Sol of Arizona
 - d) Mt Taylor Ambulance
 - e) New Mexico State Library Service
 - f) Audit Services - Harshwal & Company LLC
 - g) Legal Language Services
 - h) Council of Governments
 - i) REDW
- q. Consideration of Approval of Waste Littering and Refuse Ordinance
- r. Consideration of Approval of Publish Abatement of Dangerous or Abandoned Buildings, Structures, Mobile or Manufactured Housing, Wreckage and Debris Ordinance
- s. Consideration of Approval of Countywide Emergency Communications and Emergency Medical and Behavioral Health Services Tax Ordinance
- t. Consideration of Approval of Public Nuisance Ordinance of Cibola County

13. Manager's Report

14. Comments

- a. Staff
- b. Commissioners

15. Executive Closed Session

Pursuant to Section 10-15-1 (H) (2) (5) (7) & (8) the following matter may be discussed in closed session:

- a) personnel/threatened litigation: Tony Boyd, Rheganne Vaughn, Douglas Edminsten, Susan Garcia, Corinne Murphy, BOCC v. USFS (Travel Management)
- c) real property: proceedings: Land East of La Mesa Mall

- Motion and roll call vote to go into Executive Session for the state reasons
- Board meets in closed session
- Motion and vote to go back into regular session
- Summary of items discussed in closed session
- Motion and roll call vote that matters discussed in closed session were limited to those specified in Motion. For closure and that no final action was taken, pursuant to the authority in § 10-15-1 NMSA 1978

16. Action Items

- a. Consideration of Travel Management Appeal MOU

17. Announcements

The next Regular Commission Meeting will be held on Wednesday, August 24, 2016 at 5:00 p.m. immediately following the Board of Finance Meeting in the County Convention Room.

18. Adjournment

Cibola County Commission
Regular Meeting
Wednesday June 22nd, 2016

The Cibola County Commission held a Regular Meeting on Wednesday June 22nd, 2016 at 5:30 pm in the Cibola County Commission Center

Elected Officials Present Staff

T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice Chairman
Jack Moleres, 2nd Vice Chairman
Patrick Simpson, Commissioner

Tony Boyd, County Manager
Joseph Sanders, Financial Analyst
Frances Medina, Purchasing Agent
Natalie Grine, Recording/Filing Clerk
Doreen Esparza, Recording /Filing Clerk

1. Public Hearing for Comment on

a. Personnel Policy Ordinance

This item will be postponed till next Commission Meeting.

b. Off Road Vehicle Ordinance

Rony Pynes stated to the commissioners that he is in support of Off Highway Vehicle Ordinance, he mentioned that it would be good for tourism in our county.

Councilor Charles Dicken from the City of Grants mentioned to the Commissioners that the City passed their Off Road Ordinance as well, he encouraged the commissioners to do the same, and he also mentioned it would be good for tourism.

Sherriff Tony Mace stated he was also in favor of Off Road Vehicle Ordinance.

c. Prohibiting Illegal Tire Dumpsites, the Importation of Scrap Tires into Cibola County and Providing for the Abatement of Illegal Tire Dumpsites Ordinance.

Several concerned citizens mentioned Plano Colorado, South end of San Rafael, and out towards Bluewater where the tire situation is bad, tires are being thrown in ditches and on the side of the roads. This Ordinance would prohibit illegal dumpsites the importance of scrap tires into Cibola County and providing for the abatement of illegal tire dumpsites.

A. CALL TO ORDER

T. Walter Jaramillo, County Chairman called the meeting to Order at 6:01 pm.

B. ROLL CALL

Commissioner Jaramillo does roll call-4-5 Commissioners in attendance.
Commissioner Felipe was absent.

C. Pledge of Allegiance Recited by all.

D. Prayer Donald Jaramillo led us in prayer.

E. Approval of Agenda

Motion to approve the agenda made by Commissioner Armijo, second by Commissioner Molerres 4-0 affirmative.

F. Approval of Minutes

May 25th, 2016 Regular Commission Meeting.

Commissioner Simpson made a motion to approve the minutes for the Regular Commission meeting of May 25th, 2016 second by Commissioner Armijo 4-0 affirmative.

June 15th, 2016 Workshop.

Commissioner Armijo made a motion to approve the minutes for the Workshop of June 15th, 2016 second by Commissioner Molerres 4-0 affirmative, Commissioner Simpson abstained from making a motion.

G. REPORTS

A. Monthly Sheriff's Department Report May 2016

Report on file.

Sherriff Tony Mace stated to the commissioners that the statistics sheet provided in the report has changed to reflect the current year and the previous year of Accidents, Arrests, and Transports and so on, the current year for the month of May is down on all items except calls which was up.

B. Monthly Detention Center Report-May 2016

Report on File

Adriana Jaramillo read the Daily Inmate Count for May 2016 to the Commissioners, the inmate count was up for both female and male inmates. Chairman Jaramillo asked Captain Jaramillo if it was legal to house federal inmates with county and state inmates, and she replies yes. Commissioner Armijo thanked Captain Jaramillo for doing a great job.

C. Monthly Road Department Report- May 2016

Report on File

Manager Boyd stated to the commissioners that Gary Porter could not attend the meeting due to him being down two employees, Gary is out working late with his crew, chip sealing, mowing, and other road projects that need to be done.

H. Public Comments

Rony Pynes had questions on the Shooting Range and wanted to know when the Range will be complete. Mr. Pynes mentioned that he thought that the County had till September to complete paper work to go to the National Registry any Manager Boyd stated that the County has until March of 2017 to start construction and would be a 3 month build time. Mr. Boyd also mentioned that there are having a cleanup day on Saturday June 25th, 2016 from 9-5 at the shooting range.

I. Presentations

Future Foundations Highlights for Jan-March 2016 – Sherri Kachirisky
Sherri Kachirisky gave a brief update of all the activities going on at Future Foundations, the after school program started in August and currently they have 202 enrolled students, with about 90 that attend daily. For the months of Jan, Feb and March the Eat Smart to Play Hard Challenge and the 5-2-1-0 Challenge were given to the 2nd grade students of Milan, San Rafael, and Bluewater Elementary, The students were challenged to eat healthy and be physically active for 3-6 weeks, when competed the students were given a fun day where Officer Holmes used his radar gun to see how fast the kids could run. Mrs. Kachirisky also mentioned that the Farmers Market will begin on August 6th and will run each Saturday from 9:30-12:00 through October. They will be accepting EBT. The 4 teen pregnancy program was a big success 20 teens from around Cibola County completed the program.

J. Unfinished Business – Action May Be Taken

1. Consideration of Road Name Change from Garcia Blvd to Bajar.

Motion to table Road Name Change from Garcia to Bajar at the next County Commission Meeting made by Commissioner Simpson, second by Commissioner Moleres. 4-0 affirmative.

K. New Business- Action May Be Taken

1. **Consideration of Quitclaim Deed with Fence Lake Community Association for the Transfer of Ownership of the Fence Lake Community Center from the County to the Association.**

Motion to approve Quitclaim Deed with Fence Lake Community Center for the Transfer of ownership, made by Commissioner Simpson, second by Commissioner Moleres, 4-0 affirmative.

2. **Consideration of Resolution 16-29, Budget Adjustments.**

Motion to table Resolution 16-29 until next County Meeting made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative.

3. **Consideration of Resolution 16-30, Adopting a County Seal.**

Motion to approve Resolution 16-30 adopting a County Seal with the change of color, made by Commissioner Simpson, second by Commissioner Armijo. 4-0 affirmative.

4. **Consideration of Contract.**

a.) Global Contract

Motion to approve Global Contract Option B for 6 months for a total of 54,000.00 in payments of \$4,252.50 a month made by Commissioner Moleres, second by Commissioner Simpson. 4-0 affirmative.

b.) Information Technologies, Inc.

Motion to approve Information Technologies, Inc. made by Commissioner Armijo, second by Commissioner Moleres, 4-0 affirmative.

c.) Roberta's Place, Inc.

Motion to approve Roberta's Place for the amount of \$15,000.00 made by Commissioner Armijo, second by Commissioner Simpson, with Commissioner Moleres voting No. 3-4 affirmative.

d.) Moss Adams

Motion to approve Moss Adams Tax Study made by Commissioner Armijo, second by Commissioner Moleres, 4-0 affirmative.

e.) Spy Glass

Motion to approve Spy Glass Snapshot Audit Agreement made by Commissioner Armijo with the subject to County Agreement Contract Form, second by Commissioner Moleres 4-0 affirmative.

f.) Mainstreet

Motion was made to not fund Mainstreet made by Commissioner Armijo, second by Commissioner Moleres, 4-0 affirmative.

g.) Future Foundations Family Center

Motion to approve Future Foundations Family Center Agreement made by Commissioner Simpson, second by Commissioner Armijo, 4-0 affirmative.

5. Consideration of Commissioner Felipe's Request to attend the NACO Annual Conference in Long Beach, California.

Motion to approve Commissioner Felipe's request to attend the NACO Conference Made by Commissioner Moleres voting No, second by Commissioner Simpson voting No, 4-0 not approved.

6. Consideration of Approval of Off Highway Vehicle Ordinance.

Motion to approve Off Highway Vehicle Ordinance, made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative. Will take affect July 27th, 2016.

7. Consideration of Personnel Policy Ordinance.

Motion to table Personnel Policy Ordinance till next Commission Meeting made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative.

8. Consideration of Approval of Prohibiting Illegal Tire Dumpsites, The Importation of Scrap Tires into Cibola County and Providing for the Abatement of Illegal Tire Dumpsites Ordinance.

Motion to approve Prohibiting Illegal Tire Dumpsites made by Commissioner Armijo, second by Commissioner Simpson 4-0 affirmative.

9. Direction to Publish Waste Littering and Refuse Ordinance

Motion to approve the Publishing of Direction to Publish Waste Littering and Refuse Ordinance made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative.

10. Direction to Publish Abatement of Dangerous or Abandoned Buildings, Structures, Mobile or Manufactured Housing, Wreckage and Debris Ordinance.

Motion to approve the Publishing of Direction to Publish Abatement of Dangerous or Abandoned Buildings, Structures, Mobile or Manufactured Housing, Wreckage and Debris Ordinance, made by Commissioner Armijo, Second by Commissioner Simpson 4-0 affirmative.

11. Direction to Publish Countywide Emergency Communications and Emergency Medical and Behavioral Health Services Tax Ordinance.

Motion to approve the Publishing of County wide Emergency Communications And Emergency Medical and Behavioral Health Services Tax Ordinance made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative.

12. Direction to Publish Public Nuisance of Cibola County.

Motion to Publish Public Nuisance Ordinance of Cibola County made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative.

L. Managers' Report

Manager Boyd stated that Commissioners that there were no submittals for June employee of the month. Manager Boyd also mentioned that the Cibola County web site is up and running, the residents of Cibola County can now view minutes, agendas, and when meetings are to be held. Manager Boyd also requested to have July 1st -5th 2016 off for vacation. Manager Boyd stated to the Commissioners that Joseph Sanders will be submitting the Audit response to Santa Fe by July 1st, 2016. Manager Boyd mentioned to the Commissioners that the El Morro Fire Dept. has to have a few things need to be complete before they could open, there was no stoop, improper grading, and the certificate of occupancy needs to be posted. Manager Boyd will get a quote to have the electrical finished.

Julie Quintana asked the Commissioners to consider having the meetings in electronic format, she stated that this would save paper and the Commissioners could review the meeting packet more thoroughly.

M. Comments

- a. Staff: No comments from staff at this time.
- b. Commission: No comments from Commission at this time.

N. Executive Closed Session 6:15pm

Pursuant to Section 10-15-1(H)(2)(5)(7) &(8)the following matter may be discussed in closed session:

- a.) personnel/threatened litigation: Rheganne Vaughn
- b.) real property: proceedings: Land East of La Mesa Mall
 - Motion and roll call vote to go into Executive Session for the state reasons made by Commissioner Simpson, second by Commissioner Armijo, at 9:20 p.m. 4-0 affirmative

- Board meets in closed session
 - Motion and vote to go back into regular session made by Commissioner Simpson, second by Commissioner Moleres 4-0 affirmative, at 10:15 p.m.
 - Summary of items discussed in closed session-Discussion
 - Motion and roll call vote that matters discussed in closed session were limited to those specified in Motion made by Commissioner Simpson second by Commissioner Armijo 4-0 affirmative.
- For closure and that no final action was takes, pursuant to the authority in §10-15-1 NMSA 1978.

O. ANNOUNCEMENTS

The next Regular Commission Meeting will be held Wednesday, July 27, 2016 at 5:00 pm immediately following the Board of Finance Meeting in the County Convention Room.

Cibola County will be closed on Monday July 4th, 2016 in observance of Independence Day.

O. ADJOURNMENT

A motion to adjourn the meeting made by Commissioner Simpson, second by Commissioner Armijo 4-0 affirmative at 10:20 pm.

***Cibola County Commission
Workshop
July 13, 2016***

The Cibola County Commission held a Workshop on Wednesday July 13, 2016 in the Cibola County Commission Room.

Elected officials Present Staff

**T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice Chairman
Jack Moleres, 2nd Vice Chairman
Patrick Simpson, Commissioner**

**Manager Tony Boyd
Joseph Sanders, Financial Analyst
Michelle Dominguez, Deputy Clerk
Natalie Grine, Recording/Filing Clerk**

1. Call to Order

Chairman T. Walter Jaramillo called the Meeting to Order at 5:16 p.m.

2. Roll Call

Chairman T. Walter Jaramillo does roll call 4-5 Commissioners in attendance. Commissioner Felipe was absent.

3. Pledge of Allegiance

Recited by all.

4. Prayer

Prayer led by Donald Jaramillo.

5. Approval of Agenda

Approval of Agenda approved by Commissioner Simpson second by 2nd Vice Chairman Armijo, 4-5 affirmative.

6. Commission Workshop (For Discussion Purposes Only)

a. Contracts

I. Medical Direction – Vikram Allad

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

II. DWI Assessments – Sindy Sacoman

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

III. DWI Counseling – Valle Del Sol of Arizona

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

IV. Mt Taylor Ambulance

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

V. New Mexico State Library Service

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

VI. Audit Services – Harshwal & Company LLC

B. Amateur Radio Emergency Communications Team (ARES)

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

C. Policy and Procedures Administrative Section for Volunteer Fire Department

No decisions were made only discussion, this item will be presented at the next County Commission Meeting.

7. Announcements

The next Regular Commission Meeting will be held on Wednesday July 27, 2016 at 5:00 p.m. Immediately following the Board of Finance Meeting in the County Convention Room.

8. Adjournment

The meeting was adjourned at 6:41 p.m.



Cibola County Sheriff's Office

Sheriff Tony Mace

tnymace@yahoo.com

Undersheriff P. Michael Munk
mmunk@co.cibola.nm.us

Office: 505-876-2040
Dispatch: 505-287-9476
Fax: 505-876-2090

Physical: 114 McBride Road
Grants, NM 87020
Mailing: 515 W. High St.
Grants, NM 87020

The following are statistics for the Cibola County Sheriff's Department for JUNE 1, 2016 through JUNE 30, 2016.

		PREVIOUS YR JUNE 2015
Accidents	10	11
Arrests	53	39
Transports	30	15
Warrant Transports	19	24
Calls	571	546
Citations	12	20
Warnings	23	29
Civil Papers	46	36
Incidents	32	30
Animal Control Calls	39	42

Please note the above information will change as deputies do all above duties as it occurs.

JUNE 2016 COMMISSION REPORT

Bookings For June 2016
273
Bookings For May 2016
242

Bookings	Releases
273	250
242	234

Daily Average Inmate Count for June 2016
151
Daily Average Inmate Count for May 2016
151
Highest facility count for the month of June 2016
189

Male	Female
171	45
151	42
189	46
Total	Total
217	193
	235

Revenue Collected for June 2016	
Co. Correctional Fac GRT.	\$37,833.44
Housing	\$104,879.30
Federal Transports	\$5,637.60
Medical	\$1,339.40
All Other	\$8,272.43
Correction Fees	\$19,257.03
Total	\$177,219.20

Rent paid for June 2016	From State to General fund
\$9,821.00	

Juvenile Care paid for June 2016	Juvenile's are currently held at the McKinley County Detention Center.
\$9,775.26	

TOTAL BILLING DAYS FOR JUNE 2016 = 2,125

Paying June 2016	County, City & Federal	# of Inmates	Average # of Billing Days	Billing Days	Rate	Total
	City of Grants	79	5.7	458	65.00	\$23,599.00
	Village of Milan	8	5.6	45	65.00	\$2,925.00
	United States Marshals	60	21.7	1,304	50.13	\$65,369.52
	Valencia County				60.00	
	Socorro County				54.00	
	Rio Arriba County	20	14.3	287	75.00	\$21,525.00
	Mora County				75.00	
	Catron County				75.00	
	SanMiguel County				75.00	
	Prisoner Transportation Services	14	1	15	75.00	\$1,125.00
	Security Transport Services	4	2	8	75.00	\$600.00
	Texas Prisoner Transport Division	5	1.6	8		\$600.00
	Totals	190	51.9	2125		\$115,743.52

June 2016 Non Paying	Non Paying	# of Inmates	Average # of Billing Days	Billing Days	Rate	Total
	APPO	51	15.3	784	57.00	\$30,504.50
	Magistrate Court	177	10.8	1,918	57.00	\$98,192.00
	District Court	103	22.6	2,331	57.00	\$114,190.00
	Totals	331	48.7	5,033		\$242,886.50

JUVENILE DETENTION LISTING JUNE 2016

FROM DATE	TO DATE	Man · Days	Total
6/1/16 0:00	6/10/16 12:19	9 DAYS & 12.32 HOURS	\$1,664.94
6/8/16 23:13	6/15/16 15:44	6 DAYS & 16.50 HOURS	\$1,170.45
6/28/16 1:48	6/30/16 23:59	2 DAYS & 22.18 HOURS	\$511.91
6/10/16 23:02	6/12/16 15:24	1 DAY & 16.35 HOURS	\$294.36
6/1/16 0:00	6/6/16 18:19	5 DAYS & 18.32 HOURS	\$1,008.74
6/1/16 0:00	6/30/16 6:50	29 DAYS & 6.83 HOURS	\$5,124.86

Total Man · Days: 60

Rate Per Day: \$108.00

Total Due: \$9,775.26

Year To Date	Amount
Month	
July	\$5,395.95
August	\$10,723.86
September	\$10,922.31
October	\$13,472.08
November	\$8,415.40
December	\$4,291.25
January	\$3,598.95
February	\$3,875.95
March	\$3,445.14
April	\$7,708.31
May	\$12,517.19
June	

Total To Date: \$84,366.39

Prison Rape Elimination Act (PREA) MONTHLY Reporting Data
Cibola County Detention Center

1) How many persons under the supervision of your facility were-

CONFINED/BOOKED/RELEASED in the month of Ap

Jun-16 273

2) For the month of JUNE, what was the average daily population of your confinement facility?

Jun-16 Male 171 Female 45

3) For the month of JUNE, how many allegations of inmate-on-inmate NONCONSENSUAL SEXUAL ACTS were reported?

Jun-16 0

4) Of the allegations reported in item 3, how many were-

a. Substantiated	June	<u>0</u>
b. Unsubstantiated	June	<u>0</u>
c. Unfounded	June	<u>0</u>
d. Investigation Ongoing	June	<u>0</u>

5) For the month of JUNE how many allegations of inmate-on-inmate ABUSIVE SEXUAL CONTACT were reported?

Jun-16 0

6) Of the allegations reported in item 5, how many were-

a. Substantiated	June	<u>0</u>
b. Unsubstantiated	June	<u>0</u>
c. Unfounded	June	<u>0</u>
d. Investigation Ongoing	June	<u>0</u>

7) For the month of JUNE how many allegations of inmate-on-inmate SEXUAL HARRASSMENT were reported?

Jun-16 0

8) Of the allegations reported in item 7, how many were-

a. Substantiated	June	<u>0</u>
b. Unsubstantiated	June	<u>0</u>
c. Unfounded	June	<u>0</u>
d. Investigation Ongoing	June	<u>0</u>

9) For the month of JUNE how many allegations of STAFF SEXUAL MISCONDUCT were reported?

Jun-16 0

10) Of the allegations reported in item 9, how many were-

a. Substantiated	June	<u>0</u>
b. Unsubstantiated	June	<u>0</u>
c. Unfounded	June	<u>0</u>
d. Investigation Ongoing	June	<u>0</u>

11) For the month of JUNE, how many allegations of STAFF SEXUAL HARASSEMENT were reported?

Jun-16 0

12) Of the allegations reported in item 11, how many were-

a. Substantiated	June	<u>0</u>
b. Unsubstantiated	June	<u>0</u>
c. Unfounded	June	<u>0</u>
d. Investigation Ongoing	June	<u>0</u>

Cibola County Road Dept.

515 W. High Street

Grants NM 87020

505-285-2570 Phone 505-285 3656 Fax



Monday, July 18, 2016

To: Tony Boyd - County Manager

Fr: Gary Porter - Public Works Director

Re: Monthly Report: 6/1/16 - 6/30/16 (June)

Regular Maintenance

Blade & Shape

<u><i>Road</i></u>	<u><i>Description</i></u>	<u><i>Miles</i></u>
<i>C35A</i>	<i>Moreno Hill Rd.</i>	<i>10.419</i>
<i>C33</i>	<i>Pine Hill Road</i>	<i>9.744</i>
<i>C35</i>	<i>Fence Lake Community Roads</i>	<i>9.064</i>
<i>C35F</i>	<i>Monday Rd.</i>	<i>1.491</i>
<i>C21</i>	<i>Murray Acres (Pasture)</i>	<i>2.333</i>
<i>C52</i>	<i>El Gallo Rd.</i>	<i>0.840</i>
<i>C48A</i>	<i>Timberlake Rd.</i>	<i>5.000</i>
<i>Total Miles</i>		<i>38.891</i>

Special Projects

C25B ***Roberts Rd. - Shoulder work.***

C23B ***Valle Verde Estates - Shoulder work, Put up street signs.***

C28 ***Bluewater Village - Mowing.***

C28A ***Plano Colorado Frontage Rd. - Mowing.***

C29 ***Plano Colorado - Mowing.***

C30 ***Bluewater South - Patching.***

C23 ***Ralph Card Rd. - Work on culvert.***

C59 ***Dwight Small Rd. - Mowing.***

C58 ***San Rafael - Mowing.***

El Morro Ranches - Work on Fire Dept.

Pick up trash at shooting range.

CO-OP'S

- C18A (SB)** ***Lobo Creek Rd. - Patching.***
- C14 (SP)** ***San Fidel (Acoma Rd.) - Patching.***
- C55 (CAP)** ***Ben Chavez Loop - Patching, Chip Seal (6-22-16).***
- C59D (CAP)** *Camino De Silvestre - Haul base course, Shooting primer oil, PEP, (6-13-16, 6-15-16) Chip Seal (6-22-16)*
- C59C (SP)** *Camino De Belinda - Patching, Shooting Primer Oil, PEP, Chip Seal (6-22-16).*
- C23B (SP)** *Valle Verde Estates - Haul base course, Shoulder work, Shooting Primer Oil, PEP, (6-21-16) Chip Seal (6-24-16).*
- C49 (SB)** ***Zuni Canyon Rd. - Patching.***
- C29 (SB)** ***Plano Colorado - chip seal (6-24-16).***
- C28A (SB)** ***Plano Colorado Frontage Rd. - Chip seal (6-27-16, 6-28-16).***
- C25B (CAP)** ***Roberts Rd. (Cemetary Rd.) - Chip seal (6-28-16).***
- C28 (SB)** ***Bluewater Village - Chip seal (6-29-16)***

Cibola County Road Dept.

515 W. High Street

Grants NM 87020

505-285-2570 Phone Fax 505-287-3656



MAINTENANCE REPORT

June 2016

Road Dept.	Hole Digger	10.27	3	\$ 16.50	\$ 59.77
Road Dept.	Weed-wacker	21.68	5	\$ 16.50	\$ 104.18
Road Dept.	126	38.56	3	\$ 16.50	\$ 88.06
Road Dept.	127	1,853.03	16	\$ 16.50	\$ 2,117.03
Road Dept.	131	\$172.07	10	\$ 16.50	\$ 337.07
Road Dept.	135	\$17.18	2	\$ 16.50	\$ 50.18
Road Dept.	137	\$239.92	1.5	\$ 16.50	\$ 264.67
Road Dept.	148	\$94.10	4	\$ 16.50	\$ 160.10
Road Dept.	150	\$989.90	4	\$ 16.50	\$ 1,055.90
Road Dept.	151	\$52.85	6	\$ 16.50	\$ 151.85
Road Dept.	155	\$17.44	4	\$ 16.50	\$ 83.44
				TOTAL	\$ 4,472.25
Sheriff's	G-88605	\$262.54	10	\$ 16.50	\$ 427.54
				TOTAL	\$ 427.54
Detention	G-73152	\$47.97	8	\$ 16.50	\$ 179.97
Detention	G-79879	\$118.94	14	\$ 16.50	\$ 349.94
Detention	G-79879	\$12.99	1	\$ 16.50	\$ 29.49
Detention	G-85729	\$49.52	1	\$ 16.50	\$ 66.02
				TOTAL	\$ 625.42

Cibola County Road Dept.

515 W. High Street

Grants NM 87020

505-285-2570 Phone 505-287-3656 Fax



FUEL REPORT - CIBOLA COUNTY ROAD DEPARTMENT

June 2016

UNLEADED					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL.	TOTAL COST
G-18461	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-18473	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-18464	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-02084	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-15638	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-29800	0.18	12.00	276	23.000	\$ 48.76
G-29091	0.23	9.33	224	24.000	\$ 50.87
G-23696	0.19	11.35	227	20.000	\$ 42.40
G-23697	0.28	7.50	150	20.000	\$ 42.32
G-39980	0.20	10.31	567	55.000	\$ 115.90
G-39988	0.19	10.94	406	37.100	\$ 78.66
G-57384	0.21	10.03	367	36.600	\$ 77.58
G-57619	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-57618	0.77	2.75	33	12.000	\$ 25.44
146	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-66164	0.09	24.26	N/U	12.200	\$ 25.86
G-66165	0.23	8.97	N/U	33.000	\$ 68.72
G-70482	0.15	13.75	330	24.000	\$ 50.87
G-78718	0.19	11.34	999	88.100	\$ 186.76
G-64239	0.37	5.66	82	14.500	\$ 30.73
G-86952	0.00	#DIV/0!	115	0.000	\$ -
G-86953	0.07	29.41	844	28.700	\$ 60.84
G-86954	0.09	23.22	2,255	97.100	\$ 204.78
G-91750	0.12	17.42	2,320	133.200	\$ 281.26
G-34769	#VALUE!	#VALUE!	N/U	0.000	\$ -
503	#VALUE!	#VALUE!	N/U	0.000	\$ -
Extra card	#DIV/0!	0.00	0	10.300	\$ 26.07

TOTAL GAS

668.800

\$ 1,417.82

DIESEL FUEL					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL.	TOTAL COST
G-50237	0.17	12.03	457	38.000	\$ 77.25
G-18484	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-18476	0.66	3.10	155	50.000	\$ 102.97
G-18795	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-30550	0.48	4.30	368	85.600	\$ 176.25
G-30549	0.45	4.55	386	84.800	\$ 174.62
G-38441	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-67372	0.46	4.43	1,184	267.300	\$ 550.43
G-67371	0.49	4.19	1,316	313.900	\$ 642.65
G-70782	0.53	3.88	761	196.000	\$ 403.59
Distributor	0.49	4.20	643	153.100	\$ 315.25
Water Truck	0.59	3.64	779	214.000	\$ 462.65
New Transport	0.43	5.23	810	154.900	\$ 351.49
305	#VALUE!	#VALUE!	N/U	0.000	\$ -
306	6.63	0.31	64	205.900	\$ 424.01
307	6.02	0.34	64	187.000	\$ 385.09
308	2.34	0.88	43	48.800	\$ 100.52
309	#VALUE!	#VALUE!	N/U	0.000	\$ -
310	4.02	0.51	24	46.800	\$ 96.36
311	3.41	0.60	40	66.900	\$ 136.29
312	6.70	0.31	37	120.300	\$ 247.73
313	4.75	0.48	36	75.300	\$ 170.89
314	5.49	0.38	23	61.300	\$ 126.23
416	7.41	0.28	70	251.700	\$ 518.41
417	5.35	0.39	33	85.700	\$ 176.49
418	5.86	0.35	75	217.200	\$ 439.65
501	#VALUE!	#VALUE!	N/U	0.000	\$ -
Extra card	#VALUE!	#VALUE!	N/U	0.000	\$ -
TOTAL DIESEL				2924.500	\$ 6,078.82

***N/U = NOT USED**

Cibola County Road Dept.

515 W. High Street
Grants NM 87020
505-285-2570 Phone 505-287-3656 Fax



FUEL REPORT CIBOLA COUNTY BY DEPARTMENT
June 2016

SHERIFF'S DEPARTMENT

VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-85515	0.13	16.59	2,427	146.300	\$ 310.11
G-85514	\$0.09	46.41	5,695	122.700	\$ 505.91
G-61113	\$0.12	18.47	1,755	95.013	\$ 204.90
G-68384	\$0.00	#DIV/0!	22	0.000	\$ -
G-68920	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-68922	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-68921	\$0.18	11.79	1,927	163.501	\$ 345.80
G-68418	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-72224	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-72225	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-75188	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-78152	\$0.14	15.44	1,470	95.200	\$ 201.80
G-78153	#VALUE!	#VALUE!	DNTI	29.000	\$ 61.48

G-78154	#VALUE!	#VALUE!	DNTI	10.700	\$ 22.68
G-78717	\$0.05	38.76	500	12.900	\$ 27.34
G-78720	\$0.15	14.34	1,275	88.900	\$ 188.45
G-78721	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-78722	\$0.27	7.94	143	18.000	\$ 38.16
G-78723	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-86096	\$0.18	11.90	1,899	159.600	\$ 340.40
G-86996	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-85471	\$0.14	15.46	2,458	159.020	\$ 354.07
A-190-ULS	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-88607	\$0.16	12.83	2,897	225.800	\$ 477.86
G-88606	\$0.16	12.90	3,952	306.300	\$ 647.62
G-88608	\$0.08	25.74	2,342	91.000	\$ 192.91
G-88605	\$0.17	12.60	1,288	102.230	\$ 216.31
Max Pro <i>Armored Truck</i>	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-90204	\$0.10	20.60	3,990	193.700	\$ 409.56
G-90205	\$0.09	23.45	2,155	91.900	\$ 194.85
3035	\$0.09	23.18	3,141	135.500	\$ 290.80
4479	\$0.17	12.16	2,549	209.600	\$ 443.23
4481	\$0.16	13.22	3,225	244.000	\$ 517.25
207902	\$0.20	11.67	3,258	279.263	\$ 661.69
259	\$0.10	20.98	4,175	199.000	\$ 420.42
443	#VALUE!	#VALUE!	DNTI	0.000	\$ -
445	\$0.17	12.68	2,444	192.700	\$ 408.52
9058	\$0.12	17.36	2,656	153.000	\$ 324.37

2219	\$0.11	20.02	2,643	132.003	\$ 278.98
TOTAL SHERIFF'S				3656.830	\$ 8,085.47
<u>MANAGERS</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
7466	\$0.16	15.03	603	40.132	\$ 98.00
TOTAL MANAGERS				40.132	\$ 98.00
<u>RURAL ADDRESSING</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G60137	#VALUE!	#VALUE!	DNTI	0.000	\$ -
TOTAL RURAL ADDRESSING				0.000	\$ -
<u>EMERGENCY MANAGEMENT</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-86167	\$0.22	10.68	997	93.356	\$ 221.00
TOTAL EMERGENCY MANAGEMENT				93.356	\$ 221.00
<u>BUILDING & GROUNDS</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-67587	\$0.10	22.73	551	24.246	\$ 56.47
TOTAL BUILDING & GROUNDS				24.246	\$ 56.47
<u>I.T.(DATA PROCESSING)</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST

G-90878	\$0.11	19.32	600	31.059	\$ 68.30
G-53547	\$0.19	11.68	165	14.122	\$ 31.05
TOTAL DATA PROCESSING				45.181	\$ 99.35
<u>ASSESSORS</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-78714	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-78715	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-81964	#VALUE!	#VALUE!	DNTI	0.000	\$ -
TOTAL ASSESSORS				0.000	\$ -
<u>DETENTION</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-60185	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-24336	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-57383	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-59969	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-60180	\$0.01	401.80	2,817	7.011	\$ 15.00
G-61368	\$0.16	13.66	921	67.441	\$ 143.25
G-63072	\$0.17	12.01	643	53.536	\$ 111.01
G-73152	\$0.16	13.26	1,337	100.829	\$ 218.09
G-78719	\$0.14	15.70	1,579	100.542	\$ 225.40
G-79636	#VALUE!	#VALUE!	DNTI	0.000	\$ -
G-79879	\$0.17	16.18	2,148	132.795	\$ 371.47
G-85729	\$0.07	31.48	1,565	49.722	\$ 115.25

X-tra Card	#VALUE!	#VALUE!	DNTI	0.000	\$ -
TOTAL DETENTION				511.876	\$ 1,199.47
<u>ROAD DEPT. MOTORPOOL</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-18474	#VALUE!	#VALUE!	N/U	0.000	\$ -
TOTAL ROAD DEPT. MOTORPOOL				0.000	\$ -
<u>CONSOLIDATED DISPATCH</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-70403	0.00	#DIV/0!	157	0	\$ -
Generator	#VALUE!	#VALUE!	N/U	0	\$ -
TOTAL CONSOLIDATED DISPATCH				0.000	\$ -
<u>CLERKS OFFICE</u>					
VEHICLE #	COST/MILE	MPG	MILES	TOTAL GAL	TOTAL COST
G-64240	0.10	21.83	208	9.528	\$ 20.00
G55649	0.23	9.31	1435	154.133	\$ 325.00
G-72255	0.23	9.25	328	35.457	\$ 75.30
G-86995	0.11	20.46	1,035	50.596	\$ 115.38
TOTAL CLERKS				249.714	\$ 535.68

<u>DWI PROGRAM</u>					
G-53823	#VALUE!	#VALUE!	N/U	0.000	\$ -
G-45051	#VALUE!	#VALUE!	DNTI	0.000	\$ -

G-85669	#VALUE!	#VALUE!	N/U	0.000	\$ -
TOTAL DWI PROGRAM				0.000	\$ -

***DNTI = DID NOT TURN IN / *N/U = NOT USED**



Cibola County, NM

Detail Report

Account Detail

Date Range: 06/01/2016 - 06/30/2016

Account	Name		Beginning Balance	Total Activity	Ending Balance
Fund: 401 - GENERAL FUND					
<u>401-001-401-00001</u> ELECTED OFFICIALS SALARIES					
Post Date	Packet Number	Source Transaction	Pmt Number		
06/10/2016	PYPKT00207	PYPKT00207 - PD 0610...			
06/24/2016	PYPKT00216	PYPKT00216 - PD 0624...			
<u>401-001-401-00007</u> TELEPHONE & TELEGRAPH					
Post Date	Packet Number	Source Transaction	Pmt Number		
06/07/2016	APPKT00545	9766675070	85749		
<u>401-001-401-00008</u> PRINTING & PUBLISHING					
Post Date	Packet Number	Source Transaction	Pmt Number		
06/17/2016	APPKT00528	00311718	85584		
Purchase Order Number: 40159					
06/17/2016	APPKT00528	00313466	85584		
Purchase Order Number: 40159					
<u>401-001-401-00009</u> Office Equipment & Supplies					
Post Date	Packet Number	Source Transaction	Pmt Number		
06/01/2016	APPKT00532	S658402127	85638		
06/17/2016	APPKT00528	10877	85584		
Purchase Order Number: 40295					
06/20/2016	APPKT00528	00311751	85584		
Purchase Order Number: 40295					
06/20/2016	APPKT00528	00315145	85584		
Purchase Order Number: 40295					
06/20/2016	APPKT00528	COFFEE W/MANAGERS	85584		
Purchase Order Number: 40295					
<u>401-001-401-00010</u> MILEAGE & PER DIEM					
<u>401-001-401-00028</u> CAPITAL OUTLAY					

Detail Report

Date Range: 06/01/2016 - 06/30/2016

Account	Name	Beginning Balance	Total Activity	Ending Balance
<u>401-001-401-00039</u>	INCIDENTAL PAY	0.00	0.00	0.00
<u>401-001-401-00042</u>	OFFICAL BONDS	0.00	0.00	0.00
<u>401-001-401-00061</u>	County Extension Service	68,831.50	0.00	68,831.50
<u>401-001-401-00062</u>	AUDIT	9,482.93	0.00	9,482.93
<u>401-001-401-00063</u>	PUBLIC EMPL RETIREMENT ACCT	8,352.48	696.04	9,048.52
Post Date	Source Transaction	Pmt Number	Amount	Running Balance
06/10/2016	PYPKT00207 - PD 0610...		348.02	8,700.50
06/24/2016	PYPKT00216 - PD 0624...		348.02	9,048.52
<u>401-001-401-00064</u>	SOCIAL SECURITY	6,648.48	551.94	7,200.42
Post Date	Source Transaction	Pmt Number	Amount	Running Balance
06/10/2016	PYPKT00207 - PD 0610...		275.97	6,924.45
06/24/2016	PYPKT00216 - PD 0624...		275.97	7,200.42
<u>401-001-401-00065</u>	GROUP INS	40,585.66	3,684.98	44,270.64
Post Date	Source Transaction	Pmt Number	Amount	Running Balance
06/10/2016	PYPKT00207 - PD 0610...		1,842.49	42,428.15
06/24/2016	PYPKT00216 - PD 0624...		1,842.49	44,270.64
<u>401-001-401-00066</u>	Worker's Comp. Assessment	34.50	11.50	46.00
Post Date	Source Transaction	Pmt Number	Amount	Running Balance
06/24/2016	PYPKT00216 - PD 0624...		11.50	46.00
<u>401-001-401-00067</u>	PROP. & LIAB. INSURANCE	96,621.74	0.00	96,621.74
<u>401-001-401-00068</u>	MEDICARE TAX	1,554.82	129.08	1,683.90
Post Date	Source Transaction	Pmt Number	Amount	Running Balance
06/10/2016	PYPKT00207 - PD 0610...		64.54	1,619.36
06/24/2016	PYPKT00216 - PD 0624...		64.54	1,683.90
<u>401-001-401-00069</u>	MEMBERSHIP DUES	37,865.00	0.00	37,865.00
<u>401-001-401-00070</u>	Ambulance Services	0.00	0.00	0.00
<u>401-001-401-00071</u>	Worker's Comp. Insurance Prem.	0.00	0.00	0.00

Date Range: 06/01/2016 - 06/30/2016

Detail Report

Account	Name	Beginning Balance	Total Activity	Ending Balance
401-001-401-00072	Law Enf. Liability Insurance	0.00	0.00	0.00
401-001-401-00073	Extracurricular Youth Activity	0.00	0.00	0.00
401-001-401-00081	RETIREE HEALTH CARE	1,749.12	145.76	1,894.88
Post Date	Packet Number	Source Transaction	Pmt Number	
06/10/2016	PYPKT00207	PYPKT00207 - PD 0610...		Running Balance
06/24/2016	PYPKT00216	PYPKT00216 - PD 0624...		1,822.00
401-001-401-00088	LIBRARY			1,894.88
Post Date	Packet Number	Source Transaction	Pmt Number	
06/01/2016	APPKT00532	1520	85606	Running Balance
401-001-401-00089	SENIOR CITIZENS			7,083.26
Post Date	Packet Number	Source Transaction	Pmt Number	
06/01/2016	APPKT00532	1520	85606	Running Balance
401-001-401-00098	TRAINING & STAFF DEVELOPMENT			7,083.26
401-001-401-00101	PROFESSIONAL SERV.			28,000.44
Post Date	Packet Number	Source Transaction	Pmt Number	
06/02/2016	APPKT00532	795	85629	Running Balance
06/07/2016	APPKT00514	16-12	85380	222,610.47
Purchase Order Number: 40458				226,793.28
06/07/2016	APPKT00514	16-12	85380	Running Balance
06/07/2016	APPKT00514	16-12	85380	232,898.88
06/16/2016	APPKT00522	6/20/16 ADV	85452	222,610.47
401-001-401-00102	Legal Services			226,793.28
401-001-401-00123	CONTINGENCY			232,898.88
Post Date	Packet Number	Source Transaction	Pmt Number	
06/02/2016	APPKT00508	3	85368	Running Balance
Purchase Order Number: 40306				70,331.55

Date Range: 06/01/2016 - 06/30/2016

Ending Balance: 966,694.74

Fund Summary

Fund	Beginning Balance	Total Activity	Ending Balance
401 - GENERAL FUND	889,347.84	77,346.90	966,694.74
Grand Total:	889,347.84	77,346.90	966,694.74

**CIBOLA COUNTY
ORDINANCE 16-04
WASTE, LITTERING & REFUSE**

AN ORDINANCE PROHIBITING THE ACCUMULATION OF REFUSE, SOLID WASTE & LITTER AND PROVIDING FOR PENALTIES, CIVIL REMEDIES, SEVERABILITY, AND EFFECTIVE DATE.

WHEREAS, the Cibola County Board of Commissioners finds that the unsightly and unhealthy conditions caused by littering, the improper disposal and dumping of refuse, the dumping of refuse upon public rights of way and public lands, the poor maintenance and repair of property, and the proliferation of unscreened salvage yards result in a significant detriment to the health, safety, and prosperity of Cibola County and its residents; and

WHEREAS, the Cibola County Board of Commissioners deems it necessary and desirable to prescribe standards to help maintain property values and the property tax base in Cibola County, and to provide an aesthetically pleasing community; those are necessary to supplement voluntary anti-litter and beautification measures to abate unsightly and unhealthy accumulations of debris and trash; and

WHEREAS, the Cibola County Board of Commissioners finds it necessary and desirable to prescribe regulation to guide the future growth and development of the County and to protect natural resources in accordance with the Cibola County Comprehensive Plan.

ARTICLE 1: GENERAL PROVISIONS

1.1 Short Title

This ordinance shall be known and may be cited as the “Cibola County Solid Waste Ordinance” and shall be referred to elsewhere as “this Ordinance”.

1.2 Jurisdiction

This Ordinance shall be enforceable in the unincorporated areas of the County.

1.3 Purpose

A. The Board of County Commissioners has determined, pursuant to NMSA 1978, § 4-37-1 et seq., and NMSA 1978, § 4-56-3(C), that it is in the interest of public health, safety, and welfare that the subject matter of this chapter be regulated as provided herein.

B. The purpose of this chapter is to preserve and protect the health, safety, and quality of life of the inhabitants of Cibola County and to preserve and improve the environmental quality of the County.

1.3 Interpretation and Conflict

The regulations provided herein are held to be the minimum standards necessary to carry out the purposes of this Ordinance. This Ordinance is not intended to interfere with, or abrogate or annul any other valid

ordinance or statute. In the event the provisions of this Ordinance conflict with other County rules, regulations or ordinances pertaining to the subject matter herein, the provisions of this Ordinance shall prevail.

ARTICLE 2: DEFINITIONS

For the purpose of this chapter, the following terms, phrases, words and their derivatives shall have the meanings stated herein:

ACCUMULATION

To gather or collect into a mound, heap, mass, or coverage; forming a steadily increasing quantity.

ARROYO

Includes any canyon, draw or wash or any other earthen channel with visible evidence of the occasional flow of water.

ASHES

Fire residue of any kind, including, but not limited to, fireplace ashes, barbecue grill briquettes, wood chips, wood stove ashes, campfire ashes, hot waste or other material susceptible to spontaneous combustion.

CONSTRUCTION OR DEMOLITION DEBRIS

Materials generally considered water-insoluble and nonhazardous in nature, including, but not limited to, steel, glass, brick, concrete, asphalt, roofing materials, pipe, gypsum wallboard, and lumber from the construction or destruction of a structure, and includes rocks, soil, tree remains, trees, and other vegetative matter that normally results from land clearing. If such debris is mixed with any other type of solid waste, it loses its classification as construction and demolition debris.

COUNTY MANAGER

The chief administrative assistant to the Board of County Commissioners of Cibola County.

DEBRIS

All waste building material, including, but not limited to, bricks, concrete blocks, shingles, roofing material, lumber, pipe, commercial construction wastes, and any other matter that is commonly known as "debris."

DISMANTLED OR PARTIALLY DISMANTLED VEHICLE

Any motor vehicle or trailer from which some parts or parts which are ordinarily a component thereof have been removed or are missing.

FLOODPLAIN

The relatively flat area or low land adjoining the channel of a watercourse or a body of standing water which has been or may be covered by floodwaters, and which has a one-percent chance of occurring in a given number of years, the limits of which are shown on a National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM).

GARBAGE

Includes all waste food, swill, carrion, slops, and all waste from the preparation, cooking and consumption of food and from the handling, storage and sale of food products and the carcasses of animals.

GROUNDWATER

Interstitial water which occurs in saturated earth material and which is capable of entering a well in sufficient amounts to be utilized as a water supply.

HAULER

Any person who collects refuse or debris from any property not owned by that person.

INOPERATIVE OR INOPERABLE MOTOR VEHICLE

A motor vehicle from or on which the engine or motor, the transmission or transaxle, drive shaft, differential, steering mechanism, axles, wheels, body, doors, windshield, headlights, taillights, or any other part of the vehicle is removed, damaged, wrecked, partially dismantled, or in such a state of disrepair that the vehicle cannot be either moved under its own power, driven, licensed or operated on a public road, street, highway, or any other public thoroughfare.

LANDFILL

A facility designed for the disposal of refuse and solid waste permitted in accordance with EID Regulation EID/SWMR-2 and this chapter.

LITTER

Any quantity of improperly discarded solid waste, decaying or nondecaying solid or semisolid waste, including but not limited to discarded furniture and appliances, overflowing residential and commercial trash cans, construction debris, fast-food packages, candy wrappers, cigarette butts, and/or plastic, glass, trash, debris, rubbish, refuse, garbage, or junk parts and scrap materials found in public areas or generated while traveling in a motor vehicle.

MOTOR VEHICLE

Any wheeled vehicle which is self-propelled or intended to be self-propelled.

PERSON

Any individual, partnership, company, corporation, firm, association, trust, estate, state and federal agency, government instrumentality or agency, institution, county, city, town, village, or municipality or other legal entity, however organized.

PUBLIC AREA

Any land owned by the community or open to common use, such as streets, roads, sidewalks, alleys, arroyos, or other public ways, and any and all public parks, spaces, grounds, and buildings.

REFUSE

Includes garbage and rubbish.

RUBBISH

Includes, but is not limited to, all dismantled or partially dismantled motor vehicles, inoperable motor vehicles, dismantled or partially dismantled mobile homes or trailers, waste paper, metal, paper

cartons, cardboard, tree branches, yard waste, wood, glass, plastic, discarded furniture, signs, and appliances or parts thereof, tin cans, dirt, ashes, bottles, liquid petroleum waste, such as motor oil and similar items, and all other unwholesome material of every kind, not including garbage.

SOLID WASTE

Means, but is not limited to, any garbage, litter, refuse, debris, rubbish, yard waste, appliances, inoperable vehicles, construction and demolition debris, or other discarded material originating from residential, industrial, or commercial sources.

WATER TABLE

The surface in unconfined groundwater at which the pressure is atmospheric and which is defined by the levels at which water stands in wells that penetrate the water just far enough to hold standing water.

WELL

A bored, drilled or driven shaft or a dug hole whose depth is greater than the largest surface dimension of the hole.

YARD WASTE

Vegetative matter resulting from landscaping, land maintenance and land-clearing operations.

ARTICLE 3: ACCUMULATION OF REFUSE, SOLID WASTE & LITTER; REMOVAL; PENALTY

- A. No person shall be permitted to accumulate any solid waste, litter or C & D debris on property owned, leased or occupied by that person within two-hundred (200) feet of another occupied premises, except in covered water-tight containers made of metal or plastic.
- B. No person shall throw, place, dump, or dispose of any solid waste, litter, or C & D debris on any road, street, gutter, sidewalk or alley, or on any public property or another's private property.
- C. No person (whether owner, tenant, lessee, manager or other person) shall permit any solid waste, litter or C & D debris or any composition or residue thereof which is in an unsanitary condition or hazardous to public health to remain upon the property under the person's control.
- D. No person shall cast, place, sweep or deposit any solid waste, litter, or C & D debris in such a manner that it may be carried or deposited by the elements upon any road, street, sidewalk, alley, sewer, parkway or other public place or private property within the County.
- E. Any accumulation of solid waste, litter, or D & D debris is a violation of the terms of this Ordinance and is hereby declared to be a nuisance and is unlawful.
- F. Subject to any limitations or otherwise provided by law, the Sheriff or County Code Enforcement Officer is authorized, upon issuance of a warrant, to inspect any property where he has probable cause to suspect that unlawful accumulations of solid waste, litter or C & D debris may exist, and to enforce this chapter.

(1) If, upon the basis of such inspections, the Sheriff or County Code Enforcement Officer finds that any of Subsections A through E of this section have not been complied with or that a violation exists, he/she shall notify the person in charge of the premises (whether owner, tenant, lessee, manager, or other person), where the unlawful refuse, solid waste, or litter accumulations exist, to properly correct such conditions within a designated period of time from 10 days up to 30 days.

(2) Upon the failure, neglect, or refusal of any person, owner, tenant, lessee, manager, or occupant to properly correct any such conditions as set forth herein within the time prescribed (or within five days of the return of such prescribed notice undeliverable if the notice is served by mail), the Board of County Commissioners may contract for the correction of unlawful accumulation or order its correction by the County, at the expense of the person, owner, tenant, lessee, manager, or occupant in charge of the property.

(3) The cost for correction shall be a lien upon the property and shall remain in full force and effect for the amount due plus interest at the legal rate from the date of filing of the lien until paid, and all other costs, including attorneys' fees.

G. Costs for correction of unlawful accumulation of refuse, solid waste, or litter shall be determined on the basis of man-worked hours, equipment at a customary rental rate per day, plus any direct cost paid by the County to correct the accumulation.

H. Nothing in Subsection F of this section shall be construed to require any notice before the filing of a Magistrate Court action for a civil or criminal violation of this section.

I. If the Sheriff finds that the unlawful accumulation of solid waste, litter or C & D debris presents a clear and present danger to the public health, safety and welfare, and immediate measures are required to alleviate this clear and present danger, the County Manager may waive the ten (10) day notification period.

J. The County Sheriff and the County Manager shall maintain files of the inspections, notices and actions taken pursuant to this Section. Costs incurred by the County in undertaking corrective actions shall be documented and the files shall be open for public review during normal business hours.

I. Penalty. Violation of this section, in addition to any other cost assessed for the cleanup of illegal stored or deposited refuse, solid waste, or litter, shall be punished under the provisions of Article 6 of this chapter.

ARTICLE 4: OWNERSHIP OF SOLID WASTE

All solid waste generated within or brought into the County is owned by and is the responsibility of the generator until such time as the waste is deposited in a landfill or approved solid waste facility or removed by a licensed private contractor, except where state or federal requirements prohibit transfer of ownership. Any person who removes solid waste from a property shall take ownership of the waste until it is taken to a convenience center, transfer station, or landfill.

ARTICLE 5: COLLECTION OF SOLID WASTE

A. Dumping. No person shall discard solid waste, rubbish, or refuse anywhere outdoors within the boundaries of the County except at a time and place approved for collection of that person's solid waste under the terms of this chapter and regulations authorized by said sections or other provisions of this Code or ordinances of the County. No person shall place solid waste in the solid waste receptacle of another person, business or institution without permission.

B. Unauthorized accumulation. It shall be unlawful to allow any solid waste, rubbish, or refuse to collect or accumulate on any property or other premises within the County. Any such unauthorized accumulation is hereby declared to be a nuisance and is prohibited.

C. Accumulation of construction and demolition debris. Debris resulting from construction or demolition of structures may be collected within an active construction site only if the solid waste is contained in such a manner that it will not be carried or deposited by the elements upon any road, sidewalk, parkway, sewer, ditch, arroyo, other public place, vacant lot, private property, or into any premises within the County.

D. Illegal use of convenience centers. No person shall place solid waste, rubbish, or refuse on the premises of a Cibola County convenience center or landfill except during the regular posted operating hours.

E. Hazardous accumulations and conditions. It shall be unlawful for any person to allow the following conditions to exist on any premises he owns, rents or occupies:

(1) The existence of three or more or any combination of nonoperational motor scooters, motorcycles, cars, trucks, buses or other vehicles regulated by the New Mexico Department of Motor Vehicles, unless the vehicle owner, property owner, or property lessee can show substantial progress in restoration or repairs to the nonoperational vehicle in the last 30 days or purchase orders, invoices or estimates for repair work to be done in the next 30 days; provided, however, that this section shall have no application where:

(a) A person is engaged in a New Mexico Department of Motor Vehicles licensed vehicle dismantling business and any nonoperational vehicles are enclosed by a fence of solid construction of wood, brick, metal, or other similar materials, not less than seven feet in height above the level of the ground and maintained in a sightly, safe and secure condition; or

(b) Any inoperable vehicles are not visible to the public from any road or street abutting such property, or, if visible, any nonoperational vehicles are enclosed by a fence of solid construction of wood, brick, metal, or other similar materials, not less than seven feet in height above the level of the ground and maintained in a sightly, safe, and secure condition.

(2) The existence of nonoperational refrigerators or freezers or any other type of appliance, furniture, vehicle or other container that has a space large enough for a person of any age to enter into with a door, hatch, lid, or cover of any kind capable of closing or sealing which could prevent the escape of any person, not within a licensed sanitary landfill or a licensed commercial salvage business registered with the State of New Mexico.

(3) The existence of piles of rubbish, refuse, household trash, debris, grass, weeds, tree limbs, or any other type of material(s) which are or may be susceptible to infestation by rodents, reptiles, insects, or

noxious weeds or any other type of animal or plant that is or can be injurious to people, animals or the environment, not within a licensed sanitary landfill or New Mexico Environment Department or other regulatory agency regulated facility.

ARTICLE 6: PENALTIES AND REMEDIES

Any person violating or failing, or refusing to comply with the provisions of this Ordinance and the Codes adopted may be prosecuted in any court of competent jurisdiction within the County, and shall be punished by (1) a fine of not more than three hundred dollars (\$300) or imprisonment for not more than ninety (90) days, or both; (2) no more than one thousand dollars (\$1,000) for discarding or disposing of refuse, litter or garbage on public or private property in any manner other than by disposing it in an authorized landfill; (3) no more than five thousand dollars (\$5,000) for the improper or illegal disposal of hazardous materials or waste in any manner other than as provided for in the Hazardous Waste Act [Chapter 74, Article 4, NMSA 1978]; and in accordance with Section 4.37-3 NMSA 1978. Each violation shall constitute a separate offense. Each day an offense continues shall also constitute a separate offense. The Board of County Commissioners may apply to the District Court for appropriate injunctive relief to compel compliance by any person within the provisions of this Ordinance. After the effective date of this Ordinance, all violations are subject to issuance of a citation.

ARTICLE 7: SEVERABILITY

If any article, section, subsection, paragraph, sentence, clause, phrase, provision, standard or any portion thereof of this Ordinance is, for any reason, held to be unconstitutional, invalid or void, the remaining portions shall not be affected since it is the express intention of the Board of County Commissioners to pass such article, section, subsection, paragraph, sentence, clause, phrase, provision, standard and every part thereof separately and independently from every other part.

ARTICLE 8: EFFECTIVE DATE AND REPEAL

This Ordinance shall be recorded and authenticated by the County Clerk following adoption by the Board of County Commissioners. The effective date of this Ordinance shall be thirty (30) days after the Ordinance has been recorded.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF _____, 20____.

BOARD OF COUNTY COMMISSIONERS

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Patrick Simpson
Commissioner, District IV

Lloyd F. Felipe
Commissioner, District V

Attest:

Elisa Bro
Cibola County Clerk

CIBOLA COUNTY
ORDINANCE № 16 - 05

**ABATEMENT OF DANGEROUS OR ABANDONED BUILDINGS, STRUCTURES,
MOBILE OR MANUFACTURED HOUSING, WRECKAGE AND DEBRIS**

GENERAL PROVISIONS

SECTION I. TITLE.

This Ordinance and any amendment hereto shall be known and may be cited as the Cibola County Abatement of Dangerous or Abandoned Buildings, Structures, Mobile or Manufactured Housing, Wreckage and Debris Ordinance.

SECTION II. AUTHORIZATION AND SCOPE.

This Ordinance is hereby enacted pursuant to NMSA §§ 4-37-1 et seq. and NMSA § 3-18-5 and applies to the unincorporated areas of Cibola County.

SECTION III. GENERAL PURPOSE.

This Ordinance is designed to promote the public health, safety and general welfare; to secure safety from fire hazard and health hazards; and to promote the environment and preserve and improve the environmental quality of the county. This Ordinance is further designed to provide a just, equitable and practical method, to be cumulative with and in addition to any other remedy provided by the County, or otherwise available by law whereby dangerous or abandoned or ruined buildings, structures, mobile or manufactured housing, wreckage, rubbish, debris and other items creating a public nuisance may be required to be repaired, vacated or demolished and removed.

SECTION IV. INTERPRETATION.

- (A) The provisions of this Ordinance shall be held to be minimum requirements.
- (B) Whenever the requirements of this Ordinance are at variance with the requirements of any other lawfully adopted rules, regulations, ordinances, the more restrictive or that imposing the higher standards shall govern.

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION V. RULES OF CONSTRUCTION.

For the purposes of this subchapter, all words, terms and expressions contained herein shall be interpreted in accordance with the following rules of construction, unless the context requires otherwise.

- (A) The particular controls the general.
- (B) The word SHALL is mandatory, the word MAY is permissive.
- (C) The present tense includes the future tense, the singular number includes the plural, and the plural number includes the singular.
- (D) The words PERSON includes a firm, association, organization, partnership, trust, company or corporation, as well as an individual.
- (E)
 - (1) Any words, terms or phrases not defined herein shall be used with a meaning of common standard use.
 - (2) Any words, terms or phrases not defined herein, shall be construed according to their common, ordinary and accepted meaning.

SECTION VI. DEFINITIONS.

For the purpose of this Ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

BUILDING CODE. The Uniform Building Code promulgated by the International Conference of Building Officials, as adopted by this jurisdiction.

COMMISSION. The Board of Commissioners of Cibola County, New Mexico.

CONTRACTOR. An entity retained by the county as provided by law to remove abandoned structures, manufactured or mobile homes, wreckage, rubbish or debris.

COUNTY. Cibola County government.

COUNTY CLERK. The Cibola County Clerk.

COUNTY OFFICIAL. The Fire Marshal or his/her designee.

DAYS. All references to DAYS shall refer to calendar days.

FIRE CHIEF. The Cibola County Fire Marshal or his or her designee.

INSPECTOR. The Fire Marshal or Building Inspector any subsequently titled position charged with the responsibility of making inspections to enforce the provisions of the

Uniform Building Code, the New Mexico Building Code or any Cibola County Building Regulations.

LIEN. Any unpaid assessment for costs associated with removal of any property as identified in this Ordinance, together with interest and penalties on all of the foregoing and cost in connection therewith, which is a lien on real property duly recorded in the land records of the County Clerk.

MANAGER. Cibola County Manager or his or her authorized designee.

OWNER. The property owner, whether or not residing in the premises.

PERSON. Any natural person or any firm, partnership, association, corporation, company or organization of any kind and as identified in § V(D) herein.

PREMISES. An improved or unimproved structure, designed for private or commercial use.

PUBLIC NUISANCE. A nuisance shall include any nuisance as defined in this Ordinance including but not limited to the Cibola County Public Nuisance Ordinance 2009-001.

SHERIFF. The Cibola County Sheriff or his or her authorized deputy.

ENFORCEMENT

SECTION VII. GENERAL ENFORCEMENT.

(A) Administration.

(1) The Cibola County Fire Marshal's office and its inspectors and the Cibola County Sheriff's Department office and its deputies are hereby authorized to enforce the provisions of this Ordinance.

(2) The Fire Marshal (hereinafter referred to as county official) shall have the power to render interpretations of this Ordinance and to adopt and enforce rules and supplemental regulations in order to clarify the applications of its provisions. These interpretations, rules and regulations shall be in conformity with the intent and purpose of this Ordinance.

(B) Inspections. The Fire Marshal and his/her designated inspectors the County Sheriff and his/her deputies are hereby authorized to make inspections and take action as may be required to enforce the provisions of this Ordinance.

(C) Right of entry.

(1) When it is necessary to make an inspection to enforce the provisions of this Ordinance, or when the county official has reasonable cause to believe that there exists in a building or upon a premises a condition which is contrary to or in violations of this

Ordinance which makes the building or premises unsafe, dangerous, hazardous or otherwise a public nuisance, the county official may enter the building or premises at reasonable times to inspect or to perform the duties imposed by this Ordinance, provided that if the building or premises are occupied that credentials be presented to the occupant and entry requested. If the building is unoccupied, the county official shall first make a reasonable effort to locate the owner or other person having charge or control of the building or premises and request entry. If the entry is refused, the county official shall have recourse to the remedies provided by law to secure entry.

(2) Authorized representative shall include the officers named in § VII (A) and their authorized inspection personnel.

(D) Liability.

(1) The county official charged with the enforcement of this Ordinance, acting in good faith and without malice in the discharge of the duties required by this Ordinance or other pertinent law or ordinance shall not thereby be rendered personally liable for damages that may accrue to persons of property as a result of an act or by reason of an act or omission in the discharge of these duties. A suit brought against the county official because of an act or omission performed by the building official or employee in the enforcement of any provision of any codes or other pertinent laws or ordinances implemented through the enforcement of this Ordinance or enforced by the county official shall be defended by the county until final termination of the proceedings, and any judgment resulting there from shall be assumed by this jurisdiction.

(2) This Ordinance shall not be construed to relieve from or lessen the responsibility of any person owning, operating or controlling any building or structure for any damages to persons or property caused by defects, nor shall the Ordinance enforcement agency or its parent jurisdiction be held as assuming any liability by reason of the inspections authorized by this Ordinance or any permits or certificates issued under this Ordinance.

SECTION VIII. ABATEMENT OF DANGEROUS OR ABANDONED BUILDINGS.

All buildings or structures within the scope of this Ordinance which are determined after inspection by the county official to be dangerous as defined in this Ordinance and all abandoned buildings, structures, mobile or manufactured housing, wreckage, rubbish or debris as defined in this Ordinance is hereby declared to be a public nuisance and shall be abated by repair, rehabilitation, demolition and/or removal in accordance with the procedures specified in §XV of this Ordinance.

SECTION IX. VIOLATIONS & PENALTIES.

(A) It shall be unlawful for any person, firm or corporation to maintain dangerous or abandoned buildings, structures, mobile or manufactured housing, wreckage, rubbish or debris or otherwise maintain a public nuisance in violation of this Ordinance.

(B) Each violation of this Ordinance shall be punishable by a fine of no more than three hundred dollars (\$300) pursuant to NMSA 1978 Section 4-37-3 (1993).

SECTION X. DANGEROUS BUILDING.

For the purpose of this Ordinance, any building or structure which has any or all of the conditions or defects hereinafter described shall be deemed to be a dangerous building, provided that the conditions or defects exist to the extent that the life, health, property or safety of the public or its occupants are endangered.

(A) Whenever any door, aisle, passageway, stairway or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or panic.

(B) Whenever the walking surface of any aisle, passageway, stairway or other means of exit is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or panic.

(C) Whenever the stress in any materials, member or portion thereof, due to all dead and live loads, is more than 1-1/2 times the working stress or stresses allowed in the Building Code for new buildings of similar structure, purpose or location.

(D) Whenever any portion thereof has been damaged by fire, earthquake, wind, flood or by any other cause, to an extent that the structural strength or stability thereof is materially less than it was before the catastrophe and is less than the minimum requirements of the Building Code for new buildings of similar structure, purpose or location.

(E) Whenever any portion or member or appurtenance thereof is likely to fail, or become detached or dislodged, or to collapse and thereby injure persons or damage property.

(F) Whenever any portion of a building, or any member, appurtenance or ornamentation on the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of 1/2 of that specified in the Building Code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the Building Code for the buildings.

(G) Whenever any portion thereof has wrecked, warped, buckled or settled to an extent that walls or other structural portions have materially less resistance to wind or earthquakes than is required in the case of similar new construction.

(H) Whenever the building or structure, or any portion thereof, because of:

- (1) Dilapidation, deterioration or decay;
- (2) Faulty construction;

(3) The removal, movement or instability of any portion of the ground necessary for the purpose of supporting the building;

(4) The deterioration, decay or inadequacy of its foundation; or

(5) Any other cause, is likely to partially or completely collapse.

(I) Whenever, for any reason, the building or structure, or any portion thereof, is manifestly unsafe for the purpose for which it is being used.

(J) Whenever the exterior walls or other vertical structural members list, lean or buckle to an extent that a plumb line passing through the center of gravity does not fall inside the middle 1/3 of the base.

(K) Whenever the building or structure, exclusive of the foundation, shows 33% or more damage or deterioration of its supporting member or members, 50% damage deterioration of its non-supporting members, enclosing or outside wall or coverings.

(L) Whenever the building or structure has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become:

(1) An attractive nuisance to children;

(2) A harbor for vagrants; or criminals; or

(3) As to enable persons to resort thereto for the purpose of committing unlawful acts.

(M) Whenever any building or structure has been constructed, exists or is maintained in violation of any specific requirements or prohibition applicable to the building or structure provided by the building regulations of the jurisdiction, as specified in the Building Code, or of any law or ordinance of this state of jurisdiction relating to the condition, location or structure of buildings.

(N) Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances, has in any non-supporting part, member or portion less than 50%, or in any supporting part, member or portion less than 66% of the:

(1) Strength;

(2) Fire-resisting qualities or characteristics; or

(3) Weather-resisting qualities or characteristics required by law in the case of newly constructed building of like area, height and occupancy in the same location.

(O) Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or, otherwise, is determined by the health officer to be insanitary, unfit for human habitation or in a condition that is likely to cause sickness or disease.

(P) Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive

construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined by the Fire Marshal to be a fire hazard.

(Q) Whenever any building or structure is in a condition as to constitute a public nuisance known to the common law or in equity jurisprudence.

(R) Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period on excess of 6 months so as to constitute the building or portion thereof an attractive nuisance or hazard to the public.

SECTION XI PROCEDURES.

The Board of County Commissioners shall decide on resolutions, appeals, decisions or determinations made by the county official relative to the application and interpretation of this Ordinance.

NOTICES OF COUNTY OFFICIAL

SECTION XII. GENERAL NOTICES.

(A) Commencement of proceedings. When the county official has inspected or caused to be inspected any building or premises and has found and determined that the building or premise is dangerous or abandoned, contains wreckage, rubbish or debris or is otherwise a public nuisance the county official shall commence proceedings to cause the repair, vacation, demolition and/or removal of the premises in violation of this Ordinance.

(B) Service.

(1) Any notice including resolutions, and any amended or supplemental notice or resolution, shall be served upon the record owner and posted on the property; and 1 copy thereof shall be served on each of the following if known to the county official or disclosed from official public records:

(a) The holder of any mortgage or deed of trust or other lien or encumbrance of record; and

(b) The owner or holder of any lease of record; and the holder of any other estate or legal interest of record in or to the building or the land on which it is located.

(2) The failure of the county official to serve any person required herein to be served shall not invalidate any proceeding hereunder as to any person duly served or relieve any person from any duty or obligation imposed by the provisions of this section.

(C) Method of service. Service of the notice or resolution shall be made upon all persons entitled thereto either personally or by mailing a copy of the notice and order by certified mail, postage prepaid, return receipt request, to each person at their address as it appears on the last equalized assessment roll of the county or as known to the county official. If no address of any person so appears or is known to the county official, then a

copy of the notice and order shall be so mailed, addressed to the person, at the address of the building involved in the proceedings. The failure of any person to receive the notice shall not affect the validity of any proceeding taken under this section. Service by certified mail in the manner herein provided shall be effective on the date of mailing.

(D) Proof of service. Proof of service of the notice and order shall be certified to at the time of service by a written declaration under penalty of perjury executed by the persons effecting service, declaring the time, date and manner in which service was made. The declaration, together with any receipt card returned in acknowledgment of receipt by certified mail shall be affixed to the copy of the notice retained by the county official.

(E) Notice.

(1) The county official shall issue a notice directed to the record owner of the property.

(2) The notice shall contain:

(a) The street address and a legal description sufficient for identification of the premises upon which the dangerous or abandoned building, manufactured or mobile home wreckage, rubbish or debris or public nuisance is located.

(b) A statement that the county official has found the property contains on the premises a dangerous or abandoned building(s), manufactured or mobile home(s), wreckage, rubbish or debris with a brief concise description of the conditions found to render the building or premise a public nuisance under § VIII of this Ordinance.

(c) A statement of the action required to be taken as determined by the county official.

(d) If the building official has determined that the building or structure must be repaired, the notice shall require that all required permits be secured therefore and the work physically commenced within the time (not to exceed 60 days from the date of the order) and completed within the time as the building official shall determine is reasonable under all the circumstances.

(e) If the county official has determined that the building or structure must be demolished, the notice shall require that the property be vacated within the time as the building official shall determine is reasonable (not to exceed 60 days from the date of the order); that all required permits be secured therefore within 60 days from the date of the notice; and that the demolition and removal be completed within the time as the county official shall determine is reasonable.

SECTION VIII. ENFORCEMENT.

(A) Failure of the record owner of the property to comply with any notice issued by the county official shall result in the county official to submit a report to the manager with the department's findings.

(B) In the event that the county official's findings determine that any building or structure is ruined, damaged and dilapidated, or a premise is covered with ruins, rubbish, wreckage or debris the Manager shall cause the matter to be presented to the Commission at a regularly scheduled Commission meeting.

(C) The findings of the county official shall be presented to the Commission who may then, by resolution, find that the dangerous or abandoned building, manufactured or mobile home, wreckage, rubbish or debris is a public nuisance to the health, safety and welfare of Cibola County and requires the renovation or the removal by the county of the building, structure, ruins, rubbish, wreckage or debris.

(D) (1) A copy of the resolution shall be served upon the property owner(s) (such as mortgage company) and posted on the property; and 1 copy thereof shall be served on each of the following if known to the county official or disclosed from official public records:

(a) The holder of any mortgage or deed of trust or other lien or encumbrance of record;

(b) The owner or holder of any lease of record; and

(c) The holder of any other estate or legal interest of record in or to the building or the land on which it is located.

(2) The failure of the county official to serve any person required herein to be served shall not invalidate any proceeding hereunder as to any person duly served or relieve any person from any duty or obligation imposed by the provisions of this Ordinance. If the owner, as shown by the above records cannot be served within the confines of Cibola County, a copy of the resolution shall be posted on the building, structure or premise and a copy of the resolution shall be published in a newspaper of general circulation at least 2 weeks prior to the meeting of the Commission.

(E) Within 10 days of the receipt of a copy of the resolution or of the posting and publishing of a copy of the resolution, the owner or occupant or agent in charge of the building, structure or premise shall commence repairing the premise or removing the building, structure, wreckage, rubbish, or debris, or file a written objection to the Manager requesting a public hearing before the Commission.

SECTION XIV. OBJECTIONS AND APPEALS.

(A) Objection.

(1) Any aggrieved property owner or occupant may file a written objection to the notice issued by the county official. The objection shall be filed in the office of the Manager.

(2) If a written objection is filed as required in this section, the Commission shall:

(a) Fix a date for a hearing on its resolution and the objection;

(b) Consider all evidence for and against the removal resolution at the hearing under oath or affirmation; and

(c) Determine if its resolution should be enforced or rescinded.

(B) Appeal.

(1) Any person aggrieved by the determination of the Commission may appeal to the District Court by:

(a) Giving notice of appeal to the Manager within 30 days after the determination made by the Commission; and

(b) Filing a petition in the District Court within 30 days after the determination made by the Commission.

(2) The District Court shall hear the matter as provided by law and enter judgment in accordance with its findings.

(C) Failure to act.

(1) If the property owner or occupant or agent in charge of the building, structure or premise fails to commence removing the building, structure, ruins, rubbish, wreckage or debris:

(a) Within 10 days of being served a copy of the resolution or of the posting and publishing of the resolution;

(b) Within 5 days of the determination by the Commission that the resolution shall be enforced; or

(c) After the District Court enters judgment sustaining the determination of the Commission, the county may remove the building, structure, ruins, rubbish, wreckage or debris at the cost and expense of the property owner.

(2) (a) The reasonable cost of the removal shall constitute a lien against the building, structure, ruin, rubbish, wreckage or debris so removed and against the lot or parcel of land from which it was removed.

(b) The lien shall be foreclosed in the manner provided in NMSA §§ 3-16-1 et seq. and 4-37-1 et seq.

(c) The resolution adopted by the Commission shall be filed and recorded with the County Clerk.

(d) Whenever the repairs ordered shall have been completed or the building(s) demolished and removed from the property so that it no longer exists as an abandoned buildings, structures, mobile or manufactured housing, wreckage or debris on the property described in the resolution, the county official shall file a new certificate with the County Clerk certifying that the building or premise has been demolished and disposed of from the premises or all required repairs have been made so that the building or premise is no longer a public nuisance, whichever is appropriate.

(D) Effective date of decision. The effective date of the decision shall be the date of the formal vote of the Board of Commissioners.

(E) Effect of failure to appeal. Failure of any person to file an appeal in accordance with the provisions of this Ordinance shall constitute a waiver of the right to an administrative hearing and adjudication of the notice and order or any portion thereof.

REPAIR, DEMOLITION AND REMOVAL

SECTION XV. GENERAL REPAIR, DEMOLITION AND REMOVAL.

(A) The following standards shall be followed by the county official (and by the Board of County Commissioners, if an appeal is taken) in providing notice to the repair, demolition and removal of any abandoned buildings, structures, mobile or manufactured housing, wreckage or debris on property.

(B) Any premises declared a public nuisance under this Ordinance shall be made to comply with 1 of the following:

- (1) The building shall be repaired in accordance with the current building code or other current code application to the type of substandard conditions requiring repair; or
- (2) The premises shall be demolished and debris removed by the property owner.

(C) Upon receipt of an application from the person requires to conform to the order and an agreement by the person that he or she will comply with the order if allowed additional time, the building official may, in his or her discretion, grant an extension of time, not to exceed an additional 120 days, within which to complete the repair, rehabilitation or demolition, if the building official determines that an extension of time will not create or perpetuate a situation imminently dangerous to life or property. The Buildings Official's authority to extend time is limited to the physical repair, rehabilitation or demolition of the premises and will not in any way affect the time to appeal his or her notice and order.

SECTION XVI. NOTICE TO VACATE.

(A) Posting. Every notice to vacate shall in addition to being served as provided in §XII shall be posted at or upon each exit of the building and shall be in substantially the following form:

**DO NOT ENTER
UNSAFE TO OCCUPY
IT IS A MISDEMEANOR TO OCCUPY THIS BUILDING,
OR TO REMOVE OR DEFACE THIS NOTICE.
COUNTY OFFICIAL _____ OF CIBOLA COUNTY.**

(B) Compliance. Whenever the notice is posted, the county official shall include a notification thereof in the notice and resolution issued under §VIII, reciting the findings and specifying the conditions which necessitate the posting. No person shall remain in or enter any building which has been so posted, except that entry may be made to repair, demolish or remove the building under permit or permission of the county. No person will remove or deface any notice after it is posted until the required repairs, demolition or removal have been completed without the consent of the county. In a renovation of the building a building permit must be issued pursuant to the provisions of the Uniform Building Code.

SECTION XVII. ENFORCEMENT OF THE ORDER THE BOARD OF COMMISSIONERS.

(A) Generally. After any order of the court or resolution of the Commission made pursuant to this Ordinance will have become final, no person to whom any order is directed will fail, neglect or refuse to obey any order. Any person who fails to comply with any order is guilty of a misdemeanor.

(B) Failure to obey order. If, after any resolution or order of the Commission made pursuant to this Ordinance has become final, the person or persons to whom the order is directed shall fail, neglect or refuse to obey the order, the county official may:

- (1) Cause the person to be prosecuted under division (A) above; or
- (2) Institute any appropriate action to abate the building or premise as a public nuisance.

(C) Failure to commence work. Whenever the required demolition and removal is not commenced within 30 days after any notice and resolution issued under this Ordinance becomes effective:

- (1) The county official shall cause the building or premises described in the notice and order to be vacated by posting at each entrance thereto a notice reading:

**DANGEROUS BUILDING
DO NOT OCCUPY
IT IS A MISDEMEANOR TO OCCUPY THIS BUILDING, OR
TO REMOVE OR DEFACE THIS NOTICE.
BUILDING OFFICIAL _____ OF CIBOLA COUNTY.**

(2) No person shall occupy any building which has been posted as specified in this section. No person shall remove or deface any notice so posted until the repairs, demolition or removals ordered by the building official have been completed and a certificate of occupancy issued pursuant to the provisions of the Building Code.

(3) The county official may, in addition to any other remedy herein provided, if the notice and resolution required demolition, cause the building to be demolished and the materials, rubble and debris therefrom removed and the lot cleaned. Any repair or demolition work shall be accomplished and the cost thereof paid and recovered in the manner hereinafter provided in this Ordinance. Any surplus realized from the from the demolition thereof, over and above the cost of demolition and of cleaning the lot, shall be paid over to the person or persons lawfully entitled thereto.

**SECTION XVIII. INTERFERENCE WITH REPAIR OR DEMOLITION
WORK PROHIBITED.**

No person will obstruct, impede or interfere with any officer, employee, contractor or authorized representative of this jurisdiction or with any person who owns or holds any estate or interest in any building which has been ordered demolished or removed under the provisions of this code; or with any person to whom the building has been lawfully sold pursuant to the provisions of this code, whenever the officer, employee, contractor or authorized representative of this jurisdiction, person having an interest or estate in the building or structure, or purchaser is engaged in the work of demolishing and removal of debris of any building, pursuant to the provisions of this Ordinance, or in performing any necessary act preliminary to or incidental to the work or authorized or directed pursuant to this Ordinance. Any person found guilty under this provision shall be subject to a misdemeanor offense and sentenced as provided by law.

PERFORMANCE OF WORK OF REPAIR OR DEMOLITION

SECTION XIX. GENERAL PERFORMANCE OF WORK OF REPAIR OR DEMOLITION

(A) Procedure. When any work of demolition is to be done pursuant to § XVII of this Ordinance, the Manager or his or her designee may issue a directive therefore to the road superintendent and the work will be accomplished by personnel of this county or by private contract under the direction of the Manager. If any part of the work is to be accomplished by private contract, procurement procedures shall be followed.

(B) Costs. The cost of the work will be paid from the demolition and removal account, and may be made a special assessment lien against the property involved.

(C) Compensation of contractor. The county may pay for the costs of removal of any abandoned building, manufactured or mobile home, wreckage, rubbish or debris as provided in §XVII.

(D) Conditions of removal. Any person or firm removing any abandoned building, manufactured or mobile home, wreckage, rubbish or debris shall leave the premises from which the material has been removed in a clean, level and safe condition, suitable for further occupancy or construction and with all excavations filled. The person or firm shall be responsible for disposal of the building and the like. The failure of the person or firm removing the above item(s) to comply with these conditions shall provide cause for the county to withhold payment for costs of removal until the above conditions have been satisfied in the opinion of the Manager.

SECTION XX. DEMOLITION AND REMOVAL ACCOUNT.

(A) Generally. The Cibola County Commission will establish a special revolving account to be designated as the demolition and removal account. Payments will be made out of the account upon the demand of the Manager or his or her designee to defray the costs and expenses which may be incurred by this jurisdiction in doing or causing to be done the necessary work of demolition and removal of abandoned buildings, manufactured or mobile homes, wreckage rubbish and debris from the premises.

(B) Maintenance of fund. The Commission may at any time transfer to the repair and demolition account, out of any money in the general fund of this jurisdiction, the sums as it may deem necessary in order to expedite the performance of the work of demolition, and any sum so transferred shall be deemed a loan to the repair and demolition account and shall be repaid out of the proceeds of the collections hereinafter provided for. All funds collected under the proceedings hereinafter provided for shall be paid to the treasurer of this jurisdiction who shall credit the same to the demolition and removal account. Any donations received from private sources shall only be used for the intended purpose of the fund and shall not revert to the general fund for any reason.

RECOVERY OF COST OF DEMOLITION AND REMOVAL

SECTION XXI. ENFORCEMENT OF LIEN.

(A) (1) The Manager or his or her designee shall file in the office of the County Clerk any notice of property lien created by ordinance or under authority of law.

(2) The notice of lien shall include:

- (a) The number of the ordinance under which the lien is established;
- (b) The fact that a lien is established;
- (c) The general purpose of the lien;
- (d) The name of the owner of the property against which the lien is established as determined from the records of the county assessor/ clerks;
- (e) The description of the property against which the lien is established;
- (f) The amount of the lien; and
- (g) If the lien is for more than 1 period of time, the date for which the lien is established.

(B) (1) A lien for charges or assessments including publication costs, which are provided for or fixed by any ordinance or under authority of law may be included in the same notice of lien.

(2) The lien shall be attested in the name of the County Clerk under the seal of the county.

(C) The principal amount of any lien imposed for a county assessment shall bear interest at the rate of 12% per year or as provided by law from the date of filing the notice of the lien unless otherwise provided by law.

(D) After the filing of the notice of lien in the office of the County Clerk, the county shall have a lien upon the property described in the notice of lien. The filing of the notice of lien shall be valid notice of the existence of the lien and of the contents of the lien. No lien shall affect the title or rights to or in any real estate, of any purchaser, mortgagee in good faith or judgment lien creditor, without knowledge of the existence of the lien, unless the notice of the lien is filed in accordance with NMSA § 3-36-1 in the office of the County Clerk of the county in which the real estate affected thereby is situated. All county liens filed in conformity with NMSA §§ 3-36-1 et seq. and § 4-37-1 shall be first and prior liens on the property subject only to the lien of general state and county taxes. All foreclosure proceeding on delinquent liens shall follow the statutory requirements as set forth in NMSA §§ 3-36-1 et seq. and as authorized by NMSA § 4-37-1.

(E) The County Clerk may release a lien against any specific property by:

- (1) Entering and signing a receipt of payment upon the notice of the lien filed in the office of the County Clerk; or
- (2) Issuing a separate receipt which recites that payment of the lien with any accrued interest and penalty has been made.

SECTION XXII. AUTHORITY FOR INSTALLMENT PAYMENT OF LIEN ASSESSMENTS WITH INTEREST.

(A) The Manager or his or her designee, in his or her discretion, may determine that assessments in amounts of \$500 or more shall be payable in not to exceed 5 annual installments.

(B) The determination to allow payment of the assessments in installments, the number of installments, interest as provided by law shall be in writing and verified by the parties.

SECTION XXIII LIEN ON ASSESSMENT.

(A) Priority.

(1) Immediately upon its being placed on the assessment roll, the assessment lien shall be deemed to be complete, the several amounts assessed shall be payable, and the assessment shall be a lien against the lots or parcels of land assessed, respectively.

(2) The lien shall be subordinate to all existing special assessment liens previously imposed upon the same property and shall be paramount to all other liens except for state, county and property taxes with which it shall be upon a parity.

(3) The lien shall continue until the assessment and all interest due and payable thereon are paid.

(B) Interest. All assessments remaining unpaid after 30 days from the date of recording on the assessment roll shall become delinquent and shall bear interest at the rate of 12% per annum from and after the date or as provided by law.

SECTION XXIV COLLECTION OF ASSESSMENT AND FORECLOSURE.

(A) The amount of the assessment shall be collected at the same time and in the same manner as ordinary property taxes are collected and shall be subject to the same penalties and procedure and sale in case of delinquency as provided for ordinary property taxes.

(B) All laws applicable to the levy, collection and enforcement of property taxes shall be applicable to the assessment including foreclosure proceedings as provided by law.

SECTION XXV. REPAYMENT OF DEMOLITION AND REMOVAL ACCOUNT.

All money recovered by payment of the charge or assessment or from the sale of the property at foreclosure sale shall be paid to the treasurer of the county, who shall credit the same to the demolition and removal account.

SECTION XXVII. EFFECTIVE DATE

The effective date of this Ordinance shall be _____, 2016.

ORDAINED, ADOPTED, AND APPROVED on this _____ day of _____, 2016.

BOARD OF COUNTY COMMISSIONERS

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk



Laura Jaramillo
City Manager

Robert C. Hays
Fire Chief

Martin W. Hicks
Mayor

Michael Lewis
Mayor Pro-Tem

June 1, 2016

Tony Boyd, County Manager
515 W. High Street
Grants, New Mexico 87020

Mr. Boyd,

I would like to formally request to be placed on the June 2016 agenda of the Cibola County Commission to present an ordinance to allow a tax proposal to be placed on the November 2016 general election ballot. According to the New Mexico Taxation & Revenue Department this adoption has to be 62 days prior to a general election and the time line suggests I present and request this at your June 2016 meeting.

I have attached the proposed Ordinance for your consideration.

Robert Hays
Fire Chief

620 West High Street – Station #1
Post Office Box 879
Office (505) 876-2245

700 Truman Avenue – Station#2
Grants, New Mexico 87020
FAX (505) 287-4529

CWCEMST - 2016 Countywide Emergency Communications and Emergency Medical and Behavioral Health Services Tax Adopting a Tax Increment

ORDINANCE NUMBER _____

ADOPTING A COUNTYWIDE EMERGENCY COMMUNICATIONS AND EMERGENCY MEDICAL AND BEHAVIORAL HEALTH SERVICES TAX

BE IT ORDAINED BY THE GOVERNING BODY OF CIBOLA COUNTY:

Section 1. Imposition of Tax. There is imposed on any person engaging in business in the county for the privilege of engaging in business in the county an excise tax equal to one-fourth of one percent (.25%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended. The tax imposed under this ordinance is pursuant to the County Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the "countywide emergency communications and emergency medical and behavioral health services tax."

Section 2. General Provisions. This ordinance hereby adopts by reference all definitions, exemptions and deductions contained in the Gross Receipts and Compensating Tax Act as it now exists or as it may be amended.

Section 3. Specific Exemptions. No countywide emergency communications and emergency medical and behavioral health services tax shall be imposed on the gross receipts arising from:

A. transporting persons or property for hire by railroad, motor vehicle, air transportation or any other means from one point within the county to another point outside the county;

B. direct broadcast satellite services.

Section 4. Dedication. Revenue from the countywide emergency communications and emergency medical and behavioral health services tax shall be dedicated to any of the following purposes:

Operation of an emergency communications center that has been determined by the Local Government Division of the Department of Finance and Administration to be a consolidated public safety answering point.

Section 5. Effective Date. The effective date of the countywide emergency communications and emergency medical and behavioral health services tax shall be either January 1 or July 1, whichever date occurs first after the expiration of three months from the date when the results of the election are certified to be in favor of the ordinance's adoption and the adopted ordinance is delivered or mailed to the Taxation and Revenue Department.

ADOPTED BY THE GOVERNING BODY OF CIBOLA COUNTY THIS DAY OF 2016.

ATTEST:

T. WALTER JARAMILLO, CHAIRMAN

Lisa Bro, County Clerk

ORDINANCE NO. 16-07
PUBLIC NUISANCE ORDINANCE OF CIBOLA COUNTY

TABLE OF CONTENTS

ARTICLE 1. TITLE.....	2
ARTICLE 2. INTENT	2
ARTICLE 3. EXCLUSIONS	2
ARTICLE 4. DEFINITIONS	2
ARTICLE 5. CREATION OF PUBLIC NUISANCE PROHIBITED.....	4
ARTICLE 6. VARIANCES	6
ARTICLE 7. ENFORCEMENT	8
ARTICLE 8. SAVINGS CLAUSE.....	8

PREAMBLE

WHEREAS, the growth of population in Cibola County has been accompanied by an increase in growth of residential and commercial land use in Cibola County; and,

WHEREAS, this situation has produced an increase in the number of and potential for conflicts between incompatible land uses; and,

WHEREAS, NMSA 1978, Section 3-18-1 (1972) provides that municipalities, and also counties pursuant to NMSA 1978, Section 4-37-1 (1995), have the power to “protect generally the property of its municipality and its inhabitants” and to “preserve peace and order”; and,

WHEREAS, Section 4-37-1 et seq. NMSA 1978 provides that counties may adopt ordinances, not inconsistent with statutory or constitutional limitations placed on counties, to discharge those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the county and its inhabitants; and,

WHEREAS, the Cibola County Board of Commissioners has considered and now determines that the creation of certain conditions which tend to disturb the public peace or to be detrimental to the health, safety, welfare, comfort or repose of others within Cibola County constitutes a public nuisance; and,

WHEREAS, the Cibola County Board of Commissioners has determined that the health, safety and general welfare of the residents of Cibola County would best be served by the adoption of a public nuisance ordinance;

NOW THEREFORE BE IT ORDAINED that the Cibola County Board of Commissioners does hereby establish a public nuisance ordinance for Cibola County, as follows:

ARTICLE 1. TITLE

This ordinance may be cited as the “Public Nuisance Ordinance of Cibola County” (hereinafter, “this Ordinance”).

ARTICLE 2. INTENT

The intent of this Ordinance is to define conditions that constitute a public nuisance and to provide for the abatement of those conditions.

ARTICLE 3. EXCLUSIONS

Section 3.1. Agriculture. Any agricultural operation or facility which is not a public nuisance according to Cibola County Ordinance #01-001 (“Right-to-Practice-Agriculture”), as the same may be amended from time to time, shall be exempt from the provisions of this Ordinance.

Section 3.2. Existing Land Uses Excluded. Land uses other than those classified as agricultural by Cibola County Ordinance #_____ as the same may be amended from time to time, that were in existence as of the date of adoption of this Ordinance shall be excluded from the provisions of this Ordinance, provided that conditions produced by those uses do not change in such a way as to violate the standards set forth in this Ordinance. For the purposes of this Ordinance, intermittent uses that are established on a particular property shall be considered as existing land uses excluded from operation of this Ordinance regardless of whether the use was active at the time this Ordinance was adopted.

Section 3.3. Regulated Uses. Land uses and activities that are already regulated by the New Mexico Department of Game and Fish, and uses and activities regulated under the Animal Control Ordinance of Cibola County, New Mexico, Ordinance No. 98-005, shall be excluded from the provisions of this Ordinance.

Section 3.4. Moving to the Nuisance. Any land use that has operated continuously and regularly for at least one year from the approval of this ordinance without having been required by the enforcing entity to abate any condition determined to be in violation of this Ordinance shall be exempt from the provisions of this Ordinance, provided that conditions produced by that commercial land use do not change in such a way as to violate the standards set forth in this Ordinance.

ARTICLE 4. DEFINITIONS

Abate: to repair, replace, remove, destroy or otherwise remedy the condition by such means and such manner and to such extent as the enforcing entity, in its judgment, shall determine is necessary in order to achieve compliance with the provisions of this Ordinance.

Ambient noise: the composite of all noise from sources near and far, excluding the alleged intrusive or offensive noise source.

A-Weighted noise level: the noise level in decibels as measured on a sound level meter using the A-Weighting network. The level so read is designated in dB(A).

Construction: any site preparation, assembly, erection, substantial repair, alteration, or similar action, or related services or activities, for, of or to private property, structures, utilities, or public rights-of-way.

Decibel (dB): a unit for measuring the amplitude of noise, equal to 20 (twenty) times the logarithm to the base of ten of the ratio of the pressure of the noise measured to the referenced pressure, which is 20 micropascals.

Dust: airborne earth or other matter in dry, fine particulate form.

Emergency: any occurrence or set of circumstances involving actual or imminent physical trauma or substantial property damage that demands immediate action.

Emergency work: any work performed for the purpose of preventing or alleviating the physical trauma or substantial property damage threatened or caused by an emergency.

Intrusive noise: the offensive noise that exceeds the existing ambient noise at a given location.

Noise level: the sound pressure level as measured with a sound level meter.

Nuisance: Conditions which tend to disturb the public peace or to be detrimental to the health, safety, welfare, or repose of others within Cibola County constitutes a public nuisance.

Owner: any person, association, partnership or corporation that has dominion over, control of, or title to real property.

Person: an individual, partnership, joint venture, corporation, association, social club, fraternal organization, trust, estate, receiver, or any other legal entity.

Premises: any building, lot, parcel, real estate, or land or portion of land, whether improved, unimproved, occupied or unoccupied.

Property: any real property, including but not limited to land, lot, or parcel of land.

Responsible person: any owner, user or other person in control of a property.

Sound level meter: an instrument, including a microphone, amplifier, output meter, and frequency weighting networks for the measurement of noise levels, which satisfies the requirements, pertinent for Type 2A meters in American National Standards Institute specifications for Sound Level Meters, S1.4-1983, or the most recent revision thereof.

Visible: visually observable as is, without magnification or other modification or enhancement, by a person whose visual acuity may be presumed to be no greater than 20-20, corrected or uncorrected.

ARTICLE 5. CREATION OF PUBLIC NUISANCE PROHIBITED.

It is hereby declared to be a public nuisance for any owner or other person in control of a property or premises to keep, maintain or use such property or premises in such a manner as to violate any of the provisions set forth in this Article or in any subsequent versions of this Ordinance.

Section 5.1. Noise Nuisance. No person shall operate any type of vehicle, machine, or device, or carry on any type of activity, or promote or facilitate the carrying on of any activity that makes intrusive noise in excess of the levels specified in sub-sections 5.1.2. and 5.1.3 below.

5.1.1. Measurement of sound level. Sound shall be measured on the “A” weighting scale on a sound level meter of standard design and quality and characteristics established by the American National Standards Institute. Sound from a vehicle operating on a public road or highway shall be measured at a distance of fifty feet (50') from the center of the lane of travel. Sound from a non-vehicular source shall be measured at the property line of the property from which such sound is radiating. In each case, both ambient and intrusive noise levels shall be measured.

Typical noise levels associated with various activities and devices are presented in Exhibit A (attached).

5.1.2. Vehicular noise.

(a) Sound from a vehicle being operated on a public road or highway with the following speed limits shall not exceed the following as measured on the “A” weighting scale:

Type of Vehicle	Speed Limit of 35 miles per hour or less	Speed Limit of more than 35 miles per hour
Vehicle with a manufacturer's gross vehicle rating of 10,000 lbs. or more, and any combination of vehicles towed by such a vehicle	90 dB(A)	90 dB(A)
All other vehicles	80 dB(A)	84 dB(A)

(b) Sound from a vehicle being operated on private property or public property which is not a road or highway shall not exceed 78 dB(a) measured at the property line.

5.1.3. Non-vehicular Noise. Between the hours of 7 AM and 10 PM, the maximum permissible level of intrusive noise from non-vehicular sources is 80 dB(A), or 10 dB(A) above the ambient noise level, whichever is higher, measured at the property line. Between the hours of 10 PM and 7 AM, the maximum permissible level of intrusive noise from non-vehicular sources is 70 dB(A), or 10 dB(A) above the ambient noise level, whichever is higher, measured at the property line.

5.1.4. Exceptions. The following types of noise shall be exempt from the provisions of this Ordinance:

(a) Construction Noise: all necessary and reasonable noise associated with construction between the hours of 7 AM and 10 PM;

(b) Emergency Noise: all necessary and reasonable noise emitted for the purpose of alerting persons to the existence of an emergency or noise emitted in the performance of emergency work;

(c) Warning Device Noise: all necessary and reasonable noise associated with the use of warning devices necessary for the protection of public safety, including but not limited to fire, law enforcement and ambulance sirens and the testing of such devices;

(d) Public Works Noise: all necessary and reasonable noise arising from the authorized performance of building, repairing or maintaining highways, roads and irrigation canals and other such duly authorized public works activities;

(e) All necessary and reasonable noise arising from the operation of public recreational activities authorized by the County of Cibola.

Section 5.2. Lighting Nuisance. Any outdoor light used for the illumination of parking areas, loading areas, recreation areas, or for any other private or public purpose shall be arranged in such manner as to meet the following conditions:

(a) Lights shall be fully shielded or arranged in a manner so that concentrated rays of light will not shine directly onto other properties.

(b) Neither the direct nor the reflected light from any light source may create a traffic hazard to operators of motor vehicles on public roads, and no colored lights may be used in such a way as to be confused or construed as traffic control devices.

(c) Lights shall be either on or off in their normal mode of operation, and shall not, in their normal mode of operation, be blinking, flashing, fluttering or otherwise

characterized by a pattern of changing light intensity, brightness or color, unless such light is less than eight (8) feet above ground level.

(d) Light sources shall be positioned no higher than twenty-five (25) feet above ground level.

5.2.1. Exceptions. The following types of lighting shall be exempt from the provisions of this Ordinance:

(a) Emergency Lighting: all necessary and reasonable lighting emitted for the purpose of alerting persons to the existence of an emergency or light emitted in the performance of emergency work;

(b) Warning Device Light: all necessary and reasonable light associated with the use of warning devices necessary for the protection of public safety, including but not limited to fire, law enforcement and ambulance warning lights and the testing of such devices;

(c) Public Works Lighting: all necessary and reasonable light arising from the authorized performance of building, repairing or maintaining highways, roads and irrigation canals and other such duly authorized public works activities;

(d) Holiday Displays: temporary holiday lights or lighting displays;

(e) Lights required by local, state or federal regulations;

(f) Lights required for the operation of public recreational activities authorized by the County of Cibola.

Section 5.3. Odor Nuisance. No person shall operate any type of machine or device, or carry on any type of activity, or promote or facilitate the carrying on of any activity, or create and/or maintain any condition which causes an odor of hydrogen sulfide, ammonia, chlorine, industrial solvent, urine or feces, or any other noxious or offensive odor, to be detectable by the enforcing entity at a distance of 10' (ten feet) beyond the property line of the property from which such odor is emanating.

Section 5.4. Vermin Nuisance. No person shall cause, maintain or, within his control, permit the infestation by or harborage of rodents, roaches, flies or other vermin of public health significance.

ARTICLE 6. VARIANCES

Section 6.1. Authority. The Cibola County Board of County Commissioners may grant an individual variance from the limitations prescribed under this Ordinance upon presentation of adequate proof that:

- (a) Compliance with any part of this Ordinance will:
 - (i) Result in an arbitrary and unreasonable taking of property; or
 - (ii) Impose an undue economic burden upon any lawful business, occupation or activity; and
- (b) The granting of the variance will not result in a condition injurious to health or safety.

Section 6.2. Interests Considered. No variance shall be granted pursuant to this section until the board has considered the relative interests of the applicant, the other owners of property likely to be affected by the conditions and the general public.

Section 6.3. Variance Duration. Any variance or renewal thereof shall be granted within the requirements of subsection (a) of this section and for time periods and under conditions consistent with the reasons there for, and within the following limitations:

- (a) If the variance is granted on the ground that there are no practicable means known or available for the adequate prevention, abatement or control of the condition involved, it shall be only until the necessary means for prevention, abatement or control become known and available.
- (b) If the variance is granted on the grounds that compliance with the particular requirements from which variance is sought will necessitate the taking of measures that, because of their extent or cost, must be spread over a considerable period of time, it shall be for a period not to exceed such reasonable time as, in the view of the board, is requisite for the taking of the necessary measures. A variance granted on the grounds specified in this subsection shall contain a timetable for the taking of action in an expeditious manner and shall be conditioned on adherence to the timetable.

Section 6.4. Procedure. Any person seeking a variance shall do so by (1) filing a petition for variance with the County Manager or his or her designee. The County Manager or his or her designee; and, by (2) sending a copy of the petition via certified mail, return receipt requested or registered mail, to the person identified by the records of the County Clerk of Cibola County as the holder of legal title, for each property that is either adjacent to, or, at its nearest point, within one thousand feet (1000') from the property for which the variance is sought. Copies of proof of such mailing shall be submitted to the County Manager or his or her designee together with the petition for variance. The County Manager or his or her designee shall promptly investigate the petition and make a recommendation to the Cibola County Board of County Commissioners as to the disposition of the petition. Upon receiving the recommendation of the director on the variance, the Cibola County Board of County Commissioners shall:

- (a) If the recommendation of the director favors a variance, hold a public hearing prior to the granting of any variance; and

- (b) If the director is opposed to the granting of the variance, hold a hearing only upon the request of the petitioner.

At the hearing, the burden of proof shall be upon the petitioner.

ARTICLE 7. ENFORCEMENT

Section 7.1. Enforcing Entity. The Cibola County Manager, or his/her designee (hereafter, "Manager") or any duly authorized law enforcement officer shall enforce the provisions of this Ordinance.

Section 7.2. Reporting Alleged Violations. Any person may report an alleged violation of this Ordinance to the Manager. Upon receipt of such report, the Manager shall ascertain the location, date, time and specific nature of the alleged violation.

Section 7.3. Abatement. If the investigation determines that a violation of this Ordinance exists, the enforcing entity shall have the following authority:

- (a) where immediate abatement is deemed by the enforcing entity to be impossible or impractical, to issue a written warning. In such case, the responsible person(s) shall have ten (10) days to commence abatement of the offending condition and thirty (30) days to complete abatement;
- (b) to require immediate abatement of the offending condition by the responsible person(s); and/or
- (c) to issue a written citation for violation of this Ordinance when the offending condition has not been abated within the time allowed.

Section 7.4. Continued Failure To Abate. Each day an offending condition remains unabated beyond the time allowed for abatement by an appropriate court shall constitute a separate violation of this Ordinance.

Section 7.5. Penalty For Violation. Each violation of this Ordinance shall be punishable by a fine of no more than three hundred dollars (\$300), and/or imprisonment for no more than ninety (90) days, or both.

ARTICLE 8. SAVINGS CLAUSE.

If any article, section, paragraph, clause, word or phrase of this Ordinance is held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

APPROVED, ADOPTED, AND PASSED on this _____ day of _____,

2016.

BOARD OF COUNTY COMMISSIONERS

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleris
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk



**CIBOLA
COUNTY**
NEW MEXICO

GIS Technical Services

R U R A L A D D R E S S I N G

Thursday, July 07, 2016

Harry & Marie Garcia
P.O. Box 226
Grants, NM 87020

Dear Harry & Marie Garcia:

I would like to make a correction to the letter I previously sent regarding a road name change for Garcia BLVD. It has been suggested that **Garcia BLVD** be changed to **Bajar Quemazon RD.**, and as previously stated, the Commission desires your input, and would like to give all the neighboring land owners an opportunity for contribution on the name change for Garcia BLVD.

If you object to the proposed change, please contact the Counties Rural Addressing in the Cibola County's GIS Technical Services and provide alternatives. When doing so, please consider the following:

1. Formal Surnames are unacceptable except on those roads which are private (*accessing a single parcel or a single landowner*) or road names which have been grandfathered in the system as being previously accepted and uncontested.
2. Any alternative name must be unique and cannot conflict with names already on existing roads.
3. Lastly, know that your input is both solicited and desired in order to prevent future conflict regarding the road name.

For record keeping purposes, please provide all responses in writing. If Cibola County Rural Addressing does not hear from you, the Cibola County Commission will be voting on the proposed road name change as **Bajar Quemazon RD.**

Thank you for your attention in this matter.

Sincerely yours,

Darryl McCullough
Darryl McCullough,
Rural Addressing Coordinator
Cibola County

515 W. High Street
Grants, NM 87020
(505)285-2515 – Voice
(505)285-5434 – Fax

dmccullough@co.cibola.nm.us

*Bajar Quemazon RD
is unacceptable.*
[Signature]

July 6, 2016

Dear Darryl McCullough,

In response to your letter dated June 23, 2016.

Concerning the road name change. It has been a long time coming.

However, in your letter the name you used I believe is wrong, and should not be BAJAR RD.

While I do understand it would be easier to say and write, I think it could be LA QUEMAZON, or QUEMAZON, or BAJAR QUEMAZON.

Thank you



Anthony Chavez

July 6, 2016

Dear Darryl McCullough,

In response to your letter dated June 23, 2016.

Concerning the road name change. It has been a long time coming.

However, in your letter the name you used I believe is wrong, and should not be BAJAR RD.

While I do understand it would be easier to say and write, I think it could be LA QUEMAZON, or QUEMAZON, or BAJAR QUEMAZON.

Thank you

Molly Carpenter

July 6, 2016

Dear Darryl McCullough,

In response to your letter dated June 23, 2016.

Concerning the road name change. It has been a long time coming.

However, in your letter the name you used I believe is wrong, and should not be BAJAR RD.

While I do understand it would be easier to say and write, I think it could be LA QUEMAZON, or QUEMAZON, or BAJAR QUEMAZON.

Thank you

Amalia Carpu

July 6, 2016

Dear Darryl McCullough,

In response to your letter dated June 23, 2016.

Concerning the road name change. It has been a long time coming.

However, in your letter the name you used I believe is wrong, and should not be BAJAR RD.

While I do understand it would be easier to say and write, I think it could be LA QUEMAZON, or QUEMAZON, or BAJAR QUEMAZON.

Thank you

A handwritten signature in black ink, appearing to read "David D. Eby". The signature is fluid and cursive, with the first name "David" being the most prominent part.

July 6, 2016

Dear Darryl McCullough,

In response to your letter dated June 23, 2016.

Concerning the road name change. It has been a long time coming.

However, in your letter the name you used I believe is wrong, and should not be BAJAR RD.

While I do understand it would be easier to say and write, I think it could be LA QUEMAZON, or QUEMAZON, or BAJAR QUEMAZON.


Thank you

5867 Rio Peñasco Road
Mayhill, NM 88339
July 5, 2016

Mr. Darryl McCullough
Rural Addressing Coordinator
Cibola County
515 West High Street
Grants, NM 87020

Re: Proposed name change of Garcia Blvd.

Dear Mr. McCullough:

In 1997, when I bought the piece of property on what is now called Garcia Boulevard, the address on the warranty deed was 518 McBride Road. That was later changed by the 911 authorities to 193, then to 98 McBride Road. Knowing that the McBride family had owned a significant amount of property in that area, having their name on the road made perfect sense to me.

Several years later, Mr. Harry Garcia established his auto salvage business alongside the road. He then poured asphalt over a New Mexico State Highway cattle guard, and (I believe) also caused a significant devaluation of properties along that road. Adding insult to injury, McBride Road was renamed Garcia Boulevard, in his honor.

I heartily approve changing the name of the road to Bajar Road. Though I am not of Hispanic descent, I respect the influence of that culture on so much of New Mexico.

Thank you for notifying me of this proposed change. No one else was cordial or considerate enough to do so.

Sincerely,

Loren L. Thomas Bates

Cibola County Commission

T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice-Chair
Jack Moleres, 2nd Vice-Chair
Patrick Simpson, Commissioner
Lloyd F. Felipe, Commissioner

Cibola County
515 West High Street
Grants, New Mexico 87020
Phone (505) 287-9431 – Fax (505) 285-5434



Tony Boyd
County Manager

Resolution No. 16-29

**Fiscal Year 2016
BUDGET ADJUSTMENT No. 5**

WHEREAS, the Board of County Commissioners of the County of Cibola is the duly constituted governing body of the County and serves *ex officio* as the County Board of Finance with authority for establishing, monitoring, and adjusting the County's budget; and

WHEREAS, budget adjustments are required to establish new transfers; to allow for budget increases and decreases to revenues and expenditures to offset any unanticipated revenues and/or expenditures; and to correct amounts when required; and

WHEREAS, the budget adjustments and the associated line items with amounts stated on the attached, *Schedule of Budget Adjustments* is essential.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS of the COUNTY OF CIBOLA, STATE OF NEW MEXICO, ex officio COUNTY BOARD OF FINANCE that the adjustments included in this document are deemed necessary to the operations of the County for the 2015 fiscal year ending June 30, 2016.

PASSED, APPROVED and ADOPTED by the governing body at its regular meeting on the 27nd day of July 2016.

THE BOARD OF COUNTY COMMISSIONERS:

T. Walter Jaramillo, Chairman

Robert Armijo, 1st Vice-Chair

Jack Moleres, 2nd Vice-Chair

Lloyd F. Felipe, Member

Patrick Simpson, Member

ATTEST:

Elisa Bro, County Clerk

ATTEST: _____
 Title (Date)
 Mayor/Board Chairman (Date)

Cibola County Commission

T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice-Chair
Jack Moleres, 2nd Vice-Chair
Patrick Simpson, Commissioner
Lloyd F. Felipe, Commissioner

Cibola County

515 West High Street
Grants, New Mexico 87020
Phone: (505) 287-9431
Fax: (505) 285-5434



Tony M. Boyd, County Manager

July 25, 2016

The Honorable Susana Martinez, Governor of New Mexico
Office of the Governor
490 Old Santa Fe Trail
Room 400
Santa Fe, NM 87501

Dear Governor Martinez,

State Representative Ken Martinez of District 69, has resigned effective July 20, 2016. The Cibola County Board of Commission would like to recommend that you appoint Harry Garcia. The successful candidate will not have any opposition in the General Election. The appointment will allow Mr. Garcia to participate in interim committees between now and the end of the year and allow him to become more familiar with the issues faced by the state, District 69 and Cibola County.

Thank you for your assistance and we appreciate your dedication to the citizens of New Mexico.

Respectfully,

Cibola County Board of Commission

T. Walter Jaramillo, Chairman

Robert Armijo, 1st Vice-Chair

Jack Moleres, 2nd Vice-Chair

Patrick Simpson, Commissioner

Lloyd F. Felipe, Commissioner



State of New Mexico
House of Representatives
Santa Fe

W. KEN MARTINEZ

D - Bernalillo, Cibola, McKinley, San Juan,
Socorro & Valencia
District 69

July 19, 2016

COMMITTEES:

Judiciary
Government, Elections & Indian Affairs
Rules & Order of Business

Box 730
Grants, NM 87020
Office Phone: (505) 287-8801
E-mail: ken.martinez@nmlegis.gov

HAND-DELIVERED

The Honorable Brad Winter
Secretary of State
State Capitol Annex North
Santa Fe, NM

Dear Secretary Winter:

Pursuant to Section 2-1-1 NMSA 1978, I resign from the New Mexico Legislature, effective July 20, 2016. It has been an honor and a pleasure to serve the people of the State of New Mexico, and specifically the residents of House District 69, since 1999.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Ken Martinez", is written over a horizontal line.

W. KEN MARTINEZ

WKM:clm

cc: Speaker of the House Don L. Tripp
House Chief Clerk Denise Ramonas
Raúl E. Burciaga, Director, Legislative Council Service



State of New Mexico
House of Representatives
Santa Fe
July 20, 2016

W. KEN MARTINEZ

D - Bernalillo, Cibola, McKinley, San Juan,
Socorro & Valencia
District 69

Box 730
Grants, NM 87020
Office Phone: (505) 287-8801
E-mail: ken.martinez@nmlegis.gov

COMMITTEES:

Judiciary
Government, Elections & Indian Affairs
Rules & Order of Business

VIA EMAIL

Cibola County Board of Commissioners
c/o Tony M. Boyd, County Manager, tboyd@co.cibola.nm.us

Dear Cibola County Board of Commissioners:

I have submitted my resignation as state representative of District 69, effective July 20, 2016 (see attached copy). As you are aware, this district is a multicounty district and the commission of each represented county is required to submit one name for this vacancy to the governor. I respectfully request that the Cibola County Board of Commissioners submit the name of Harry Garcia, who is unopposed in the upcoming general election. The appointment will allow Mr. Garcia to participate in interim committees between now and the end of the year and allow him to become more familiar with the issues faced by the state, this district and your county.

It has been an honor and a privilege to serve as a state representative in your county.

Sincerely,

A handwritten signature in black ink, appearing to be "W. Ken Martinez", written over a horizontal line.

W. KEN MARTINEZ

WKM:kr

enc.



June 21, 2016

Mr. Tony Boyd, County Manager
Cibola County Commission
515 High Street
Grants, New Mexico 87020

ATTN: Mr. Gary Porter
Road Superintendent

Re: 2016/17 Fiscal Year: Local Government Road Fund Project
SP-6-17(171), SB-7731(181)17, CAP-6-17(178)


Dear Mr. Tony Boyd:

The New Mexico Department of Transportation Commission at its June 2016 meeting approved the 2016/17 F.Y. Annual Cooperative Program, and allocated \$77,267.00 @ 75% for County Arterial Program, \$171,617.00 @ 75% for School Bus Route, \$ 102,821.00 @ 75% For SP County Co-op state share funds for the improvements of County roads as delineated in your request for funds.

Enclosed are four (4) original contracts to each of the above mentioned Cooperative Agreements. Please review, and have them signed and return intact to our Milan office. Please **do not enter date on the first page** this is done in Santa Fe when agreement is finalized, also please attach a copy of the **RESOLUTION(S)** and a copy of the scope of work-**ESTIMATE** identifying the project(s). After we receive the signed contracts from you, we will submit the contract(s) for approval and send you the fully executed copy(s) at a later date.

If you should have any questions regarding the above, please contact JoAnn B. Garcia at (505) 285-3252 or Bill Santiago at (505) 285-3227.

Sincerely,


Larry Maynard
District Engineer
505-285-3206

Susana Martinez
Governor

Tom Church
Cabinet Secretary

Commissioners

Ronald Schmeits
Chairman
District 4

Dr. Kenneth White
Secretary
District 1

David Sepich
Commissioner
District 2

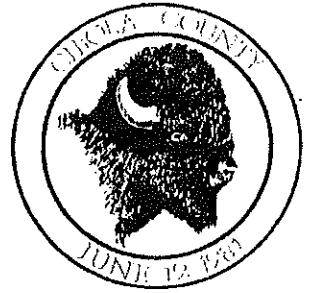
Keith Mortensen
Commissioner
District 3

Butch Mathews
Commissioner
District 5

Jackson Gibson
Commissioner
District 6

Cibola County Road Dept.

***515 West High Street
Grants New Mexico 87020
Gary Porter / Public Works Director
Phone (505) 285-2570 Fax (505) 287-3656***



Cibola County Resolution # 16-31

- Whereas, the undersigned are the duly elected and qualified members of the governing body of Cibola County; and
- Whereas, the maintenance of County roadways is the responsibility of the Board of the Commissioners; and
- Whereas, the health and safety of their patrons is of the highest priority; and
- Whereas, the New Mexico Department of Transportation has notified Cibola County of the availability of approved funds for the Special Project Program (SP); and
- Whereas, an evaluation of County roads has indicated the need for the projects listed and attached as Exhibit A; and
- Whereas, said available funds in the amount of \$102,821.00 (State share) will serve to allow Cibola County to complete the aforementioned project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Cibola County submits its application for funding, by Project No. SP-6-17 (171) through the New Mexico Department of Transportation 2016-2017 Special Projects Program and further stipulates that funds, equipment, labor and materials representing the total cost of the proposed projects will be available at the effective date of the agreement.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF _____, 2016.

THE CIBOLA COUNTY BOARD OF COMMISSIONERS

Walter Jaramillo, Chairman

Robert Armijo, 1st Vice Chair

Jack Moleres, 2nd Vice Chair

Lloyd Felipe, Commissioner

Patrick Simpson, Commissioner

Attest:

Elisa Bro, Cibola County Clerk

STATEWIDE SURVEY
COOPERATIVE AGREEMENTS
POLITICAL ENTITY Cibola County FISCAL YEAR 2016/2017
SP-6-17 (171) Contract # D----- Control # L600096

PRIORITY LISTING	LOCATION OF WORK TO BE PERFORMED	TYPE OF WORK TO BE PERFORMED	LENGTH	STATE SHARE	LOCAL SHARE
1	C52 - El Gallo Road (Double Pen) Thomas Road (Side Road - Base Course) -	.80 mi. Double Pen, Primer, Chip Seal, Fog Seal, Testing, Signs & Hardware. .50 mi. Base Course	1.30 mi. 22' w	75%	25%
2	C30 - Bluewater South Roads, 1.7 mi. (Dolphin, .20 mi, Bullhead, .20 mi., Lakefront from Cod to Dolphin, .50 mi. Perch, .50 mi., Rainbow, .30 mi.)	Patch, Chip Seal, Fog Seal, Signs & Hardware	1.70 mi. 20' w	75%	25%
3	C30 - Bluewater South, Side Roads, 2.0 mi. (Steubber Loop, .20mi, Morrow Dr., .20 mi., Kirk Dr., .20 mi., Starfish, .20 mi., Sun fish, .20 mi., Rhodes dr., .20 mi., Grayling, .10 mi., Lakefront to Bass .30., Bass to 612, .40 mi.)	Base Course, Signs & Hardware	2.0 mi. 20' w	75%	25%
4	C12 - DeArmond Springs Road -	Base Course, Signs & Hardware	.60 mi. 33' w	75%	25%
5	C11 - Bibo Ranch Road -	Base Course, Signs & Hardware	.60 mi. 24' w	75%	25%
				75%	25%
				75%	25%
				75%	25%

Contract No. _____
Vendor No. 0000047859
Project No. SP-6-17(171)
Control No. L600096

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT entered into this _____ day of _____, 2015 between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** ("Department") and the **CIBOLA COUNTY**, ("Public Entity").

In consideration of the covenants contained herein and pursuant to Sections 67-3-28 and 67-3-28.2 NMSA 1978 and Commission Policy No. 44-12, THE PARTIES AGREE AS FOLLOWS:

SECTION ONE – PURPOSE:

The purpose of this Agreement is to provide Local Government Road Funds to **Cibola County** for the **Pavement Rehabilitation Improvements, Blading & Shaping, Miscellaneous**, as described in Project No. **SP-6-17(171)**, Control No. **L600096**, and the Public Entity's resolution attached as Appendix C ("Project"). The Project is a joint and coordinated effort for which the Department and the Public Entity each have authority or jurisdiction. This Agreement shall specify and delineate the rights and duties of the Parties hereto.

SECTION TWO – PROJECT FUNDING BY PARTIES:

1. The estimated total cost for the Project is **One Hundred and Thirty-Seven Thousand, and Ninety-Five Dollars (\$137,095.00)** to be funded in proportional share by the parties hereto as follows:
 - a. **Department's** share shall be **75%** **\$102,821.00**
Pavement Rehabilitation Improvements, Blading & Shaping, Miscellaneous,
 - b. The **Public Entity's** required proportional matching
Share shall be **25%** **\$34,274.00**
For purpose stated above

c. **Total Project Cost**

\$137,095.00

2. The **Public Entity** shall pay all Project costs, which exceed the total amount of **One Hundred and Thirty-Seven Thousand, and Ninety-Five Dollars (\$137,095.00)**

SECTION THREE – THE PUBLIC ENTITY SHALL:

1. Act in the capacity of lead agency for the purpose as described in Section One.
2. Submit an estimate of the Project, including work to be performed and cost to the District Engineer within thirty (30) days of execution of this Agreement, or as otherwise agreed to in writing by the Parties.
3. In the event a contract term extension is needed, provide written notice to the Department sixty (60) days prior to the expiration date identified in Section 17 below to ensure timely processing.
4. Be solely responsible for all local matching funds identified in Section Two. Certify that these matching funds have been appropriated, budget and approved for expenditure prior to execution of this Agreement.
5. Pay all costs, perform/supply or contract for labor and material, for the purpose as described in Section One and the Project estimate approved by the District Engineer.
6. In the event a contractor is hired for the Project, require the contractor to have a general liability insurance policy, with limits of liability of at least \$1,000,000 per occurrence. The Department is to be named as an additional insured on the contractor's policy and a certificate of insurance must be provided to the Department and it shall state that coverage provided under the policy is primary over any other valid insurance.
7. Require contractors that the Public Entity hires to perform services to defend, indemnify and hold harmless the Department from and against all suits, actions or claims of any character brought because of injury, including death or damages arising out of contractors' construction or maintenance activities pursuant to this agreement, as memorialized herein and subject to any additional permit that may be required of the contractor to perform said activities.

8. Be responsible, for performing or directing the performance, of all pre-construction activities, including, but not limited to, the following:
 - a. Utility Certification,
 - b. Drainage and storm drain design,
 - c. Geotechnical design,
 - d. Pavement design,
 - e. Environmental and archaeological clearances Certification,
 - f. Right of-way acquisition Certification,
 - g. Hazardous substance/waste site(s) contamination,
 - h. Railroad Certification,
 - i. Intelligent Transportation System (ITS) Certification
9. Cause all designs and plans to be performed under the direct supervision of a Registered New Mexico Professional Engineer, when applicable, as determined by the Department.
10. Obtain all required written agreements or permits, when applicable, from all public and private entities.
11. Allow the Department to inspect the Project to determine that the Project is being constructed in accordance with the provisions of this Agreement. Disclosures of any failure to meet such requirements and standards as determined by the Department, shall result in termination, for default, including without limitation the Public Entity's costs for funding, labor, equipment and materials.
12. Complete the project within 18 months of approval of funding by the State Transportation Commission.
13. Agree that the Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine (9) months from the effective date of this agreement.
14. Within thirty (30) days of completion, provide written certification that all work under this Agreement was performed in accordance with either the New Mexico Department of Transportation's Standard Specification, Current Edition; American Public Works Association (APWA) Specifications; Department approved Public Entity established Specifications; or Department Specifications established for Local Government Road Fund

projects, by submitting the **“Project Certification of Design, Construction, and Cost,”** form, which is attached as Exhibit A.

15. Within thirty (30) days of completion, furnish the Department an **“AS BUILT Summary of Costs and Quantities”** form, which is attached as Exhibit B. The report should reflect the total cost of project as stated in **“Project Certification of Design, Construction, and Cost”** form.
16. Failure to provide the **“Project Certification of Design, Construction, and Cost”** form and an **“AS BUILT Summary of Costs and Quantities”** report within thirty (30) days of Project completion will be considered a material breach of this Agreement and Public Entity shall reimburse to the Department all funds disbursed in accordance with this agreement.
17. Maintain all facilities constructed or reconstructed with funds provided by this Agreement.

SECTION FOUR – THE DEPARTMENT SHALL:

Pay project funds as identified in Section Two, Paragraph 1a, to the Public Entity in a single lump sum payment after:

1. Receipt of a Notice of Award and Notice to Proceed and,
2. Verification of available Local Government Road Funds and Public Entity’s local matching funds identified in Section Two, Paragraph 1b.

SECTION FIVE – BOTH PARTIES AGREE:

1. Upon termination of this Agreement any remaining property, materials, or equipment belonging to the Department shall be accounted for and disposed of by the Public Entity as directed by the Department.
2. That no money in the Local Government Road Fund shall be used by the Department to administer any program, and no entity receiving a distribution pursuant to a program requiring matching funds shall use another distribution made pursuant to NMSA 1978 Section 67-3-28.2, to meet the match required.
3. That the provisions of the Local Government Road Fund Project Handbook (Current Edition) and any amendments thereto, are incorporated herein by reference and shall control the

contractual rights and obligations of the parties unless in conflict with the specific terms expressed in this Agreement or any amendments thereto.

SECTION SIX – THIRD PARTY BENEFICIARY CLAUSE:

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of the Agreement to create in the public, or any member thereof, a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury to a person, damage to property, and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

SECTION SEVEN – PROJECT RESPONSIBILITY:

The improvements proposed in Section One of this Agreement shall not be under the jurisdiction and control of the Department.

SECTION EIGHT – JURISDICTION:

By reason of the Department's participation in the funding of this Project, the Department is not incorporating this Project into the state highway system, nor is the Department assuming any maintenance or user responsibility of liability for participation on this project.

SECTION NINE – NEW MEXICO TORT CLAIMS ACT:

Each party shall be responsible for liability arising from personal injury or damage to person and property occasioned by its own agents or employees in the performance of this Agreement, subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act (Section 41-4-1, et seq., NMSA 1978). This paragraph is intended only to define the liabilities between the parties hereto and is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

The Public Entity and its "employees" as defined in the New Mexico Tort Claims Act, and the Department and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and/or do not waive any limitation of liability

pursuant to law. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

SECTION TEN – EQUAL OPPORTUNITY COMPLIANCE:

The Public Entity agrees to abide by all applicable Federal and State Laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the Public Entity agrees to assure that no person in the United States shall, on the grounds of race, color, national origin, sex, sexual preference, age or disability, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity performed under this Agreement. If the Public Entity is found to be not in compliance with these requirements during the life of this Agreement, the Public Entity agrees to take appropriate steps to correct these deficiencies.

SECTION ELEVEN –LEGAL COMPLIANCE

The Public Entity shall comply with all applicable federal, state, local, and Department laws, regulations and policies in the performance of this Agreement, including , but not limited to laws governing civil right, equal opportunity compliance, environmental issue, workplace safety, employer-employee relations and all other laws governing operations of the workplace, including laws and regulations hereafter enacted. The Public Entity shall ensure that the requirements of this compliance are made a part of each subcontract on this Project at all tiers.

SECTION TWELVE – PUBLIC ENTITY'S PRIOR COSTS:

Any costs incurred by the Public Entity prior to this Agreement are not eligible for reimbursement and will not be included in the amount to be disbursed as agreed upon.

SECTION THIRTEEN – ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS:

There shall be strict accountability for all receipts and disbursements relating hereto. The Public Entity shall maintain all records and documents relative to the Project for a minimum of five years

after completion of the Project. The Public Entity shall furnish the Department and State Auditor, upon demand, any and all such records relevant to this Agreement. If an audit finding determines that specific funding was inappropriate or not related to the Project, the Public Entity shall reimburse that portion to the Department within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expense supported by such insufficient documentation shall be reimbursed to the Department within thirty days.

SECTION FOURTEEN – DEPARTMENT'S AUTHORIZATION OF EXPENDITURES:

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the Legislature of New Mexico, for performance of this Agreement. The Department is expressly not committed to expenditure of any funds until such time as they are budgeted, appropriated by the legislature, and approved for expenditure. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final.

SECTION FIFTEEN – UNEXPENDED, UNENCUMBERED PROJECT BALANCES:

Any unexpended or unencumbered balance from the Local Government Road Fund appropriated for this project shall revert to the Department. These balances, if any, shall be reimbursed to the Department within thirty- (30) days of project completion or expiration of this Agreement, whichever occurs first.

SECTION SIXTEEN – TERMS OF THIS AGREEMENT:

This Agreement constitutes the entire Agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this Agreement and not enforceable pursuant to this Agreement. Performance of all duties and obligations herein shall conform with and shall not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

SECTION SEVENTEEN – TERM:

This Agreement becomes effective upon signature of all Parties. This Agreement terminates on December 31, 2017. In the event a contract term extension is needed, the Public Entity shall provide

written notice to the Department sixty (60) days prior to the expiration date to ensure timely processing of an Amendment.

SECTION EIGHTEEN – TERMINATION:

1. If the Public Entity fails to comply with any provision of this Agreement, the Department may terminate this Agreement, by providing 30 days written notice.
2. The Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine months from the effective date of this agreement.
3. If sufficient appropriations and authorizations are not made by the Legislature, this Agreement may terminate immediately upon written notice of the Department to the Public Entity.
4. Neither party shall have any obligation after said date of termination, except as stated in Sections Five, Seven and Eight. The Public Entity agrees to reimburse to the Department all unexpended Department funds disbursed in accordance with this Agreement.

SECTION NINETEEN – SCOPE OF AGREEMENT:

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

SECTION TWENTY – SEVERABILITY:

In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION TWENTY-ONE – APPLICABLE LAW:

The Laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1(G) NMSA 1978.

SECTION TWENTY-TWO – AMENDMENT:

This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties hereto.

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year set forth below.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Cabinet Secretary or Designee

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S
OFFICE OF GENERAL COUNSEL**

By: _____ Date: _____
Assistant General Counsel

CIBOLA COUNTY

By: X _____ Date: X _____
COUNTY CHAIR or Designee

ATTESTED

By: X _____ Date: X _____
CIBOLA COUNTY Clerk or Designee



June 21, 2016

Mr. Tony Boyd, County Manager
Cibola County Commission
515 High Street
Grants, New Mexico 87020

ATTN: Mr. Gary Porter
Road Superintendent

Re: 2016/17 Fiscal Year: Local Government Road Fund Project
SP-6-17(171), SB-7731(181)17, CAP-6-17(178)


Dear Mr. Tony Boyd:

The New Mexico Department of Transportation Commission at its June 2016 meeting approved the 2016/17 F.Y. Annual Cooperative Program, and allocated \$77,267.00 @ 75% for County Arterial Program, \$171,617.00 @ 75% for School Bus Route, \$ 102,821.00 @ 75% For SP County Co-op state share funds for the improvements of County roads as delineated in your request for funds.

Enclosed are four (4) original contracts to each of the above mentioned Cooperative Agreements. Please review, and have them signed and return intact to our Milan office. Please **do not enter date on the first page** this is done in Santa Fe when agreement is finalized, also please attach a copy of the **RESOLUTION(S)** and a copy of the scope of work-**ESTIMATE** identifying the project(s). After we receive the signed contracts from you, we will submit the contract(s) for approval and send you the fully executed copy(s) at a later date.

If you should have any questions regarding the above, please contact JoAnn B. Garcia at (505) 285-3252 or Bill Santiago at (505) 285-3227.

Sincerely,


Larry Maynard
District Engineer
505-285-3206

Susana Martinez
Governor

Tom Church
Cabinet Secretary

Commissioners

Ronald Schmeits
Chairman
District 4

Dr. Kenneth White
Secretary
District 1

David Sepich
Commissioner
District 2

Keith Mortensen
Commissioner
District 3

Butch Mathews
Commissioner
District 5

Jackson Gibson
Commissioner
District 6

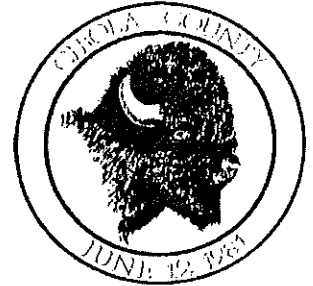
Cibola County Road Dept.

515 West High Street

Grants New Mexico 87020

Gary Porter / Public Works Director

Phone (505) 285-2570 Fax (505) 287-3656



Cibola County Resolution # 16-32

- Whereas, the undersigned are the duly elected and qualified members of the governing body of Cibola County; and
- Whereas, the maintenance of County roadways is the responsibility of the Board of the Commissioners; and
- Whereas, the health and safety of their patrons is of the highest priority; and
- Whereas, the New Mexico Department of Transportation has notified Cibola County of the availability of approved funds for the School Bus Route Program (SB); and
- Whereas, an evaluation of County roads has indicated the need for the projects listed and attached as Exhibit A; and
- Whereas, said available funds in the amount of \$171,617.00 (State share) will serve to allow Cibola County to complete the aforementioned projects.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Cibola County submits its application for funding, by Project No. SB-7731 (181) 17 through the New Mexico Department of Transportation 2016-2017 School Bus Route Program and further stipulates that funds, equipment, labor and materials representing the total cost of the proposed projects will be available at the effective date of the agreement.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF _____, 2016.

THE CIBOLA COUNTY BOARD OF COMMISSIONERS

Walter Jaramillo, Chairman

Robert Armijo, 1st Vice Chair

Jack Moleres, 2nd Vice Chair

Lloyd Felipe, Commissioner

Patrick Simpson, Commissioner

Attest:

Elisa Bro, Cibola County Clerk

STATEWIDE SURVEY
COOPERATIVE AGREEMENTS
POLITICAL ENTITY Cibola County FISCAL YEAR 20165/2017 Pg. 1
SB-7731 (181) 17 Contract # D----- Control # L600102

PRIORITY LISTING	LOCATION OF WORK TO BE PERFORMED	TYPE OF WORK TO BE PERFORMED	LENGTH	STATE SHARE	LOCAL SHARE
1	C14A - Canada Road -	Patch, Chip Seal, Fog Seal, Signs & Hardware, Stripe	1.9 mi. x 28' w	75%	25%
2	C8, Encinal-Cubero Road -	Patch, Chip Seal, Fog Seal, Signs & Hardware, Stripe	2.4 mi. x 26' w	75%	25%
3	C18B -La Jara Mesa Road -	Patch, Chip Seal, Fog Seal, Signs & Hardware, Stripe	.80 mi. x 26' w	75%	25%
4	C19 - Cantina Road -	Patch, Chip Seal, Fog Seal, Signs & Hardware, Stripe	1.0 mi. x 26' w	75%	25%
5	C53 - Salazar Loop -	Patch, Chip Seal, Fog Seal, Signs & Hardware	.60 mi. x 20' w	75%	25%
6	C7 - Cubero Loop -	Patch, Fog Seal, Signs & Hardware, Stripe	2.0 mi. x 24' w	75%	25%
7	C5 - Bibo Loop -	Patch, Fog Seal, Signs & Hardware	1.4 mi. x 24' w	75%	25%
8	C1 - Marquez Road -	Patch, Fog Seal, Signs & Hardware	.60 mi. x 44' w	75%	25%

STATEWIDE SURVEY

COOPERATIVE AGREEMENTS

POLITICAL ENTITY Cibola County FISCAL YEAR 2016/2017 Pg. 2

SB-7731 (181) 17 Contract # D---- Control # L600102

[illegible]

Contract No. _____
Vendor No. 0000047859
Project No. SB-7731(181)17
Control No. L600102

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT entered into this _____ day of _____, 2015 between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** ("Department") and the **CIBOLA COUNTY**, ("Public Entity").

In consideration of the covenants contained herein and pursuant to Sections 67-3-28 and 67-3-28.2 NMSA 1978 and Commission Policy No. 44-12, THE PARTIES AGREE AS FOLLOWS:

SECTION ONE – PURPOSE:

The purpose of this Agreement is to provide Local Government Road Funds to **Cibola County** for the **Pavement Rehabilitation Improvements, Blading & Shaping, Miscellaneous** as described in Project No. **SB-7731(181)17** Control No. **L600102**, and the Public Entity's resolution attached as Appendix C ("Project"). The Project is a joint and coordinated effort for which the Department and the Public Entity each have authority or jurisdiction. This Agreement shall specify and delineate the rights and duties of the Parties hereto.

SECTION TWO – PROJECT FUNDING BY PARTIES:

1. The estimated total cost for the Project is **Two Hundred and Twenty-Eight Thousand, Eight Hundred and Twenty-Three Dollars (\$228,823.00)** to be funded in proportional share by the parties hereto as follows:
 - a. **Department's share shall be 75%** **\$171,617.00**
Pavement Rehabilitation Improvements, Blading & Shaping, Miscellaneous,
 - b. The **Public Entity's** required proportional matching
Share shall be **25%** **\$57,206.00**
For purpose stated above

c. **Total Project Cost**

\$228,823.00

2. The **Public Entity** shall pay all Project costs, which exceed the total amount of **Two Hundred and Twenty-Eight Thousand, Eight Hundred and Twenty-Three Dollars (\$228,823.00)**.

SECTION THREE – THE PUBLIC ENTITY SHALL:

1. Act in the capacity of lead agency for the purpose as described in Section One.
2. Submit an estimate of the Project, including work to be performed and cost to the District Engineer within thirty (30) days of execution of this Agreement, or as otherwise agreed to in writing by the Parties.
3. In the event a contract term extension is needed, provide written notice to the Department sixty (60) days prior to the expiration date identified in Section 17 below to ensure timely processing.
4. Be solely responsible for all local matching funds identified in Section Two. Certify that these matching funds have been appropriated, budget and approved for expenditure prior to execution of this Agreement.
5. Pay all costs, perform/supply or contract for labor and material, for the purpose as described in Section One and the Project estimate approved by the District Engineer.
6. In the event a contractor is hired for the Project, require the contractor to have a general liability insurance policy, with limits of liability of at least \$1,000,000 per occurrence. The Department is to be named as an additional insured on the contractor's policy and a certificate of insurance must be provided to the Department and it shall state that coverage provided under the policy is primary over any other valid insurance.
7. Require contractors that the Public Entity hires to perform services to defend, indemnify and hold harmless the Department from and against all suits, actions or claims of any character brought because of injury, including death or damages arising out of contractors' construction or maintenance activities pursuant to this agreement, as memorialized herein and subject to any additional permit that may be required of the contractor to perform said

activities.

8. Be responsible, for performing or directing the performance, of all pre-construction activities, including, but not limited to, the following:
 - a. Utility Certification,
 - b. Drainage and storm drain design,
 - c. Geotechnical design,
 - d. Pavement design,
 - e. Environmental and archaeological clearances Certification,
 - f. Right of-way acquisition Certification,
 - g. Hazardous substance/waste site(s) contamination,
 - h. Railroad Certification,
 - i. Intelligent Transportation System (ITS) Certification
9. Cause all designs and plans to be performed under the direct supervision of a Registered New Mexico Professional Engineer, when applicable, as determined by the Department.
10. Obtain all required written agreements or permits, when applicable, from all public and private entities.
11. Allow the Department to inspect the Project to determine that the Project is being constructed in accordance with the provisions of this Agreement. Disclosures of any failure to meet such requirements and standards as determined by the Department, shall result in termination, for default, including without limitation the Public Entity's costs for funding, labor, equipment and materials.
12. Complete the project within 18 months of approval of funding by the State Transportation Commission.
13. Agree that the Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine (9) months from the effective date of this agreement.
14. Within thirty (30) days of completion, provide written certification that all work under this Agreement was performed in accordance with either the New Mexico Department of Transportation's Standard Specification, Current Edition; American Public Works Association (APWA) Specifications; Department approved Public Entity established

Specifications; or Department Specifications established for Local Government Road Fund projects, by submitting the **“Project Certification of Design, Construction, and Cost,” form**, which is attached as Exhibit A.

15. Within thirty (30) days of completion, furnish the Department an **“AS BUILT Summary of Costs and Quantities”** form, which is attached as Exhibit B. The report should reflect the total cost of project as stated in **“Project Certification of Design, Construction, and Cost”** form.
16. Failure to provide the **“Project Certification of Design, Construction, and Cost”** form and an **“AS BUILT Summary of Costs and Quantities”** report within thirty (30) days of Project completion will be considered a material breach of this Agreement and Public Entity shall reimburse to the Department all funds disbursed in accordance with this agreement.
17. Maintain all facilities constructed or reconstructed with funds provided by this Agreement.

SECTION FOUR – THE DEPARTMENT SHALL:

Pay project funds as identified in Section Two, Paragraph 1a, to the Public Entity in a single lump sum payment after:

1. Receipt of a Notice of Award and Notice to Proceed and,
2. Verification of available Local Government Road Funds and Public Entity’s local matching funds identified in Section Two, Paragraph 1b.

SECTION FIVE – BOTH PARTIES AGREE:

1. Upon termination of this Agreement any remaining property, materials, or equipment belonging to the Department shall be accounted for and disposed of by the Public Entity as directed by the Department.
2. That no money in the Local Government Road Fund shall be used by the Department to administer any program, and no entity receiving a distribution pursuant to a program requiring matching funds shall use another distribution made pursuant to NMSA 1978 Section 67-3-28.2, to meet the match required.

3. That the provisions of the Local Government Road Fund Project Handbook (Current Edition) and any amendments thereto, are incorporated herein by reference and shall control the contractual rights and obligations of the parties unless in conflict with the specific terms expressed in this Agreement or any amendments thereto.

SECTION SIX – THIRD PARTY BENEFICIARY CLAUSE:

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of the Agreement to create in the public, or any member thereof, a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury to a person, damage to property, and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

SECTION SEVEN – PROJECT RESPONSIBILITY:

The improvements proposed in Section One of this Agreement shall not be under the jurisdiction and control of the Department.

SECTION EIGHT – JURISDICTION:

By reason of the Department's participation in the funding of this Project, the Department is not incorporating this Project into the state highway system, nor is the Department assuming any maintenance or user responsibility of liability for participation on this project.

SECTION NINE – NEW MEXICO TORT CLAIMS ACT:

Each party shall be responsible for liability arising from personal injury or damage to person and property occasioned by its own agents or employees in the performance of this Agreement, subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act (Section 41-4-1, et seq., NMSA 1978). This paragraph is intended only to define the liabilities between the parties hereto and is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

The Public Entity and its "employees" as defined in the New Mexico Tort Claims Act, and the Department and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive

sovereign immunity, do not waive any defense and/or do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

SECTION TEN – EQUAL OPPORTUNITY COMPLIANCE:

The Public Entity agrees to abide by all applicable Federal and State Laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the Public Entity agrees to assure that no person in the United States shall, on the grounds of race, color, national origin, sex, sexual preference, age or disability, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity performed under this Agreement. If the Public Entity is found to be not in compliance with these requirements during the life of this Agreement, the Public Entity agrees to take appropriate steps to correct these deficiencies.

SECTION ELEVEN –LEGAL COMPLIANCE

The Public Entity shall comply with all applicable federal, state, local, and Department laws, regulations and policies in the performance of this Agreement, including , but not limited to laws governing civil right, equal opportunity compliance, environmental issue, workplace safety, employer-employee relations and all other laws governing operations of the workplace, including laws and regulations hereafter enacted. The Public Entity shall ensure that the requirements of this compliance are made a part of each subcontract on this Project at all tiers.

SECTION TWELVE – PUBLIC ENTITY'S PRIOR COSTS:

Any costs incurred by the Public Entity prior to this Agreement are not eligible for reimbursement and will not be included in the amount to be disbursed as agreed upon.

SECTION THIRTEEN – ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS:

There shall be strict accountability for all receipts and disbursements relating hereto. The Public Entity shall maintain all records and documents relative to the Project for a minimum of five years after completion of the Project. The Public Entity shall furnish the Department and State Auditor, upon demand, any and all such records relevant to this Agreement. If an audit finding determines that specific funding was inappropriate or not related to the Project, the Public Entity shall reimburse that portion to the Department within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expense supported by such insufficient documentation shall be reimbursed to the Department within thirty days.

SECTION FOURTEEN – DEPARTMENT'S AUTHORIZATION OF EXPENDITURES:

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the Legislature of New Mexico, for performance of this Agreement. The Department is expressly not committed to expenditure of any funds until such time as they are budgeted, appropriated by the legislature, and approved for expenditure. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final.

SECTION FIFTEEN – UNEXPENDED, UNENCUMBERED PROJECT BALANCES:

Any unexpended or unencumbered balance from the Local Government Road Fund appropriated for this project shall revert to the Department. These balances, if any, shall be reimbursed to the Department within thirty- (30) days of project completion or expiration of this Agreement, whichever occurs first.

SECTION SIXTEEN – TERMS OF THIS AGREEMENT:

This Agreement constitutes the entire Agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this Agreement and not enforceable pursuant to this Agreement. Performance of all duties and obligations herein shall conform with and shall not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

SECTION SEVENTEEN – TERM:

This Agreement becomes effective upon signature of all Parties. This Agreement terminates on December 31, 2017. In the event a contract term extension is needed, the Public Entity shall provide written notice to the Department sixty (60) days prior to the expiration date to ensure timely processing of an Amendment.

SECTION EIGHTEEN – TERMINATION:

1. If the Public Entity fails to comply with any provision of this Agreement, the Department may terminate this Agreement, by providing 30 days written notice.
2. The Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine months from the effective date of this agreement.
3. If sufficient appropriations and authorizations are not made by the Legislature, this Agreement may terminate immediately upon written notice of the Department to the Public Entity.
4. Neither party shall have any obligation after said date of termination, except as stated in Sections Five, Seven and Eight. The Public Entity agrees to reimburse to the Department all unexpended Department funds disbursed in accordance with this Agreement.

SECTION NINETEEN – SCOPE OF AGREEMENT:

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

SECTION TWENTY – SEVERABILITY:

In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION TWENTY-ONE – APPLICABLE LAW:

The Laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1(G) NMSA 1978.

SECTION TWENTY-TWO – AMENDMENT:

This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties hereto.

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year set forth below.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Cabinet Secretary or Designee

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S
OFFICE OF GENERAL COUNSEL**

By: _____ Date: _____
Assistant General Counsel

CIBOLA COUNTY

By: X _____ Date: X _____
COMMISSION CHAIR or Designee

ATTESTED

By: X _____ Date: X _____
CIBOLA COUNTY CLERK or Designee



June 21, 2016

Mr. Tony Boyd, County Manager
Cibola County Commission
515 High Street
Grants, New Mexico 87020

ATTN: Mr. Gary Porter
Road Superintendent

Re: 2016/17 Fiscal Year: Local Government Road Fund Project
SP-6-17(171), SB-7731(181)17, CAP-6-17(178)


Dear Mr. Tony Boyd:

The New Mexico Department of Transportation Commission at its June 2016 meeting approved the 2016/17 F.Y. Annual Cooperative Program, and allocated \$77,267.00 @ 75% for County Arterial Program, \$171,617.00 @ 75% for School Bus Route, \$ 102,821.00 @ 75% For SP County Co-op state share funds for the improvements of County roads as delineated in your request for funds.

Enclosed are four (4) original contracts to each of the above mentioned Cooperative Agreements. Please review, and have them signed and return intact to our Milan office. Please **do not enter date on the first page** this is done in Santa Fe when agreement is finalized, also please attach a copy of the **RESOLUTION(S)** and a copy of the scope of work-**ESTIMATE** identifying the project(s). After we receive the signed contracts from you, we will submit the contract(s) for approval and send you the fully executed copy(s) at a later date.

If you should have any questions regarding the above, please contact JoAnn B. Garcia at (505) 285-3252 or Bill Santiago at (505) 285-3227.

Sincerely,


Larry Maynard
District Engineer
505-285-3206

Susana Martinez
Governor

Tom Church
Cabinet Secretary

Commissioners

Ronald Schmeits
Chairman
District 4

Dr. Kenneth White
Secretary
District 1

David Sepich
Commissioner
District 2

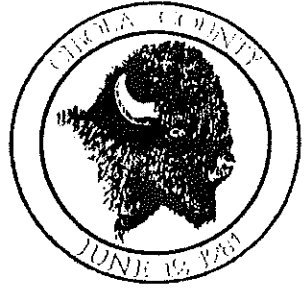
Keith Mortensen
Commissioner
District 3

Butch Mathews
Commissioner
District 5

Jackson Gibson
Commissioner
District 6

Cibola County Road Dept.

***515 West High Street
Grants New Mexico 87020
Gary Porter / Public Works Director
Phone (505) 285-2570 Fax (505) 287-3656***



Cibola County Resolution # 16-33

- Whereas, the undersigned are the duly elected and qualified members of the governing body of Cibola County; and
- Whereas, the maintenance of County roadways is the responsibility of the Board of the Commissioners; and
- Whereas, the health and safety of their patrons is of the highest priority; and
- Whereas, the New Mexico Department of Transportation has notified Cibola County of the availability of approved funds for the County Arterial Program (CAP); and
- Whereas, an evaluation of County roads has indicated the need for the projects listed and attached as Exhibit A: and
- Whereas, said available funds in the amount of \$77,267.00 (State share) will serve to allow Cibola County to complete the aforementioned projects.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Cibola County submits its application for funding, by Project No. CAP-6-17 (178) through the New Mexico Department of Transportation 2016-2017 County Arterial Program and further stipulates that funds, equipment, labor and materials representing the total cost of the proposed projects will be available at the effective date of the agreement.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF _____, 2016.

THE CIBOLA COUNTY BOARD OF COMMISSIONERS

Walter Jaramillo, Chairman

Robert Armijo, 1st Vice Chair

Jack Moleres, 2nd Vice Chair

Lloyd Felipe, Commissioner

Patrick Simpson, Commissioner

Attest:

Elisa Bro, Cibola County Clerk

STATEWIDE SURVEY
COOPERATIVE AGREEMENTS
POLITICAL ENTITY Cibola County FISCAL YEAR 2016/2017
CAP-6-17 (178) Contract # D----- Control # L600099

PRIORITY LISTING	LOCATION OF WORK TO BE PERFORMED	TYPE OF WORK TO BE PERFORMED	LENGTH	STATE SHARE	LOCAL SHARE
1	C19A, Cantina Homesites Road -	Patch, Chip Seal, Fog Seal, Signs & Hardware	.20 mi. x 20' w.	75%	25%
2	C24, Elkins-Side Roads, .50 mi. (Tietjen, .20 mi., Berryhill, .10 mi., Head St., .10 mi., Forest Park Road, .10 mi.)	Patch, Chip Seal, Fog Seal, Signs & Hardware	.50 mi. x all are different.	75%	25%
3	C15 - Rinconada Road -	Base Course, Spotted, 1.5 mi., Signs & Hardware, 5.0 mi.	1.5 mi. x 5.0 mi. x 33' w.	75%	25%
4	C41, Pie Town Road -	Base Course, Signs & Hardware	2.0 mi (spotted) x 24' w	75%	25%
				75%	25%
				75%	25%
				75%	25%
				75%	25%

Contract No. _____
Vendor No. 0000047859
Project No. CAP-6-17(178)
Control No. L600099

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT entered into this _____ day of _____, 2015 between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** ("Department") and the **CIBOLA COUNTY**, ("Public Entity").

In consideration of the covenants contained herein and pursuant to Sections 67-3-28 and 67-3-28.2 NMSA 1978 and Commission Policy No. 44-12, THE PARTIES AGREE AS FOLLOWS:

SECTION ONE – PURPOSE:

The purpose of this Agreement is to provide Local Government Road Funds to **Cibola County** for the **Reconstruction, Pavement Rehabilitation Improvements, Blading & Shaping**, as described in Project No. **CAP-6-17(178)**, Control No. **L600099**, and the Public Entity's resolution attached as Appendix C ("Project"). The Project is a joint and coordinated effort for which the Department and the Public Entity each have authority or jurisdiction. This Agreement shall specify and delineate the rights and duties of the Parties hereto.

SECTION TWO – PROJECT FUNDING BY PARTIES:

1. The estimated total cost for the Project is **One Hundred-Three Thousand, and Twenty-Three Dollars (\$103,023.00)** to be funded in proportional share by the parties hereto as follows
 - a. **Department's share shall be 75%** **\$77,267.00**
Pavement Rehabilitation Improvements, Blading & Shaping, Miscellaneous,
 - b. **The Public Entity's required proportional matching**
Share shall be 25% **\$25,756.00**
For purpose stated above

c. **Total Project Cost**

\$103,023.00

2. The **Public Entity** shall pay all Project costs, which exceed the total amount **One Hundred-Three Thousand, and Twenty-Three Dollars (\$103,023.00)**.

SECTION THREE – THE PUBLIC ENTITY SHALL:

1. Act in the capacity of lead agency for the purpose as described in Section One.
2. Submit an estimate of the Project, including work to be performed and cost to the District Engineer within thirty (30) days of execution of this Agreement, or as otherwise agreed to in writing by the Parties.
3. In the event a contract term extension is needed, provide written notice to the Department sixty (60) days prior to the expiration date identified in Section 17 below to ensure timely processing.
4. Be solely responsible for all local matching funds identified in Section Two. Certify that these matching funds have been appropriated, budget and approved for expenditure prior to execution of this Agreement.
5. Pay all costs, perform/supply or contract for labor and material, for the purpose as described in Section One and the Project estimate approved by the District Engineer.
6. In the event a contractor is hired for the Project, require the contractor to have a general liability insurance policy, with limits of liability of at least \$1,000,000 per occurrence. The Department is to be named as an additional insured on the contractor's policy and a certificate of insurance must be provided to the Department and it shall state that coverage provided under the policy is primary over any other valid insurance.
7. Require contractors that the Public Entity hires to perform services to defend, indemnify and hold harmless the Department from and against all suits, actions or claims of any character brought because of injury, including death or damages arising out of contractors' construction or maintenance activities pursuant to this agreement, as memorialized herein and subject to any additional permit that may be required of the contractor to perform said activities.

8. Be responsible, for performing or directing the performance, of all pre-construction activities, including, but not limited to, the following:
 - a. Utility Certification,
 - b. Drainage and storm drain design,
 - c. Geotechnical design,
 - d. Pavement design,
 - e. Environmental and archaeological clearances Certification,
 - f. Right of-way acquisition Certification,
 - g. Hazardous substance/waste site(s) contamination,
 - h. Railroad Certification,
 - i. Intelligent Transportation System (ITS) Certification
9. Cause all designs and plans to be performed under the direct supervision of a Registered New Mexico Professional Engineer, when applicable, as determined by the Department.
10. Obtain all required written agreements or permits, when applicable, from all public and private entities.
11. Allow the Department to inspect the Project to determine that the Project is being constructed in accordance with the provisions of this Agreement. Disclosures of any failure to meet such requirements and standards as determined by the Department, shall result in termination, for default, including without limitation the Public Entity's costs for funding, labor, equipment and materials.
12. Complete the project within 18 months of approval of funding by the State Transportation Commission.
13. Agree that the Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine (9) months from the effective date of this agreement.
14. Within thirty (30) days of completion, provide written certification that all work under this Agreement was performed in accordance with either the New Mexico Department of Transportation's Standard Specification, Current Edition; American Public Works Association (APWA) Specifications; Department approved Public Entity established Specifications; or Department Specifications established for Local Government Road Fund

projects, by submitting the **“Project Certification of Design, Construction, and Cost,” form**, which is attached as Exhibit A.

15. Within thirty (30) days of completion, furnish the Department an **“AS BUILT Summary of Costs and Quantities”** form, which is attached as Exhibit B. The report should reflect the total cost of project as stated in **“Project Certification of Design, Construction, and Cost”** form.
16. Failure to provide the **“Project Certification of Design, Construction, and Cost”** form and an **“AS BUILT Summary of Costs and Quantities”** report within thirty (30) days of Project completion will be considered a material breach of this Agreement and Public Entity shall reimburse to the Department all funds disbursed in accordance with this agreement.
17. Maintain all facilities constructed or reconstructed with funds provided by this Agreement.

SECTION FOUR – THE DEPARTMENT SHALL:

Pay project funds as identified in Section Two, Paragraph 1a, to the Public Entity in a single lump sum payment after:

1. Receipt of a Notice of Award and Notice to Proceed and,
2. Verification of available Local Government Road Funds and Public Entity’s local matching funds identified in Section Two, Paragraph 1b.

SECTION FIVE – BOTH PARTIES AGREE:

1. Upon termination of this Agreement any remaining property, materials, or equipment belonging to the Department shall be accounted for and disposed of by the Public Entity as directed by the Department.
2. That no money in the Local Government Road Fund shall be used by the Department to administer any program, and no entity receiving a distribution pursuant to a program requiring matching funds shall use another distribution made pursuant to NMSA 1978 Section 67-3-28.2, to meet the match required.
3. That the provisions of the Local Government Road Fund Project Handbook (Current Edition) and any amendments thereto, are incorporated herein by reference and shall control the

contractual rights and obligations of the parties unless in conflict with the specific terms expressed in this Agreement or any amendments thereto.

SECTION SIX – THIRD PARTY BENEFICIARY CLAUSE:

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of the Agreement to create in the public, or any member thereof, a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury to a person, damage to property, and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

SECTION SEVEN – PROJECT RESPONSIBILITY:

The improvements proposed in Section One of this Agreement shall not be under the jurisdiction and control of the Department.

SECTION EIGHT – JURISDICTION:

By reason of the Department's participation in the funding of this Project, the Department is not incorporating this Project into the state highway system, nor is the Department assuming any maintenance or user responsibility of liability for participation on this project.

SECTION NINE – NEW MEXICO TORT CLAIMS ACT:

Each party shall be responsible for liability arising from personal injury or damage to person and property occasioned by its own agents or employees in the performance of this Agreement, subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act (Section 41-4-1, et seq., NMSA 1978). This paragraph is intended only to define the liabilities between the parties hereto and is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

The Public Entity and its "employees" as defined in the New Mexico Tort Claims Act, and the Department and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and/or do not waive any limitation of liability

pursuant to law. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

SECTION TEN – EQUAL OPPORTUNITY COMPLIANCE:

The Public Entity agrees to abide by all applicable Federal and State Laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the Public Entity agrees to assure that no person in the United States shall, on the grounds of race, color, national origin, sex, sexual preference, age or disability, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity performed under this Agreement. If the Public Entity is found to be not in compliance with these requirements during the life of this Agreement, the Public Entity agrees to take appropriate steps to correct these deficiencies.

SECTION ELEVEN –LEGAL COMPLIANCE

The Public Entity shall comply with all applicable federal, state, local, and Department laws, regulations and policies in the performance of this Agreement, including , but not limited to laws governing civil right, equal opportunity compliance, environmental issue, workplace safety, employer-employee relations and all other laws governing operations of the workplace, including laws and regulations hereafter enacted. The Public Entity shall ensure that the requirements of this compliance are made a part of each subcontract on this Project at all tiers.

SECTION TWELVE – PUBLIC ENTITY'S PRIOR COSTS:

Any costs incurred by the Public Entity prior to this Agreement are not eligible for reimbursement and will not be included in the amount to be disbursed as agreed upon.

SECTION THIRTEEN – ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS:

There shall be strict accountability for all receipts and disbursements relating hereto. The Public Entity shall maintain all records and documents relative to the Project for a minimum of five years

after completion of the Project. The Public Entity shall furnish the Department and State Auditor, upon demand, any and all such records relevant to this Agreement. If an audit finding determines that specific funding was inappropriate or not related to the Project, the Public Entity shall reimburse that portion to the Department within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expense supported by such insufficient documentation shall be reimbursed to the Department within thirty days.

SECTION FOURTEEN – DEPARTMENT'S AUTHORIZATION OF EXPENDITURES:

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the Legislature of New Mexico, for performance of this Agreement. The Department is expressly not committed to expenditure of any funds until such time as they are budgeted, appropriated by the legislature, and approved for expenditure. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final.

SECTION FIFTEEN – UNEXPENDED, UNENCUMBERED PROJECT BALANCES:

Any unexpended or unencumbered balance from the Local Government Road Fund appropriated for this project shall revert to the Department. These balances, if any, shall be reimbursed to the Department within thirty- (30) days of project completion or expiration of this Agreement, whichever occurs first.

SECTION SIXTEEN – TERMS OF THIS AGREEMENT:

This Agreement constitutes the entire Agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this Agreement and not enforceable pursuant to this Agreement. Performance of all duties and obligations herein shall conform with and shall not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

SECTION SEVENTEEN – TERM:

This Agreement becomes effective upon signature of all Parties. This Agreement terminates on December 31, 2017. In the event a contract term extension is needed, the Public Entity shall provide

written notice to the Department sixty (60) days prior to the expiration date to ensure timely processing of an Amendment.

SECTION EIGHTEEN – TERMINATION:

1. If the Public Entity fails to comply with any provision of this Agreement, the Department may terminate this Agreement, by providing 30 days written notice.
2. The Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine months from the effective date of this agreement.
3. If sufficient appropriations and authorizations are not made by the Legislature, this Agreement may terminate immediately upon written notice of the Department to the Public Entity.
4. Neither party shall have any obligation after said date of termination, except as stated in Sections Five, Seven and Eight. The Public Entity agrees to reimburse to the Department all unexpended Department funds disbursed in accordance with this Agreement.

SECTION NINETEEN – SCOPE OF AGREEMENT:

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

SECTION TWENTY – SEVERABILITY:

In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION TWENTY-ONE – APPLICABLE LAW:

The Laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1(G) NMSA 1978.

SECTION TWENTY-TWO – AMENDMENT:

This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties hereto.

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year set forth below.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Cabinet Secretary or Designee

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S
OFFICE OF GENERAL COUNSEL**

By: _____ Date: _____
Assistant General Counsel

CIBOLA COUNTY

By: X _____ Date: X _____
CIBOLA COUNTY CHAIR or Designee

ATTESTED

By: X _____ Date: X _____
CIBOLA COUNTY Clerk or Designee

Cibola County Commission

T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice-Chair
Jack Moleres, 2nd Vice-Chair
Patrick Simpson, Commissioner
Lloyd F. Felipe, Commissioner

Cibola County

515 West High Street
Grants, New Mexico 87020
Phone (505) 287-9431 – Fax (505) 285-5434



Tony Boyd
County Manager

RESOLUTION 16-36

A RESOLUTION

ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)

WHEREAS, the County of Cibola recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and

WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and

WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and

WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long range capital planning efforts

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Cibola County, New Mexico that:

1. Cibola County has adopted the attached Infrastructure Capital Improvements Plan, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure.
3. This Resolution supersedes Resolution 15-28.

PASSED, APPROVED AND ADOPTED this 27th day of July, 2016.

T. Walter Jaramillo, Chairman

Robert Armijo, 1st Vice Chair

Jack Moleres, 2nd Vice Chair

Patrick Simpson, Commissioner

ATTEST:

Elisa Bro, County Clerk

Lloyd Felipe, Commissioner

Capital Projects by Priority

Category No.	Category Name	Ranking of Project	Project Title	Priority	2018-2022
120	Service Facilities	2018	To plan, design, construct, furnish and equip the relocation, and renovation of Office of the Emergency Manager and Dispatch office to The County Acquired Building Complex.	1	650,000
170	Equipment	2018	To purchase and equip 2 dump trucks, mower, bucket truck and road sweeper for Cibola County Road Department.	2	1,000,000
350	Roads/Streets/Bridges	2018	To conduct a feasibility study, plan, design, construct, build, County Roads, C-18B, C-1, and Lawrence Road, install culverts, bridges, and address drainage and road width issues on these roads.	3	1,000,000
310	Storm/Surface Water Control	2018	To plan, design, construct, flood control measures in flood prone areas of the county, such as Blue Water Village, Blue Water Acres, Mt. Taylor Addition, San Rafael and other areas of Cibola County	4	2,000,000
240	Wastewater	2018	For feasibility studies, planning, design, development, renovation and system improvements to Blue Water Village and San Rafael, water and wastewater facilities.	5	1,500,000
410	Economic Development	2019	For feasibility studies, planning, and development of broadband infrastructure to support the needs of the business, health, public safety, and education sectors as a regional project throughout San Juan, McKinley, and Cibola Counties, including City of Grants	1	500,000
120	Service Facilities	2019	To plan, design, equip and install Additional LED Lighting for San Rafael, Mt. Taylor Addition, Elkins Road, Blue Water Village, Cubero and San Mateo in order to prevent crime and vandalism in these areas of the county	2	100,000
170	Equipment	2020	To purchase and equip an electric scissor lift for the Cibola County Maintenance Department	1	50,000
120	Service Facilities	2020	To conduct a feasibility study, plan, design, construct, build, furnish and equip transitional housing center in Cibola County.	2	500,000
120	Service Facilities	2121	To plan, design, construct, build, furnish and equip volunteer fire stations, with training facilities, apparatus storage areas, and meeting rooms in El Morro, Candy Kitchen and a second station on Lobo Canyon Road.	1	1,500,000
350	Roads/Streets/Bridges	2121	To conduct a feasibility study, plan, design, construct, build, County Roads, C-18, C-33, C-41, C-48A, and install culverts, bridges, replace gravel with pavement, and address drainage and road width issues on these roads.	2	1,200,000
170	Equipment	2022	to purchase ongoing voting equipment	1	100,000
120	Service Facilities	2022	To plan, design, construct, build, furnish and equip an adult and/or a juvenile substance abuse treatment center	2	1,300,000
Total					11,400,000

Cibola County Commission

T. Walter Jaramillo, Chairman
Patrick Simpson, 1st Vice-Chair
Lloyd F. Felipe, 2nd Vice-Chair
Robert Armijo, Commissioner
Jack Moleres, Commissioner

Cibola County
515 West High Street
Grants, New Mexico 87020
Phone (505) 287-9431 – Fax (505) 285-5434



Tony M. Boyd
County Manager

CIBOLA COUNTY
BOARD OF COUNTY COMMISSIONERS
RESOLUTION № 16-37
FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES

**A RESOLUTION RELATING TO THE ESTABLISHMENT OF A COUNTY-WIDE
PROCEDURE AND INTERNAL CONTROLS FOR FIXED ASSET
MANAGEMENT, CONTROL, ACCOUNTING, DISPOSAL, AND RECORD
KEEPING**

WHEREAS, the Board of County Commissioners of Cibola County, met upon notice of a duly published meeting on July 27, 2016, at 6:00 P.M. in Commission Chambers at 515 West High Street, Grants, New Mexico 87020; and,

WHEREAS, The board of county commissioners shall have power at any session to make such orders concerning the property belonging to the county as they may deem expedient, NMSA 1978, Section 4-38-13; and,

WHEREAS, NMSA 1978, Section 12-6-10 (2005) requires that the County "at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000)" under its control" and that its capital asset inventory list any item costing more than \$5,000, effective June 17, 2005; and,

WHEREAS, Section 2.20.1 of NMAC requires agencies to properly account for capital assets; and,

WHEREAS, Section 2.20.1.8 of NMAC describes the required capital asset accounting system; and,

WHEREAS, Section 2.20.1.15 of NMAC describes the proper controls over capital assets; and,

WHEREAS, Section 2.20.1.16 of NMAC describes the statutory annual inventory requirement; and,

WHEREAS, Section 2.20.1.18 of NMAC describes the requirement to follow the applicable statutes when disposing of capital assets; and,

NOW THEREFORE, BE IT RESOLVED that the Board of County Commissioners adopts the Fixed Asset Accounting and Management Procedures Manual attached hereto.

APPROVED, ADOPTED, AND PASSED on this 27th day of July, 2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Patrick Simpson
Commissioner, District IV

Lloyd F. Felipe
Commissioner, District V

Attest:

Elisa Bro
Cibola County Clerk

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

Section 1 Organizational Responsibilities.....	1
1 Purpose.....	1
2 Objectives.....	1
3 Scope.....	1
4 Responsibilities.....	1
5 Acquisitions	2
6 Transfers.....	3
7 Retirements and Disposals	4
8 Asset Inventory	4
9 Annual Financial Reporting	4
10 Records Maintenance.....	4
11 Definitions.....	5
Section 2 Asset Valuation	7
1 Purpose.....	7
2 Scope.....	7
3 Guidelines	7
4 Valuation Terms.....	10
5 Valuation of Land	11
6 Valuation of Buildings	14
7 Valuation of Improvements Other than Buildings	16
8 Valuation of Machinery and Equipment (Including Vehicles)	17
9 Valuation of Construction Projects in Progress	18
10 Self-Constructed Assets	19
11 Multiple-Unit Acquisitions	19
12 Make-Ready Costs	20
13 Multiple Funding Sources.....	21
14 Recording Valuation Information in the FAMS	22
15 Controlled Items.....	23

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

Section 3 Multiple Unit Assets	25
1 Purpose.....	25
2 Scope.....	25
3 Guidelines	26
4 Recording an Asset System.....	27
5 Recording a Group Asset	29
6 Recording a Component Asset.....	30
Section 4 Fixed Asset Classification and Useful Lives	35
1 Purpose.....	35
2 Scope.....	35
3 Guidelines	35
4 General Procedure.....	36
5 Standard Asset Descriptions	37
6 Asset Class and Useful Life Table.....	38
Section 5 Numbering and Tagging Fixed Assets	43
1 Purpose.....	43
2 Scope.....	43
3 Guidelines	43
4 Tagging Methods and Placement	44
5 Fixed Asset Identification (FAI)/Tag Numbering Systems	44
6 Tag Supplies and Inventory	45
7 Cross References in the Fixed Asset Management System (FAMS).....	45
8 Location Assignment Tags.....	47
9 Responsibilities for Assignment of Numbers and Tagging	47
10 Procedures for Assigning Numbers and Tagging	49
11 Replacing Numbers for Lost or Damaged Tags.....	51
12 Sample Approaches.....	52

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

Section 6 Depreciation	55
1 Purpose.....	55
2 Scope.....	55
3 Guidelines	55
4 Assigning Useful Life and Salvage Value.....	56
5 Methodology and Calculation	58
6 Period Processing	59
7 Depreciation Adjustment Procedure	60
Section 7 Asset Acquisitions	63
1 Purpose.....	63
2 Scope.....	63
3 Guidelines	63
4 Responsibilities by Major Asset Category	65
5 Responsibilities by Organization or Position Assignment	66
6 Asset Acquisition by Purchase Order (PO) Procedure.....	68
7 Procedure for Recording Related Accounting Transactions	70
8 Verification Procedure for Assets Tagged and Recorded in the FAMS	71
9 Capitalization of Rolling Stock Procedure.....	71
10 Capitalization Procedure for Machinery and Equipment Purchased by Contract	72
11 Procedure for Recording Multiple Fixed Assets Acquired by a Single Purchase	73
12 Capital Leases	74
13 Grant Funded Assets	75
Section 8 Asset Acquisition by Donation, Confiscation, Condemnation, Eminent Domain, Annexation, or Foreclosure.....	79
1 Purpose.....	79
2 Scope.....	79
3 Guidelines	79
4 General Procedure	80
5 Donated Assets.....	82
6 Confiscated Assets	83
7 Eminent Domain	83
8 Annexation	85
9 Foreclosure.....	85
10 Assets in the Temporary Custody of the County	87

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

Section 9 Constructed Assets.....	89
1 Purpose.....	89
2 Scope.....	89
3 Guidelines	89
4 Responsibilities	91
5 Procedure for Accumulating and Tracking Construction Costs.....	92
6 Procedure for Placing Constructed Assets in Service	93
7 Final Close-Out Processing Procedure.....	95
8 Capitalization of Interest	97
Section 10 Improvements, Betterments, and Maintenance	99
1 Purpose.....	99
2 Scope.....	99
3 Guidelines	99
4 Background for Understanding.....	101
5 Determining Whether to Capitalize or to Charge an Expense to Maintenance	103
6 Procedure for Recording Improvements and Betterments in the Fixed Asset Management System (FAMS)	104
7 Retirements Related to Replacements and Renovations	106
Section 11 Transfer of Fixed Assets.....	107
1 Purpose.....	107
2 Scope.....	107
3 Guidelines	107
4 Types of Transfers.....	109
5 Departmental Transfers.....	110
6 Interdepartmental/Interfund Transfers	112
7 Interdepartmental/Intrafund Transfers	114
8 Transfers of Assets via the Asset Manager.	115
9 Transfers of Federal or Grant Funded Assets	115
Section 12 Transfer and Removal of Surplus Property	117
1 Purpose.....	117
2 Scope.....	117

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

3	Responsibilities	117
4	Forms	118
5	Procedure	118
6	Property Redistribution	119
Section 13 Retirement and Disposal		121
1	Purpose	121
2	Scope	121
3	Responsibilities by Major Asset Category	121
4	Disposal Criteria	123
5	Disposal Methods	123
6	General Disposal Procedure	125
7	Disposal by Transfer to the Asset Manager	125
8	Disposal by Sale	127
9	Disposal by Trade-In	131
10	Disposal by Return to Supplier for Credit	131
11	Disposal of Stolen Assets	132
12	Disposal of Missing Assets	133
13	Disposal of Damaged, Destroyed, or Cannibalized Assets (Including Scrap)	134
14	Abandonment of Fixed Assets	134
15	Disposition of Federal and Grant Funded Assets	135
Section 14 Physical Inventory		137
1	Purpose	137
2	Scope	137
3	Responsibilities	137
4	Inventory Frequency	138
5	Conducting the Physical Inventory	138
6	Reconciliation Results and Actions	139
7	Reporting Final Results	141
8	Damaged or Defaced Tags	141
9	Grant Funded Assets	141
Section 15 Periodic and Year-End Procedures and Records Maintenance		143
1	Purpose	143

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

Table of Contents

2	Scope.....	143
3	Periodic Procedures.....	143
4	Financial Statements	144
5	Disclosure Requirements for Leases.....	145
6	Records Retention.....	146
Appendix A G l o s s a r y		151
Appendix B Forms		157

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

1 Purpose

The purpose of this section is to establish organizational responsibilities of County departments and managers for fixed asset management, control, accounting, and record keeping and to define fixed assets and controlled items and the guidelines for their capitalization.

2 Objectives

The objectives of this document are as follows:

- To ensure consistent Countywide procedures for fixed asset accounting, management, control, and accountability
- To ensure that management has adequately minimized risk to assets through internal controls
- To ensure proper financial accounting and reporting in accordance with Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), the National Association of Regulatory Utility Commissioners (NARUC), and other applicable government accounting standards

3 Scope

This procedure applies to all County departments and County employees, regardless of classification or function. All County managers, employees and elected officials shall exercise the utmost care and diligence in the use, maintenance, and protection of all public assets.

4 Responsibilities

4.1 Finance Manager

- Maintains the financial accounting records and reports on these resources on behalf of the citizens.
- Manages the assets assigned to the Manager's Office.
- Establishes general ledger accounts for major asset classes, including applicable depreciation according to established guidelines.
- Establishes fixed asset accounting and financial reporting policies that conform to GAAP.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

4.2 Director of Finance^[KR1]

- Establishes a fixed asset management program within Finance to coordinate the development and dissemination of fixed asset policies and procedures and to facilitate all of the necessary activities to establish asset accountability.
- Manages the assets assigned to Finance.
- Provides central administration and support for a standardized Fixed Asset Management System (FAMS) capable of producing consolidated Countywide management reports.
- Assists in meeting the administration's custodianship responsibilities.
- Issues a manual containing Countywide fixed asset accounting and management procedures and revises the manual as necessary.
- Establishes within the department a disposal operation to assist County departments in the removal, redistribution, and sale of surplus assets.

4.3 Department Directors and Elected Officials^[KR2]

- Serve as custodians of the fixed assets and controlled items, including land, land improvements, buildings, machinery, and equipment (including rolling stock), that are assigned to their departments.
- Ensure full departmental compliance with the established fixed asset accounting policies and procedures, as promulgated by the Commission, the County Manager, and the Director of Finance or their designees, in order to maintain adequate records of the County's fixed assets and controlled items.
- Designates a Fixed Asset Coordinator (FAC). The FAC must be a manager within the department in the position of Manager or above. The appropriate level of management will be based upon the size, value, complexity, and nature of the departments' fixed assets.^[KR3]

4.4 Department Fixed Asset Coordinator (FAC)

The FAC is responsible for managing the fixed asset records in accordance with Finance's established procedures.^[KR4]

5 Acquisitions

Departments will identify and record all fixed assets and controlled items in the appropriate asset management system. Cost by funding source will be recorded with each asset record. Fixed assets and controlled items, including purchases, capital leases, construction,

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

improvements, donations, eminent domain, or annexation, will be recorded regardless of acquisition type.

Identification and tagging of assets will take place in accordance with the following guidelines:

- It is the department's responsibility to assign, record, and affix identification numbers (tags) to all fixed assets and controlled items except vehicles. Management will assign shop numbers to all vehicles.
- All fixed assets and controlled items will be assigned an asset number upon receipt and before the item is placed into service.
- The department will affix tags to an asset in a conspicuous and convenient location.
- Tags will remain on the asset throughout the life of the asset. Damaged tags will be replaced as needed.

6 Transfers

6.1 *Transfer of Assets*

The transfer of assets will take place in accordance with the following guidelines:

- Both the transferring and receiving department or section will appropriately account for fixed asset transfers. This applies to transfers between departments (interdepartmental transfers) or within departments (intradepartmental transfers).
- The transferring and receiving department managers will approve interdepartmental transfers.
- Once a transfer has been completed, the receiving department will confirm asset transfer information. For intradepartmental transfers, the department is responsible for recording information related to the transfer and for updating the FAMS record.

6.2 *Transfer of Federal or Grant Funded Assets*

It may be necessary to obtain specific grantor approval prior to the transfer of federal or grant funded assets when it is determined that the fixed asset is no longer needed for the original grant purpose. Guidelines for the transfer of grant funded assets, as outlined in the Office of Management and Budget (OMB) *Circular A-102*, will apply.^[KR5]

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

7 Retirements and Disposals

Departments will identify and record all fixed assets and controlled items that are removed from service, retired, and disposed of. All assets that are sold, exchanged, traded, stolen, damaged beyond repair, worn beyond utilization, cannibalized, or in any other way removed from service will be reported as retirements in the current fiscal reporting period. All disposals and retirements for fixed assets, controlled items, and other County property will be performed in accordance with asset management guidelines and procedures established by the Director of Finance or a designee and all applicable statutes and rules, including NMSA 13-6-1, et. seq.[KR6]

8 Asset Inventory

Departments will conduct a full inventory of all property under their stewardship, in accordance with the inventory schedule developed by Finance, and will provide the results of that inventory to the Director of Finance or a designee. Should reconciliation of the asset count and the fixed asset system reveal discrepancies, it will be the department's responsibility to locate assets and reconcile all discrepancies.

The Director of Finance or a designee will produce a Countywide inventory report and provide this report to the Commission and the County Manager upon request.

9 Annual Financial Reporting

The Director of Finance or a designee will present a schedule of general fixed assets to the Manager's Office in accordance with the established fiscal year-end close schedule and will comply with the reporting and disclosure requirements of current GAAP for governmental entities.

10 Records Maintenance

Fixed asset records will be a complete and accurate accounting for fixed assets of significant value and are fundamental to sound financial management. The responsibilities of stewardship involved in safeguarding such a large public investment is of the utmost importance. This responsibility can only be discharged effectively through adequate fixed assets accounting and control. Fixed asset records will be maintained for the life of each asset and retained in accordance with the requirements of the County for the retention of accounting records.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

11 Definitions

Capital Asset – Any fixed asset with an original cost equal to or greater than \$5,000. These items have significant value and will be capitalized.

County Property – All property owned by the County, whether purchased, leased, confiscated, donated, received by eminent domain, constructed, or annexed. County properties may include supplies, real property to be sold for delinquent taxes, police property, lost and found items, scrap materials for recycling, capital assets, and controlled items.

Controlled Item – A property item that meets the criteria for a fixed asset but with a value less than \$5,000 and equal to or greater than \$1,000. These items will be subject to management control.

Fixed Asset – Items of property that are tangible in nature; have significant value; have an economic useful life longer than 1 year; maintain their identities, either as separate entities or as identifiable components; are not repair parts or supply items; and are used in the conduct of County activities.

Infrastructure – Long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include, but are not limited to, roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Personal Property – All tangible property other than real estate, such as furniture, fixtures, movable equipment, materials, and supplies.

Real Property – All real estate assets, including land, buildings, and improvements to land or buildings. In legal terminology, land and items growing on, permanently erected on, or affixed to the land; also, rights to use land.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 1

Organizational Responsibilities

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

1 Purpose

The purpose of this section is to define procedures and organizational responsibilities for establishing total fixed asset acquisition costs.

All fixed assets and controlled items acquired by the County will be capitalized in accordance with the guidelines in this section.

2 Scope

Assigning proper values to fixed assets and controlled items is critical to maintaining accurate accounting records. Depending upon the classification of the asset (land, buildings, improvements, equipment, vehicles, or infrastructure), the information required to establish and properly record asset values will come from various organizations or departments. Therefore, there will be shared responsibilities.

While other County organizations may provide supporting information, it remains the ultimate responsibility of the Fixed Asset Coordinator (FAC) to ensure that the proper and complete valuation has been recorded for each asset in the department's Fixed Asset Management System (FAMS).

3 Guidelines

3.1 Designation of Property as a Fixed Asset

Fixed assets are items of property that

- are tangible in nature;
- have an economic useful life longer than 1 year;
- maintain their identities throughout their useful lives, either as separate entities or as identifiable components of larger conglomerations of property;
- are not repair parts or supply items; and
- have significant value.

With respect to the County, any fixed asset with an original cost **equal to or greater than \$5,000** is considered to have significant value and therefore will be capitalized.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

***Note:** The significant value test is important because the County has many individual assets that are tangible and long-lived but are not of a value that would justify the time and expense of maintaining detailed accounting records.*

Assets acquired with federal grant funds must be capitalized and controlled in accordance with the federal property management standards outlined in the Office of Management and Budget (OMB) *Circular A-102*, which requires the capitalization of grant funded assets **equal to or greater than \$5,000** for local government entities. Capitalization limits for federal grant funded assets will conform to the federal guidelines in effect when the assets are acquired.

3.2 Designation of Property as a Controlled Item

Due to their sensitive, **portable**, or theft-prone natures, certain property items with a value **less than \$5,000 but equal to or greater than \$1,000** may be subject to control as if they were fixed assets. This allows for systematic control over *high pilferage* and other items that do not meet all the guidelines for capitalization. These items include audio-visual equipment, power tools, radio equipment, cellular telephones, laboratory instruments, hand-held electronic devices, etc. For management and control purposes, such noncapital controlled items will be tagged and inventoried as controlled items, recorded in the County's fixed assets accounting records, and recorded at their original acquisition cost in the FAMS master records.

Unlike fixed assets, controlled items will not be capitalized. There will be a capitalization flag in the FAMS to indicate that these assets will be controlled and notcapitalized.

3.3 Fixed Asset Classifications

Fixed assets to which the County has title will be entered into the County's accounting records and managed by the procedures in this manual.

Fixed assets will be recorded in the appropriate fund.

Fixed assets that the County controls in a fiduciary capacity, but for which it does not have title, will be recorded at a cost of \$0 in the FAMS and will be tagged and inventoried for control purposes in a manner similar to controlled items. Fiduciary fixed assets will be identified in a separate asset category for reporting purposes.

General classifications of fixed assets that will be subject to the procedures in this section are described below. More detailed breakdowns can be found in Table 4-1 in Section 4 (Fixed Asset Classification and Useful Lives).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

3.3.1 Land

This classification includes all land parcels purchased or otherwise acquired by the County for building sites, street right of way, recreation, future use, etc.

Land acquired through foreclosure or seizure that is to be liquidated in a reasonably short time frame, with the proceeds earmarked to settle claims of the County or to support operations, is normally classified as a *current asset* rather than a *fixed asset*.

3.3.2 Buildings and Improvements

This classification includes all buildings, improvements to buildings, and structures that function as buildings (such as movable field offices).

The subsequent addition of equipment will be recorded as *machinery and equipment* unless it meets the definition of a *component asset*. See Section 3 (Multiple Unit Assets).

Major improvements, such as additions and large-scale renovations to buildings, should be capitalized.

3.3.3 Improvements Other than Buildings

This classification includes improvements, such as airport runways and taxiways, parking lots, fences and walls, permanent signs, water and sewer lines, no building structures, and similar property, that are not directly associated with a building and are not otherwise classified as public domain or infrastructure (e.g., roads, bridges, storm sewers).

3.3.4 Machinery and Equipment

This classification includes all motor vehicles, rolling stock, construction and maintenance equipment, office equipment and furnishings, etc., for which **one** of the following criteria apply:

- The unit cost exceeds the minimum capitalization amount.
- The nature and use of the item dictates that groupings of identical smaller items, such as library books or warehouse shelving units, should be capitalized and controlled as *group assets*. See Section 3 (Multiple Unit Assets).

3.3.5 Construction in Progress

This classification includes all partially completed construction projects. Upon completion of construction and placement into service, these assets will be transferred from this category to a permanent fixed assets classification.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

3.3.6 Infrastructure

This classification includes public domain fixed assets, such as roads, bridges, curbs and gutters, streets and sidewalks, traffic lighting systems, storm sewer systems, and similar assets, that are not mobile and are of value only to the County as a public entity or in accordance with Governmental Accounting Standards Board (GASB) statements.

Note: *Maintenance activities, repair parts, and supply items will not be considered fixed assets, even if their unit cost exceeds the minimum dollar limit for capitalization. Maintenance and repair include activities required to maintain an asset in good working condition but neither change the basic functions for which the asset was designed nor extend its useful life.*

4 Valuation Terms

The following terms are used in this section and in the County FAMS:

Acquisition Cost – The total cost of obtaining a fixed asset and putting it in place and in condition for use. This cost will be recorded in the FAMS, representing the value of the asset when it was acquired. The acquisition cost is generally the historical or original cost but may be based on a different valuation for certain types of transactions.

Book Value – The portion of an asset's historical or original cost not yet depreciated or used. Book value can be calculated by subtracting accumulated depreciation from the historical or original cost of the asset.

Depreciation – An amount charged against the historical cost of an asset representing the loss in value of the original asset as it is used and ages. Depreciation reduces the accounting value of an asset and is accumulated over the estimated life of the asset.

Estimated Cost – Professional (certified) appraisals of the cost of an asset; used in those instances where historical cost records are not available. The estimated cost is determined by inventorying existing assets. When required, the estimated cost will be used as the acquisition cost.

Fair Market Value – The price at which a willing seller would sell something to a willing buyer, neither being under any compulsion to buy or sell. This is the price that would be paid for an item in a condemnation proceeding.

Historical Cost (or Original Cost) – The actual amount paid for an asset at the date of acquisition, including any normal costs associated with preparing the asset for use. In the case of newest assets, particularly machinery and equipment, this is the acquisition cost.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

Replacement Cost – The estimated cost of acquiring a new equivalent asset. Replacement cost may be approximated through the use of a specific price index. For example, a building constructed in 1940 for \$200,000 would cost considerably more to rebuild today. Therefore, replacement cost will usually be higher than the original cost (personal computers may be an exception).

5 Valuation of Land

5.1 Responsibilities

5.1.1 Fixed Asset Coordinator (FAC)

Records acquisition costs (as provided by the following sources) of assets in this category and under the FAC's custody in the department FAMS.

5.1.2 Engineering

- Accumulates and identifies all real estate acquisition costs incurred in connection with Real Estate activities.
- Transmits these costs to the Capital Improvement Program (CIP) Accounting personnel, Finance Asset Management, and the benefiting department. These costs include the purchase price approved by the County and any ancillary or outside costs incurred or contracted by Engineering and subsequently billed as a cost recovery to a CIP project.
- Prepares Countywide summary reports concerning Real Estate current activities or the County's property inventory as requested by the Commission or the County Manager.

5.1.3 Legal

- Accumulates legal services costs associated with acquiring the property.
- Identifies these costs with the appropriate CIP project when they are billed to a CIP fund as a cost recovery.
- Provides complete documentation of these costs to the Management Division for CIP projects that are not yet closed.
- Provides information to the Financials Office, Resource Management, Asset Management, and the department benefiting from the use of the asset for capital projects that are closed, so that FAMS records can be properly updated.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

5.1.4 Accounting (Fiscal) (or Designee)

- Records all real estate acquisition costs, including information provided by Finance in the appropriate CIP project cost records.
- Prepares the Financial Management System (FMS) Final Close-Out Summary upon project completion and acceptance, summarizing all project costs to be capitalized.
- Identifies the appropriate balance sheet account distribution of such costs when project cost summaries are provided to the Manager's Office, Finance Management, and the benefiting department(s) at the time the project is closed and construction costs are reclassified from *construction in progress* to *fixed assets*.
- Provides the benefiting department(s) with a copy of the FMS Final Close-Out Summary so that costs can be recorded in the department FAMS.

5.1.5

Accumulates and records all real estate acquisition costs for capital improvement projects under its jurisdiction.

5.2 Documentation

The following documents will be the source of required valuation information:

- Report of Property Acquisition
- Legal Services Cost Summary
- FMS Final Close-Out Summary

5.3 Acquisition Cost

5.3.1 Fees Normally Included

- Original contract price
- Broker's commission
- Legal fees for examining and recording ownership
- Cost of ownership guarantee insurance policies
- Cost of real estate surveys
- Cost of razing old buildings, structures, or other improvements acquired with the property (less salvage)

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

- Cost incurred to put the property in condition for its intended use, including draining, clearing, demolition of unwanted improvements, landscaping, land filling, and grading costs
- Title fees
- Surveying

5.3.2 Fees Normally Excluded

- Ownership searches
- Legal and other expert services on land **not** ultimately purchased
- Expenditures in connection with disposal of refuse
- Costs of easements
- Assessments for repairs to roads and sidewalks
- Repairs to other improvements

Note: Land improvements (no building improvements having a limited life, e.g., paving, fencing, and lighting) will be set up in a separate asset account and depreciated. See subsection 7 in this section. This applies to improvements that are to remain on the property after it is put to its intended use.

Note: Asset-related costs that are incurred after acquisition, such as additions, improvements, betterment, or replacements, are specifically discussed in Section 10 (Improvements, Betterments, and Maintenance). Assets acquired through donation, confiscation, condemnation, eminent domain, annexation, or foreclosure are covered in Section 8 (Asset Acquisition by Donation, Confiscation, Condemnation, Eminent Domain, Annexation, or Foreclosure).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

6 Valuation of Buildings

6.1 Responsibilities

6.1.1 Fixed Asset Coordinator (FAC)

Records acquisition costs (as provided by the following sources) of assets in this category and under the FAC's custody in the department FAMS.

6.1.2 Engineering

Accumulates and identifies acquisition costs for buildings purchased by the County in the same manner as for valuation of land. See subsection 5 in this section.

6.1.3 Legal

Accumulates and identifies all building acquisition costs incurred in connection with its activities in the same manner as for valuation of land. See subsection 5 in this section.

6.1.4 Accounting

- Accumulates and records all building construction costs in the appropriate CIP project cost records.
- Prepares the FMS Final Close-Out Summary upon project completion and acceptance, summarizing all project costs to be capitalized.
- Identifies the appropriate balance sheet account distribution of such costs when project cost summaries are provided to the Managers' Office, Finance Management, and the benefiting department(s) at the time the project is closed and construction costs are reclassified from *construction in progress* to *fixed assets*.
- Provides the benefiting department(s) with a copy of the FMS Final Close-Out Summary so that costs can be recorded in the department FAMS.

6.1.5 Department of Finance

Accumulates and records all building acquisition costs for capital improvement projects under its jurisdiction.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

6.2 Documentation

The following documents will be the source of required valuation information:

- Report of Property Acquisition
- Legal Services Cost Summary
- FMS Final Close-Out Summary

6.3 Acquisition Cost

6.3.1 Fees Normally Included

- Original purchase contract price or price of construction
- Expenses incurred in remodeling, reconditioning, or altering a purchased building to make it suitable for the purpose for which it was acquired
- Cost of excavation, grading, or filling land as a part of the construction of a specific building
- Expenses incurred for the preparation of plans, specifications, blueprints, etc.
- Cost of building permits
- Architects' and engineers' fees for design and supervision
- Other costs, such as temporary buildings used during the construction period, that are not movable or reusable and are razed at the end of construction

6.3.2 Fees Normally Excluded

- Extraordinary costs that are merely incidental to the erection of the building (e.g., those due to strike, flood, fire, or other casualty)
- The costs of abandoned construction
- The cost of razing an existing County-owned building to prepare a site for construction (This cost may be included with the retirement of the old building or expensed.)

Note: *Removable building equipment (contents) that has a shorter life than the building and is subject to replacement without impairment of the integrity of the building will be recorded separately as equipment and will be separately depreciated.*

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

7 Valuation of Improvements Other than Buildings

7.1 Responsibilities

The organizational responsibilities for accumulating and recording capitalized costs for improvements other than buildings are the same as those outlined in subsection 6 in this section.

7.2 Documentation

The following documents will be the source of required valuation information:

- Legal Services Cost Summary
- FMS Final Close-Out Summary

7.3 Acquisition Cost

7.3.1 Fees Normally Included

- Materials
- Direct labor
- Professional fees
- Design fees
- Inspection fees
- Installation costs
- Testing costs
- Project administration costs

7.3.2 Fees Normally Excluded

- Extraordinary costs that are merely incidental to the completion of the improvement (e.g., those due to strike, flood, fire, or other casualty)
- The costs of abandoned construction

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

8 Valuation of Machinery and Equipment (Including Vehicles)

8.1 Responsibilities

The FACs of individual departments will have the primary responsibility for accumulating and identifying all machinery and equipment costs and will be responsible for recording acquisition costs of assets in this category and under their custody in their FAMS.

8.2 Documentation

The following documents will be the source of required valuation information:

- Purchase order (PO)
- Vendor invoice
- FMS payment voucher

8.3 Acquisition Cost

8.3.1 Fees Normally Included

- Original contract or invoice cost
- Freight-in, handling, and storage costs
- Specific in-transit insurance costs
- Installation costs (if performed by vendor)
- Costs for testing and preparation for use
- Costs of reconditioning items that were purchased used

8.3.2 Fees Normally Excluded

The acquisition cost of machinery and equipment will normally exclude trade-in allowances.

Note: Any asset-related costs that are incurred after asset acquisition, such as additions, improvements, betterment, or replacements, will also be capitalized if the cost is greater than \$5,000 and the life of the asset is extended by more than 1 year. See Section 10 (Improvements, Betterments, and Maintenance). Otherwise, the cash outlay will be expensed in the period in which it is incurred.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

9 Valuation of Construction Projects in Progress (Including Infrastructure)

Note: All assets acquired with capital project funds will be recorded and accounted for in accordance with Section 9 (Constructed Assets).

9.1 Incomplete, Unoccupied Construction Projects

For all projects that have not yet reached 100% completion, the Financial Department personnel will have sole responsibility for tracking construction in progress. The Finance Department will perform a review of the nature and status of all construction in progress (excluding Department of Aviation projects) to verify the following:

- The construction in progress has been appropriately capitalized.
- The aggregate of individual project records accurately reflects the current status of active construction in progress.

Such reviews will be performed on at least an annual basis, regardless of activity levels, and upon completion and placement into service of an individual project.

Annually, Finance Department will provide the Managers' Office, and benefiting departments with a Schedule of Construction in Progress, detailing accumulated costs and percent completion information for each project that is open and has not yet been placed into service.

9.2 Completed or Occupied Construction Projects

For all projects, including infrastructure, that have reached completion and are accepted or are occupied (buildings/structures), the Finance Department will submit information to the Managers' Office, and the benefiting department(s) in accordance with the procedures in Section 9 (Constructed Assets).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

10 Self-Constructed Assets

When the County (or department) uses internal staff, resources, equipment, and/or materials to construct a building or piece of machinery or equipment for its own use that meets the capitalization criteria (greater than or equal to \$5,000), an acquisition cost will be established and the asset will be recorded in the FAMS as if it had been purchased.

All direct costs, including materials and labor costs, will be included in the total cost of the asset. Overhead (indirect) costs will not be included unless they are increased by the construction of the asset.

11 Multiple-Unit Acquisitions

11.1 Unit Cost Calculation for Similar Assets Acquired Through a Multiple-Unit Purchase or Construction Project

Acquisitions involving the purchase or construction of multiple units of like assets (e.g., rolling stock, utility plant machinery, outdoor lighting fixtures) often include common or shared costs that are not directly identifiable to an individual asset (e.g., delivery, installation).

These common costs will be equitably allocated to each of the asset units being purchased or constructed as a part of the determination of capitalized costs and included in total asset valuation amounts.

11.2 Cost Calculations for Dissimilar Assets Acquired Through a Single Purchase

To allocate common costs associated with dissimilar multiple assets acquired under a single purchase, the determination of capitalized costs will include an apportionment based upon some applicable indicator of the relative values of the several assets involved (e.g., cost, size, capacity).

Example

Assume \$120,000 was paid for an alarm system consisting of components installed in different configurations in three adjacent buildings. Of this amount, \$20,000 was for wire, cable, and installation at all three sites. If the totals of the list prices of the items of equipment installed in each building were Building 1, \$30,000; Building 2, \$50,000; and Building 3, \$20,000, the wire, cable, and installation could be allocated as shown in Table 2-1.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

Table 2-1 Example Cost Calculation for Dissimilar Assets Acquired Through a Single Purchase

Location	Equipment Value	Proportion	Apportioned Cost	Total Acquisition Cost
Building 1	\$ 30,000	3/10	\$ 6,000	\$ 36,000
Building 2	50,000	5/10	10,000	60,000
Building 3	20,000	2/10	4,000	24,000
	\$100,000		\$20,000	\$120,000

The costs of the three equipment configurations, including the wiring, cable, and installation costs, would then be recorded in the appropriate FAMS machinery and equipment accounts that were associated with the separate building location codes.

12 Make-Ready Costs

All costs that can be identified as having been incurred after acquisition but prior to placement in service in order to prepare a fixed asset for use should be capitalized as a part of the cost of the asset.

For example, the following costs directly related to a building, whether purchased new or used, should be capitalized as make-ready costs:

- Rearrangement and reinstallation of machinery
- Rearrangement of building partitions
- Renovation of the building
- Overhead items, such as insurance, and other incidental expenditures directly related to a purchased existing building during renovation prior to use

Make-ready costs may be accumulated by work order (WO), purchase order (PO), contract, or CIP project, depending upon how the project is budgeted. When a project involving make-ready costs is completed, the FAC of the will include such costs as a part of the total capitalized costs shown on the Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) used to enter the project-related asset into the FAMS.

Depreciation should not be recorded on such make-ready costs prior to the in-service date of the related asset.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

13 Multiple Funding Sources

13.1 General

The term *multiple funding sources* refers to funding of an asset acquisition from more than one fund on the equity side of the transaction.

This term does not include funding of asset purchases that is chargeable to more than one budget account within a single fund. The FAMS will provide for the allocation of acquisition cost and depreciation to each funding source resulting in the Net Book Value by Funding Source to show the relative ownership or equity of various funds in an asset.

This term is also not meant to apply to assets acquired by an organization other than the one in which the original expenditure funding was budgeted. In these cases, the actual custodial organization should be charged for the cost of the asset when a voucher is issued. If necessary, a budget funds transfer to the correct organization should be completed prior to receipt of the asset. Once an item is capitalized, subsequent changes in ownership or responsibility should be treated as Fixed Asset Transfers. See Section 11 (Transfer of Fixed Assets).

13.2 Original Acquisition Cost

Once the capitalized cost of a multiple fund acquisition is determined, the total cost will be allocated to each funding source (e.g., where an item is acquired with both operating budget and grant funds) and entered on the FA-1.

The FAC will determine the funding sources for the asset by referring to the PO, contract, CIP budget, Certificates of Obligation budget, or grant project funding agreement or application that authorized the acquisition of the asset.

13.3 Depreciation

The FAMS allocates both depreciation and accumulated depreciation to funding sources according to the proportion of total acquisition cost allocated to each source.

Example

If an asset was funded 60% by an enterprise fund and 40% by a grant fund, 60% of the depreciation expense will be allocated to the enterprise fund and 40% will be allocated to the grant fund.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

13.4 Net Book Value

The FAMS calculates the remaining fixed asset value (net book value) by funding source based on the proportion of each funding source to the total cost. These figures are derived by subtracting the accumulated depreciation by funding source from the acquisition cost by funding source.

14 Recording Valuation Information in the FAMS

The FAC will complete the FA-1 as appropriate. A copy of the source documentation used to establish the valuation of the asset will be attached to the FA-1. Key valuation information is to be completed as follows.

14.1 Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) Section 1

14.1.1 Purchase Order (PO)/Document Number

If a PO is involved, record the PO number; otherwise, record the payment voucher number.

14.1.2 Acquisition Method

Indicate the method by which the asset was acquired (P = purchased; C = constructed; etc.).

14.1.3 Total Cost

Determine the total acquisition cost of the asset. Use the FA-1 to accumulate and add all appropriate costs, including voucher costs, make-ready costs, and costs from other sources.

Note: *For constructed assets, the total cost should be available on the Contract Close-Out Summary and the Commission ordinance accepting the project and placing the asset in service.*

14.1.4 Funding Split

Enter the FMS fund code and the percent of the total asset's cost paid for from that fund. If the total cost was paid for from one fund, the percent will be 100%.



FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

14.2 Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) Section 2

14.2.1 Project Number

If the asset is being acquired through a capital project, enter the CIP project number assigned to this asset.

14.2.2 Vendor

Enter the vendor or prime contractor responsible for the project. If the asset is self-constructed, enter *Self-Constructed*.

14.2.3 Ordinance Number

If there is an ordinance number associated with the acquisition, enter the number.

If the asset is a constructed asset, enter the ordinance number associated with the County Council action accepting the completion of work and placement of the asset into service.

15 Controlled Items

15.1 Standard Controlled Items

The Director of Finance will define controlled items. A standard list will be compiled and maintained of commonly purchased items that do not meet the County's capitalization policy but will still be assigned asset numbers and tracked in the FAMS in the same manner as capitalized assets for control purposes.

All items within the following classifications with a unit cost **less than \$5,000 but equal to or greater than \$1,000** and with a useful life of 1 year or more will have fixed asset identification (FAI) numbers assigned and tags applied and will be recorded and tracked in the FAMS as controlled items, with noted exceptions:

- Artwork
- Audio-visual equipment
- Automotive testing and repair equipment
- Communications equipment
- Fax machines and photocopiers
- Hand-held gauges and testing devices

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 2

Asset Valuation

- Laboratory equipment
- Medical equipment
- Personal computers, printers, monitors, PDAs, and other peripherals*
- Portable power tools, ladders, and tool boxes
- Weapons**

*Personal computers/peripherals will be accounted for in the County's FAMS with a minimum monetary threshold of \$500.00. Personal computer components and peripherals with a value equal to or less than \$499.99 will not be recorded and tracked in the County's FAMS.

**Weapons will be accounted for in the County's FAMS with no minimum monetary threshold.

15.2 Additional Controlled Items

Department directors may control additional noncapitalized items. Methods of tracking and controlling these items are at the discretion of the department director, and the department is not required to include these in the FAMS. Department directors will implement procedures to safeguard the County's investment of all capital, controlled, or expendable assets.

15.3 Valuation Guidelines

- Controlled items will be recorded and tracked in the FAMS in the same manner as capitalized fixed assets.
- All items (subject to prescribed dollar limits) in the classifications that are included on the list of controlled items will be recorded without exception by all departments.
- Controlled items will be designated as noncapital assets in the FAMS and will be excluded from accounting reports required for County Comprehensive Annual Financial Report (CAFR) presentation purposes.
- All physical control and inventory procedures pertaining to fixed assets will also apply to controlled items.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

1 Purpose

The purpose of this section is to establish procedures for distinguishing multiple unit assets from individual property units and creating records for this type of asset.

2 Scope

A careful distinction will be made in the definition and determination of individual fixed assets in those cases where a property unit comprises distinguishable interdependent parts or subunits that will be used together in normal operations. These property units will be referred to as *multiple unit assets* and will be classified as follows:

Asset Systems – Multiple property subunits that function together as a single fixed asset.

Group Assets – Multiple property subunits of like items.

Component Assets – Individual fixed assets that can function independently, but will be related to or associated with a larger property unit for management or control purposes.

An asset in the FAMS can represent either an individual asset unit or a multiple unit asset. Multiple unit assets provide a way of grouping related property subunits together for capitalization, control, and record-keeping purposes. Multiple unit assets generally are created to facilitate, control, and simplify record keeping.

When classifying a unit into one of the multiple unit asset categories, it is important to consider the accounting that will occur over the life of an item. As an asset ages and is used, maintenance and replacement to its subunits or components will usually be required. Proper accounting practice calls for the retirement of a component unit and capitalization of the replacement component if the replacement substantially increases the value of the asset or extends its life; otherwise, the replacement will be expensed as maintenance.

Note: *Retirement of components and capitalization of replacement components must be done consistently.*

The multiple unit asset's classification will dictate whether the replacement of a subunit or component is handled as a retirement of the subunit and recapitalization of the replaced subunit (improvement or betterment), or simply charged to maintenance expense.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

3 Guidelines

3.1 Definition of an Asset System

An asset system consists of multiple property subunits that function together as a single fixed asset; the life and usefulness of the individual subunits are mainly dependent on the property unit as a whole and are not likely to be transferred. Assets of this type, such as communication networks, will be entered in the fixed asset records as a single unit. Asset systems are not dependent on another asset to exist or function.

3.2 Definition of a Group Asset

A group asset consists of multiple property subunits of like items that are not practical to control on an individual basis and have unit values that are not considered significant. Assets of this type will not be entered in the fixed asset system.

3.3 Definition of a Component Asset

Component assets are tangible property that can function independently but generally are related to or associated with a larger property unit for management or control purposes. These assets may meet the general definition of a fixed asset (cost equal to or greater than \$5,000, useful life greater than 1 year) and may be either

- added, attached, or in some other way permanently affixed to a larger unit of property that has previously been placed into service (e.g., renovation, improvement); or
- one of the original structural components of a building asset (e.g., roof and drainage, plumbing, electrical).

A component asset differs from an asset system in that the component, while a subunit of a larger property unit, individually may meet the capitalization criteria, whereas the subunits in an asset system do not. A subunit of property or equipment will generally not be considered for componentization if its cost represents less than 10% of the cost of the larger unit with which it is associated.

For buildings, component assets can refer to the following structural elements:

- General construction (base unit or parent)
- Heating, ventilation, and air conditioning
- Roof and drainage
- Electrical
- Plumbing

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

- Fire protection and life safety systems
- Elevators

Component assets will be recorded and accounted for as individual asset records. Component assets may be related as individual asset records (child records) to the base unit (parent record) to which they have been added, attached, or in some way permanently affixed.

3.4 Capitalization Criteria for Multiple Unit Assets

An asset system is generally acquired and placed into service simultaneously and must, as a whole, meet the basic capitalization criteria of a value **equal to or greater than \$5,000** and 1-year useful life. If the combined costs of the subunits do not exceed the \$5,000 criteria, then the unit will not qualify as an asset system and will not be capitalized.

Group assets generally have individual unit costs of less than \$1,000 and will not be capitalized or recorded in the FAMS. If the units meet the criteria for controlled items, they will be entered in the FAMS as individual controlled items. Departments may track group assets with an appropriate subsidiary tracking system, at the discretion of the department director.

A component asset is capitalized if it meets the basic criteria of a value **equal to or greater than \$5,000** and 1-year useful life.

4 Recording an Asset System

4.1 Characteristics

An asset system has the following characteristics:

- The multiple property subunits function together as a single fixed asset.
- The subunit costs are generally not individually significant.
- The lives and usefulness of the individual subunits are mainly dependent on the property unit as a whole.
- The subunits are not likely to be transferred.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

4.2 Criteria

The key criteria for determining that multiple property subunits should be capitalized as an asset system are as follows:

- The individual subunit costs are generally not significant in comparison to the conglomeration. Individually, the subunits generally do not meet the capitalization criteria. Taken as a whole, however, the group qualifies as a fixed asset (\$5,000 acquisition cost, 1-year useful life, etc.).
- The estimated useful life of the asset system is considered to be the life of the conglomeration operating as a whole, and not the life of the subunits.
- When a subunit is replaced, it generally does not extend the overall life of the conglomeration. Therefore, replacement will generally be expensed. However, if maintenance is not routinely performed and “major catch-up” is performed, a partial retirement and recapitalization may be considered.
- Each subunit is permanently integrated and configured in such manner as to make identification of individual components difficult. Therefore, it is impractical to tag, track, and inventory each unit of the group.
- The grouping of items basically stays together throughout its useful life, and subunits are not subject to significant cannibalization or transfer.

Exception: *If the individual units of a conglomeration actually qualify as individual fixed assets, but otherwise involve the same identification and tracking problems outlined above, they may also be capitalized as an asset system.*

4.3 Examples of Commonly Classified Asset Systems

- Outdoor sprinkler system (pumps, timers, sprinkler heads, piping) (e.g., golf course or athletic field system)
- Ticket counter (cabinet, permanently mounted monitor, internal ticket dispenser)
- Conveyor frame (conveyor sections, motor, computer operating system)
- Underground pipe sections
- Retaining wall sections
- Security system (sensors, cabling, transmitter, activation panels, base control unit)

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

4.4 Recording Procedure

Recording the asset system in the FAMS is the responsibility of the Fixed Asset Coordinator (FAC), in accordance with asset system guidelines, and will involve the following:

1. A single fixed asset identification (FAI)/tag number will be assigned to the asset system by the FAC. The quantity will be 1.
2. A single Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) will be initiated.
3. The serial number (if appropriate) will be from the major subunit component.
4. The acquisition cost will be the aggregate of the subunit costs (if broken out separately).
5. The description will identify the various subunits included in the asset system.
6. A class (from which useful life is obtained) will be assigned that is representative of the composite lives.

4.5 Subunit Replacement

The replacement of a subunit that does not extend the overall life of the conglomeration will be expensed. However, if maintenance is not routinely performed and “major catch-up” is performed, a partial retirement and recapitalization may be considered.

4.6 Depreciation

The FAMS will depreciate asset systems as one asset on the basis of the total cost and useful life of the asset system class assigned.

5 Recording a Group Asset

5.1 Characteristics

A group asset has the following characteristics:

- The asset comprises multiple property subunits that are the same as or similar to others in the conglomeration.
- The subunits require general control but are impossible or impractical to tag, identify, track, and inventory individually.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

- The individual subunit costs are insignificant and do not meet the capitalization criteria.
- The lives and usefulness of the individual subunits are the same.

5.2 Criteria

The key criteria for determining that multiple property subunits are not capitalized or recorded for control purposes are as follows:

- The individual subunit costs are generally insignificant and generally do not meet the capitalization or controlled item criteria.
- A subunit that is lost or disposed of would not usually be replaced, resulting in the reduction of the number of units and value of the original group. The overall replacement of subunits would generally be accomplished through the acquisition of new units.
- The estimated life is the same for all subunits. The conglomeration does not have a life of its own as a unit.
- It is impractical to tag, identify, track, and inventory each unit individually outside of the group.

***Note:** Departments may track group assets with an appropriate subsidiary tracking system, at the discretion of the department director.*

6 Recording a Component Asset

6.1 Characteristics

A component asset has the following characteristics:

- Multiple property subunits function together as a single fixed asset, but can also function independently as individual units.
- The subunits are attached to, affixed to, or contained in a larger host unit of property or make up a structural component of a building (i.e., items normally classified as building systems and improvements).
- Subunit costs generally are individually significant and individually meet the capitalization criteria.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

- The lives and usefulness of the individual subunits differ and are not dependent on the property unit as a whole.
- Subunits may be subject to transfer between hosts.

6.2 Criteria

The key criteria for determining that multiple property subunits should be capitalized as component assets are as follows:

- The individual subunit costs are generally significant in comparison to the host asset and are easily separately identifiable. To prevent the over accumulation of small components, an individual component should generally not be less than 10% of the cost of the conglomeration. Individually, the subunits generally do meet the capitalization criteria. Taken as a whole, component assets function together as a single entity that in itself qualifies as a fixed asset (\$5,000 acquisition cost, 1-year useful life, etc.).
- When a subunit is replaced, while it may not extend the life of the conglomeration as an overall unit, it can increase its value and usefulness. Therefore, replacement is generally treated as a retirement and recapitalization.
- The estimated lives of the subunits are finite and readily identifiable and not necessarily related to the useful life of the host asset taken as a whole. They generally are maintained independently of the other subunit components.
- Each subunit is integrated and configured in such manner that identification of individual components is feasible. Each unit can be tagged, tracked, and inventoried.
- The grouping of the subunits is required for the operation of the conglomeration/host; however, the individual subunits may be readily transferable to other similar hosts.

6.3 Examples of Commonly Classified Component Assets

6.3.1 Buildings

The building shell is generally classified as the host or parent component. Building systems are then classified as individual asset systems that are child components of the host, such as the following:

- Roof and drainage
- Plumbing
- Electrical
- Heating, ventilation, and air conditioning

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

- Fire protection and life safety systems
- Elevators and escalators
- Interior construction and improvements
- Other building systems (e.g., power generators, preconditioned air systems)

6.3.2 Specialty Vehicles

The chassis and cab are generally classified as the host or parent component. Other subunits are then classified as individual asset systems that are child components of the host, such as a motor or winch and utility bed (dumb bed, ambulance “box”).

6.3.3 Mainframe Computer

The primary central processing unit (CPU) and cabinet are generally classified as the host or parent component. Other subsystems are then classified as individual asset systems that are child components of the host, such as the following:

- External digital storage drives
- Tape units
- Front-end processors (FEPs)
- Modems and modem pools

6.4 Recording Procedure

Recording the component assets in the FAMS is the responsibility of the FAC, in accordance with asset system guidelines, and will involve the following:

1. Individual fixed asset identification (FAI)/tag numbers will be assigned to each component asset of a conglomeration/host by the FAC. The quantity will be 1.
2. An FA-1 will be initiated for each component asset.
3. The serial number (if appropriate) will be that of the individual component.
4. The acquisition cost will be the cost of the subunit or component alone.
5. The description will identify the subunit alone.
6. A parent/child relationship will be established in the FAMS between the component assets and the larger host asset that incorporates them.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

7. A hierarchical structure will incorporate the component asset (child) record into the host asset (parent), providing a total for the combined asset. It is assumed that a department owning building facilities will also maintain or have access to engineering drawings, plant catalogs, or similar records from which the host-component structure can be verified.
8. A class (from which useful life is obtained) will be assigned that is representative of the individual component.

6.5 Subunit Replacement

The replacement of a subunit of the conglomeration will be treated as a retirement and recapitalization.

6.6 Depreciation

The FAMS will depreciate component assets individually, on the basis of the total cost and useful life of the component asset treated as a separate unit.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 3

Multiple Unit Assets

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

1 Purpose

The purpose of this section is to identify the standard asset classifications and associated useful lives to be used for recording assets and calculating depreciation in the Fixed Asset Management System (FAMS).

2 Scope

Fixed assets will be recorded and accounted for in accordance with the classification structure specified in Table 4-1, which assigns the associated economic useful life for each asset class and identifies funding sources.

3 Guidelines

3.1 Reporting Classes

The fixed asset reporting classifications used for the County Comprehensive Annual Financial Report (CAFR) and the financial statement presentations of individual departments will include the following fixed asset classifications, as defined in Section 2 (Asset Valuation) of this manual.

- Land
- Buildings and improvements
- Improvements other than buildings
- Machinery and equipment
- Construction in progress
- Infrastructure

3.2 Asset Subclasses

Detailed fixed asset classification listings must correlate with the County's Financial Management System (FMS) Chart of Accounts structure, indicating the fixed asset object category for the CAFR presentation, as well as the object class and object description for recording and classifying individual fixed assets.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

3.3 Useful Lives

Depreciation of fixed assets is calculated based upon the estimated life years indicated by the fixed asset classification listing. *Estimated life years* represents the reasonable expected life of an item, as judged by management, in accordance with applicable standards and guidelines. Published sources of such data include Internal Revenue Service (IRS) guidelines and other recognized sources whose expertise is acknowledged by the accounting profession.

3.4 Sources of Funds

The sources of funds through which assets are acquired will be identified and recorded for each asset. The following funding source classifications will be used:

- Bonds or notes
- Current budget appropriations (fund)
- Gifts
- Special assessments, property owners' shares
- Special assessments, government's share
- State aid grants
- Federal aid grants
- Other financing

Sources of funds will be tracked within the FAMS via system data fields indicating the source of funds, acquisition method, and the applicable amount.

4 General Procedure

Standard asset classifications and associated useful lives will be established and administered by the Director of Finance. Table 4-1 provides the standard asset classifications and useful lives for the most common categories used in the County.

1. Finance, Information Services (IS), as directed by the Director of Finance and the County FAMS Program Administrator, will be responsible for maintaining the FAMS table of standard asset classifications and associated useful lives.
2. The classifications and associated useful lives in Table 4-1 will be used by all County departments, without exception, in providing fixed asset valuation and accounting

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

information to the Finance Office for financial reporting purposes and to Finance for management reporting purposes.

3. Requests to establish new asset classes to meet specific department needs and/or to change useful lives for existing asset classes will be addressed, in writing, to the Director of Finance (with a copy to the County FAMS Program Administrator) through the Fixed Asset Coordinator (FAC).
4. Additional asset classes will be considered in order to meet specific new and/or unique tracking needs of the department or the Finance's Office. Changes in useful lives will be considered in light of new information regarding specific County maintenance, service life, or utilization experience and/or as dictated by changes in standard industry, IRS, or other authoritative tables and indicators.
5. FACs and other department staff responsible for completing information for the Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) will become familiar with the asset classifications and will be conscientious in their efforts to properly assign the correct classification to a fixed asset or controlled item for entry into the FAMS.

5 Standard Asset Descriptions

Standard descriptions of assets will be included in the FAMS to maintain consistency in the way assets are entered and described. For this purpose, the FAMS contains a Fast Code Table, accessible during data entry, which provides standard descriptions and automatically assigns the asset to the proper asset class.

1. Standard descriptions are established and will be administered by the County FAMS Program Administrator.
2. Finance, as directed by the County FAMS Program Administrator, will be responsible for maintaining the FAMS table of standard descriptions (Table 4-1). The standard descriptions will be used by all County departments, as applicable.
3. Departments will have the ability to establish additional standard descriptions in their department FAMS that are unique to their department operations.
4. New standard descriptions and fast codes established by departments will be reviewed annually for incorporation in the Countywide Fast Code Table.
5. Departments will not replace the Countywide standard descriptions with their own versions. Where such changes are desired, the FAC will request the change or enhancement, in writing, from the County FAMS Program Administrator.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

6 Asset Class and Useful Life Table

The County Table of Standard Asset Classifications and Associated Useful Lives is included in Table 4-1.

Departments cannot change this table (Class Table) in the department FAMS. Changes and additions must be addressed, in writing, to the Director of Finance (with a copy to the County FAMS Program Administrator) through the FAC, as outlined in the g e n e r a l procedure in subsection 4 in this section.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

Table 4-1 Table of Standard Asset Classifications and Associated Useful Lives

Class	Useful Life	Class Description	Balance Sheet Account	Accum. Depr. Account	Capital Outlay Account
1001	0	Land	1802		4105
1002	0	Land – Donated	1803		4105
2000	45	Buildings – Permanent	1804	1806	4200
2005	20	Buildings – Temporary	1804	1806	4201
2010	20	Buildings – Special Purpose	1804	1806	4210
2015	0	Leased and Maintained			
2020	0	Occupancy Agreement W/R&M			
2030	0	Leased but Not Maintained			
2035	0	Occupancy Agreement Not Maintained			
2040	0	Leased to 3rd Party Not Maint. or Insured			
2045	0	Leased to 3rd Party Not Maint. or Insured			
2500	20	HVAC Equipment	1805	1806	4211
2505	20	Other Building Systems & Improvements	1805	1806	4255
2800	15	Leasehold Equipment	1805	1806	4280
3000	15	Site Paving/Playing Fields/Trails	1808	1809	4300
3005	30	Water Structures	1818	1806	4305
3006	40	Water Utility Structures	1856	1857	CIP
3007	40	Wastewater Utility Structures	1858	1859	CIP
3200	30	Other Land Improvements (30 Yr.)	1808	1809	4300
3205	15	Other Land Improvements (15 Yr.)	1808	1809	4305
3206	15	Other Land Improvements – Wastewater	1858	1859	CIP
3207	15	Other Land Improvements – Water	1856	1857	CIP
3210	30	Storage Tanks	1808	1809	4308
3400	30	Streets/Alleys/Sidewalks	1808	1809	4309
3402	30	Bridges	1810	1811	4309
3403	30	Water Wells	1856	1857	CIP
3404	50	Canals	1856	1857	CIP
3405	30	Water Lines	1812	1813	4321
3406	30	Water Conveyance & Storage Systems	1856	1857	4321
3407	30	Sanitary Sewer Lines	1814	1815	4350
3408	30	Storm Sewer Lines	1816	1817	4350
3409	30	Water Convey Sys Rights – CWA	1862	1863	4350
3410	30	Reservoir & Water Rights – TRA	1866	1867	4350
3600	25	Runway Improvements	1820	1821	4323
3610	25	Taxiway Improvements	1822	1823	4323
4000	15	Automotive Repair Equipment	1830	1831	4400
4005	15	Shop Tools & Equipment	1830	1831	4405
4006	15	Compressors/Gen/Pressure Washers	1830	1831	4405
4010	12	Grounds & Custodial Equipment	1830	1831	4410
4015	15	Warehouse/Mat. Handling Equipment	1830	1831	4415
4100	7	Computers – Mainframe	1828	1829	4420
4105	7	Computers – Minicomputers	1828	1829	4425

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

Class	Useful Life	Class Description	Balance Sheet Account	Accum. Depr. Account	Capital Outlay Account
4110	5	Computers – Microcomputers	1828	1829	4430
4200	10	Communications Systems	1826	1827	4435
4204	10	Radio Equipment – Utilities	1826	1827	
4205	7	Mobile Radios & Portable Telephone	1826	1827	4440
4206	5	Portable Radios & Pagers	1826	1827	4455
4207	7	Fax Machines & Oth. Comm. Devices	1826	1827	4440
4210	7	Photographic Equipment	1850	1851	4445
4215	7	Audio-visual Equipment	1850	1851	4446
4220	20	Communications Antennas & Towers	1826	1827	4455
4225	7	Other Communications Equipment	1826	1827	4455
4300	10	Engineering/Lab/Science Equipment	1832	1833	4458
4305	10	Medical Equipment	1832	1833	4461
4315	20	Laboratory/Hospital Furniture	1832	1833	4458
4400	10	Business Machines	1834	1835	4464
4401	7	Calculators/Cash Registers/Photocopy	1834	1835	4464
4405	20	Furniture & Fixtures	1852	1853	4467
4410	10	Appliances & Food Prep. Equipment	1834	1835	4470
4411	20	Sinks/Prep Tables/Coolers	1834	1835	4470
4500	25	Water Treatment Equipment	1834	1835	4473
4501	10	Water Meters	1856	1857	CIP
4502	15	Water Treatment Chlorinating System	1856	1857	CIP
4503	35	Water Hydrants and Piping	1856	1857	CIP
4505	25	Wastewater Treatment Equipment	1834	1835	4476
4506	20	Wastewater Pump and Disp. Equip.	1858	1859	CIP
4507	30	Wastewater Treatment Piping.	1858	1859	CIP
4508	35	Misc. Wastewater Treatment Equipment	1858	1859	CIP
4600	30	Electrical Equipment	1834	1835	4479
4601	20	Electrical Equipment – Utilities	1856	1857	4479
4700	20	Traffic Control Signage	1876	1877	4482
4705	5	Multimedia Materials/Library Stock	1884	1885	4485
4710	10	Athletic/Recreational Equipment	1834	1835	4488
4715	12	Firefighting & Rescue Equipment	1834	1835	4491
4720	10	Law Enforcement Equipment	1834	1835	4494
4721	10	Law Enforcement – Weapons	1834	1835	4494
4725	10	Parking Lot Equipment	1834	1835	4494
4730	10	Musical Instruments	1834	1835	4494
4735	10	Other Equipment	1834	1835	4494
5000	7	Automobiles	1838	1839	4500
5005	4	Automobiles – Police	1838	1839	4505
5010	7	Vans & Buses	1838	1839	4510
5200	3	Ambulances	1842	1843	4520
5201	7	Ambulance Modules	1842	1843	4520
5202	7	Fire-trucks (7yr) Step-vans, Cascades	1842	1843	45200
5203	10	Fire-trucks (10yr) Pumpers; Rescue	1842	1843	4520

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

Class	Useful Life	Class Description	Balance Sheet Account	Accum. Depr. Account	Capital Outlay Account
5204	15	Fire-trucks (15yr) Pump. Aer. Ladders	1842	1843	4520
5205	7	Trucks, Light	1842	1843	4525
5206	7	Trucks, Medium	1842	1843	4525
5207	7	Trucks, Heavy	1842	1843	4525
5210	7	Trucks – Special Purpose	1842	1843	4530
5400	15	Earth Moving Equipment	1840	1841	4540
5405	10	Street & Utility Maintenance Equipment	1840	1841	4545
5500	12	Tractors	1840	1841	4545
5600	7	Vehicle Attachments	1844	1845	4560
5605	10	Trailers & Towable Equipment	1844	1845	4565
5610	10	Boats	1846	1848	4570
5611	10	Antique Museum Vehicles	1846	1848	4570
5612	15	Helicopters	1846	1848	4570
5613	7	Other Vehicles	1846	1848	4570
6000	0	Construction in Progress	1872		CIP

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

1 Purpose

The purpose of this section is to maintain a positive identification system for County-owned assets and to ensure that all County fixed assets and controlled items specified herein are assigned asset numbers and are issued a fixed asset tag for identification and inventory purposes.

2 Scope

Departments or Fixed Asset Control Groups will be responsible for assigning, recording, and affixing identification tag numbers to all fixed assets and controlled items.

3 Guidelines

3.1 Responsibilities

Departments will be responsible for assigning, recording, and affixing tag numbers for all fixed assets except vehicles, which will be the responsibility of Management (using tag numbers).

Asset tags will also be assigned to those items determined to be controlled items, as defined in Section 2 (Asset Valuation).

The department director will determine which assets, in addition to those specified by Countywide requirements, will be considered controlled or high-pilferage items within his or her area of responsibility.

3.2 Assignment of Fixed Asset Numbers

All fixed assets and controlled items will be assigned an asset number at the time of receipt. This serves as the record number for the asset in the County's Fixed Asset Management System (FAMS).

3.3 Assignment of Tag Numbers

All qualified fixed assets and controlled items will be tagged and assigned a tag number before the item is placed into service. This number will be used and referenced as the inventory number when physical inventories are conducted.

Tag numbers will be issued with no duplicates.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

4 Tagging Methods and Placement

Bar coded tags that clearly identify Cibola County will be placed on all County property. All tags will be affixed to the asset in a conspicuous and convenient location that is easily accessible for scanning and inventory purposes (the upper-right front of most equipment). Asset tags will remain in this location throughout the life of the asset and will be replaced when damaged. Suggested tag locations (including typical controlled items) are as follows:

- Computers, typewriters, and copiers – Upper-right front
- Moveable or hand-held machinery – Near the manufacturer's identification plate (where the tag will not hinder normal usage)
- Stationary equipment – In front, on the right-hand side or, if necessary, in a protected area as close to the front right-hand side as possible

Where the application of a tag is not possible or practical, departments will have the option of using alternative methods of applying the assigned FAI number to the asset to account for varying environments and usage. Alternative methods include etching, engraving, dye marking, die stamping, etc., that may be used without, but preferably with, a standard fixed asset tag.

Certain assets will not be tagged physically, e.g., buildings, land, and improvements other than buildings. These assets will have a tag and or facility number assigned and supporting manual ledgers where the tag will be placed, along with descriptive information identifying the asset.

5 Fixed Asset Identification (FAI)/Tag Numbering Systems

5.1 Primary Numbering System

The primary numbering system will use bar code tags that clearly identify the County of Houston and a unique number that is prefixed with a letter designator indicating the major fund type as follows:

- *S* designates the asset as an Aviation asset.
- *C* designates the asset as a Convention & Entertainment Facilities Department asset.
- *G* designates the asset as one of the following general fund departments: Building Services; County Commission; County Clerk; Managers' Office; Finance; Fire, Emergency Manager; Treasurer; Assessor; DWI; Road; Information Systems; Sheriff's Department; Detention Center.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

5.2 Other Numbering Systems

Number schemes other than the above will not be assigned by a Fixed Asset Coordinator (FAC) without prior approval and coordination of the numbering scheme with Asset Management (to ensure number uniqueness on a Countywide basis). The following additional numbering schemes are currently authorized.

5.2.1 Vehicles

An FAMS asset number for vehicles will be assigned by Finance Management and will consist of a letter V *prefix*, indicating that the asset is a vehicle, followed by the vehicle's five-digit asset number.

5.2.2 Building Maintenance

The FAMS asset number for BM assets is a 10-digit number.

6 Tag Supplies and Inventory

The Finance Department will maintain the County's central supply of bar coded tags. Each FAC will request a supply of additional tags from Finance as necessary.

Finance will issue a block of 1 to 5 tags per request and will maintain a log of the number block issued, the issue date, and the department to which the tags were issued.

The FAC will implement adequate controls over the department tag inventory. When it is impossible or impractical (e.g., unusual configuration, extreme environmental conditions) to affix a tag number to an asset, a bar coded tag number will still be assigned to the asset. The physical tag will be filed and stored with the source documentation for the asset, or maintained in a Non-Tag (NT) Number Log Book by the FAC.

7 Cross References in the Fixed Asset Management System (FAMS)

The FAMS recognizes that assets may be recorded in other tracking systems for maintenance management or other purposes. In addition, it is common to associate an acquired asset with a Capital Improvement Program (CIP) project number or an ordinance number. Therefore, the FAMS will provide additional fields to track these cross-reference numbers as follows:

- *FAMS Asset Number* – The primary record identifier in FAMS; synonymous with the FAI/tag number or NT number.
- *FAMS Alternate Tag #* – The primary identifier of the asset in an alternate tracking system, e.g., maintenance management, property management.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

- *FAMS Old Tag #* – A previously assigned asset number.
- *FAMS Project #* – The project number associated with the asset.
- *Ordinance #* – The number of the ordinance/action authorizing the asset.
- *Council Motion #* – The number of a County Council or board motion authorizing the asset. The following numbers may be recorded in the FAMS for each asset classification.

7.1 Land Assets

- *FAMS Asset Number* – The FAI number (an NT number).
- *FAMS Alternate Tag #* – The parcel number that the Purchasing assigns to identify the property.
- *FAMS Old Tag #* – Left blank for land assets.
- *FAMS Project #* – The CIP project number associated with the parcel acquisition.
- *Ordinance #* – Used to identify the ordinance or action authorizing the asset.
- *Council Motion #* – Used to identify a County Council or board motion authorizing the asset.

7.2 Buildings and Improvements

- *FAMS Asset Number* – The FAI number (an NT number).
- *FAMS Alternate Tag #* – Left blank for buildings and improvements.
- *FAMS Old Tag #* – Left blank for buildings and improvements.
- *FAMS Project #* – The CIP project number associated with the acquisition or construction project.
- *Ordinance # – User-Defined Field 1* – Used to identify the ordinance or action authorizing the asset (if applicable).
- *Council Motion # – User-Defined Field 2* – Used to identify the Commissions motion authorizing the asset (if applicable).

7.3 Machinery and Equipment

- *FAMS Asset Number* – The FAI number (an NT number).
- *FAMS Alternate Tag #* – The primary identifier of the asset in an alternate tracking system (e.g., maintenance management, property management).
- *FAMS Old Tag #* – A previously assigned asset number (if applicable).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

- *FAMS Project #* – The project number the asset was associated with (if applicable).
- *Ordinance # – User-Defined Field 1* – Used to identify the ordinance or action authorizing the asset (if applicable).
- *Council Motion # – User-Defined Field 2* – Used to identify the County Council or board motion authorizing the asset (if applicable).

7.4 Vehicles and Rolling Stock

Note: *Fleet Management will assign FAI numbers for all vehicles and rolling stock as outlined in subsection 10.4 in this section.*

- *FAMS Asset Number* – The FAI number assigned by Fleet Management.
- *FAMS Alternate Tag #* – Left blank for vehicles and rolling stock.
- *FAMS Old Tag #* – A previously assigned asset number (if applicable).
- *FAMS Project #* – The project number the asset was associated with (if applicable).
- *Serial #* – The number on the asset.
- *Ordinance # – User-Defined Field 1* – Used to identify the ordinance or action authorizing the asset (if applicable).
- *Council Motion # – User-Defined Field 2* – Used to identify the County Council or board motion authorizing the asset (if applicable).

8 Location Assignment Tags

In addition to the FAI tags, Asset Management will maintain a supply of location assignment tags. These tags will have a unique six-digit number, prefixed with an *L* (for location), and will be used, at the department's discretion, to identify a location. These tags are generally placed in the doorjamb of rooms to facilitate annual inventories.

9 Responsibilities for Assignment of Numbers and Tagging

9.1 Fixed Asset Coordinator (FAC)

- Has ultimate responsibility for the assignment of FAI numbers and tags as follows:

Land – The FAC may assign an NT number as outlined in subsection 6 in this section. The parcel number that the Finance Department uses to identify the property will be stored in the FAMS as the Alternate Tag Number or as the FAI number.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

Buildings and improvements – The FAC will assign an NT number as outlined above.

Machinery and equipment – The FAC will assign and affix an FAI tag number (or, if necessary, an NT number) as outlined above.

- Develops department-level responsibilities and procedures (in County departments where responsibilities are delegated by the FAC) to ensure that fixed assets and controlled items have FAI numbers assigned and tags affixed in accordance with this procedure.
- Decides whether number assignment and physical tagging are delegated to remote/individual receiving locations within the department or performed by a central fixed asset group.
- Documents specific receiving and tagging responsibilities for the FAC's department. A copy of the assigned responsibilities will be provided to Asset Management.

9.2 Fleet Management

- Assigns the FAI number to all vehicles and rolling stock.
- Maintains a hard copy file on each vehicle and other rolling stock asset throughout the life the asset. The file will include license plate data, the assigned shop number, and the Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1).

9.3 Asset Management

- Monitors the overall number assignment and tagging processes of all purchased fixed assets and controlled items to ensure that all assets are properly recorded and identified.
- Is responsible for controlling and approving other numbering schemes for uniqueness when NT numbers must be assigned.
- Assists departments in implementing fixed asset management tagging policies and procedures.
- Monitors pending and completed capitalization to ensure that all purchased assets are entered into the FAMS.
- Provides periodic reports to the FAC when a pending capital purchase is received in the County's Financial Management System (FMS) but is not entered into the department FAMS within a reasonable period of time.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

10 Procedures for Assigning Numbers and Tagging

As a rule, only machinery and equipment will be physically tagged. Buildings, land, improvements other than buildings, and rolling stock will have FAI numbers assigned but normally will not be physically tagged.

The FAI numbering procedures below are **applicable to both capitalized fixed assets and controlled items**, as defined in Section 2 (Asset Valuation).

10.1 General Procedure

1. The FAC will attempt to assign FAI numbers in sequential order. Where this is not possible due to decentralized receiving or delegation of tagging responsibility, the FAC will be responsible for accounting for the tags.
2. The FAC will establish and maintain a department procedure to monitor the procurement and receiving process within the FAC's department and will provide for the timely assignment of an FAI number and affixing of the tag to all fixed assets and controlled items received by the department.

Sample departmental approaches and procedures for assigning FAI numbers and applying tags are included in subsection 12 at the end of this section. Departments will modify one of the sample approaches to suit their needs, consistent with applicable County policies and procedures. Samples are provided for two types of situations:

- Departments where tagging and number assignment is the responsibility of a central Fixed Asset Group or FAC (the preferred approach)
 - Departments where responsibility for tagging and number assignment is delegated to remote receiving locations
3. Once an FAI number has been assigned, the FAC will initiate an FA-1 and proceed with the capitalization procedure for purchased assets, as appropriate.

10.2 Procedure for Land, Buildings, and Improvements

1. Land, buildings, and improvements (both constructed and purchased) generally will not be physically tagged. However, a tag number will be assigned by the FAC to each such asset when the asset is placed in service.
2. Departments will receive the report on property acquisition from the Finance Division as official notification that the land or property has been acquired and placed in service.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

3. Departments will receive the FMS Final Close-Out Summary from the Finance Department as official notification that the constructed building or improvement has been placed in service.

10.3 Procedures for Machinery and Equipment

10.3.1 Machinery and Equipment Acquired by Contract

The procedure for assigning an FAI number to machinery and equipment purchased by contract will follow the same general steps as outlined in the sample approaches in subsection 12 at the end of this section.

Exception: *When an item of capital equipment acquired by contract has been received and accepted, the departmental Contract Administrator for the related contract will notify the FAC to initiate the FAI number assignment process. If no specific Contract Administrator has been assigned to the contract under which the capital equipment has been purchased, the departmental purchasing Single Point of Contact will be responsible for initiating the process.*

10.3.2 Procedure for Machinery and Equipment Acquired as Part of a Capital Project

1. Capital Improvement Program (CIP) Accounting will identify and provide an itemized inventory, when available, of tag gable capitalized fixed assets and noncapital zed controlled items acquired as part of a capital project.
2. CIP Accounting will provide the itemized inventory to the FAC as part of the source documentation prepared when the asset is placed in service.
3. The FAC will then assign FAI numbers to each of the assets and arrange for affixing the tags as appropriate.

10.4 Procedure for Vehicles and Rolling Stock

1. Management will assign an FAI number to all vehicles and rolling stock. The FAI number for FAMS purposes will consist of a letter prefix of V, followed by the shop number assigned in the Finance system.
2. A tag may be affixed to vehicles or rolling stock, or decals identifying the shop number will be placed on the unit.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

3. The assigned FAI number will be provided as the FAMS asset number in the Monthly Vehicle File, which will be provided to each department for direct importation into their department FAMS from the Finance system.

***Note:** The procurement and receiving process, along with requirements for establishing a vehicle master record and preparing a vehicle for service, are covered in the Countywide Management procedures.*

4. As part of the make-ready and final delivery and acceptance process, the Coordinator will forward the FA-1 information (e.g., the closed Vehicle Work Order, the Unit Information Acceptance Form) to the FAC so that supplemental information about the vehicle can be entered in the department FAMS. See Section 7 (Asset Acquisitions).
5. The FAC will initiate and process the FA-1.

11 Replacing Numbers for Lost or Damaged Tags

When a new FAI number must be assigned to an asset (e.g., a tag requires replacement due to age or is missing), the FAC will issue a new tag for the asset, noting the reason for the change on a FAMS Capitalization Form—Financial Adjustments/Other Changes (FA-3).

If an item of a type normally recorded as a fixed asset is found without a fixed asset tag during an inventory, inspection, etc., the following steps will be taken:

1. The custodial division will issue a memo to the FAC with the model and serial number and other available descriptive data for the asset. The custodial division will work with the FAC to identify an existing asset tag number, if possible.
2. If an existing tag number is identified, the FAC will assign the item a new tag number to replace the lost or destroyed tag. The FAC will then initiate an FA-3, noting the issuance of a replacement tag. The FAC will place the completed form into the asset's masterfile.
3. If an existing tag number is not identified (e.g., the asset was never recorded or was received through an unauthorized interdepartmental transfer), the custodial department will notify the FAC, who will then be responsible for assigning a tag number and completing an FA-1 in accordance with Section 7 (Asset Acquisitions) and the tagging procedures in this section.

If an original acquisition cost for an untagged item cannot be determined from County records, the FAC will be responsible for obtaining a qualified appraisal for the item that will be used as the cost basis for capitalization and depreciation of the asset.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

12 Sample Approaches

12.1 Approach #1 (Preferred) – Assigning FAI Numbers and Tags with Responsibility Assigned to a Central Fixed Asset Group or FAC

1. When a Purchase Order (PO) or other procurement document has been issued for an item to be tagged, a copy will be forwarded to the FAC as notification of a pending fixed asset receipt.
2. A *pending* fixed asset file and record will be initiated. This is a “tickler” file for tracking fixed asset receipts. It can be coordinated with other purchasing or payables files as appropriate.
3. The FAC will notify the receiving location and/or contact person designated on the PO, requesting notification when the item is received.
4. When the item is received and accepted, the receiver or PO contact person will immediately notify the FAC of receipt using fax, phone, or an FA-1. The receiving document will be retained and a copy forwarded to the FAC.

Departments will also consider having the department purchasing officer (DPO) or payables unit of the department forward the receiving related paperwork for the fixed asset or controlled item to the FAC as back-up notification in the event the actual receiving location fails to forward the required paperwork.

Note: *Asset Management will provide a monthly report to each FAC of FMS purchases received that have a fixed asset flag setting.*

5. The FAC will initiate the FA-1 for the receipt. See Section 7 (Asset Acquisitions) for detailed guidelines for completing and processing the FA-1.
6. The FAC’s copy of the PO (or other procurement document) associated with the item will be retrieved from the files.
7. The FAC will enter as much information as possible in Section 1 of the FA-1.
8. An FAI number will be assigned. The next tag number will be posted as the Asset Number on the FA-1. If the tag is to be affixed to the asset, the physical bar code tag will be attached to the form. If the tag is not to be affixed to the asset, the physical bar code tag will be filed and stored with the source documentation for the asset or maintained in an NT Number Log Book by the FAC.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

9. The FAC will arrange with the receiving personnel to go to the receiving location to tag the item. Whenever possible, this should be completed prior to pick up by or delivery to the owner or user in the division or section. If the FAC cannot go to the site prior to the asset being delivered or placed into service, the FAC will coordinate with the receiving personnel to obtain the information needed to complete the FA-1.
10. The FAC will take the pending fixed asset file and record (along with the physical tag) to the receiving location.
11. Once at the receiving location, the FAC will
 - identify the asset to be tagged,
 - affix the tag to the asset in accordance with the tag placement guidelines in subsection 4 in this section,
 - verify the serial number,
 - post the serial number to the FA-1, and
 - initial and date the bottom of the FA-1 (*Dept. Tagging* fields).
12. Upon the return of the completed FA-1 from tagging, if all required information is completed on the FA-1, the FAC will approve the asset for entry or enter a new asset record in the FAMS. If the FA-1 still requires additional information (e.g., awaiting invoice information), it will be refiled, pending the availability of all information.

12.2 Approach #2 – Assigning FAI Numbers and Tags with Responsibility Delegated to a Remote Receiving Location

1. When a PO (or other procurement document) has been issued for an item to be tagged, a copy will be forwarded **to the FAC and the receiving location** as notification of a pending fixed asset receipt.
2. A *pending* fixed asset file and record will be initiated by the receiving location and the FAC. This is a “tickler” file for tracking fixed asset receipts. It can be coordinated with other purchasing or payables files as appropriate.
3. When the item is received and accepted at the remote receiving location, the receiver or PO contact person will be responsible for initiating the FA-1 for the receipt.
4. The PO (or other procurement document) associated with the item will be retrieved from the receiving location’s file.
5. The receiver or PO contact person will enter as much information as possible in Section 1 of the FA-1. See Section 7 (Asset Acquisitions) for detailed guidelines for completing and processing the FA-1.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 5

Numbering and Tagging Fixed Assets

6. An FAI number will be assigned. The next tag number will be posted as the Asset Number on the FA-1. If the tag is to be affixed to the asset, the physical bar code tag will be attached to the form. If the tag is not to be affixed to the asset, the physical bar code tag will be filed and stored with the source documentation for the asset or maintained in an NT Number Log Book by the FAC.
7. The receiver or PO Contact Person at the receiving location will
 - identify the asset to be tagged,
 - affix the tag to the asset in accordance with the tag placement guidelines in subsection 4 in this section,
 - verify the serial number,
 - post the serial number to the FA-1, and
 - initial and date the bottom of the FA-1 (*Dept. Tagging* fields).
8. A representative from the owner or user of the division or section will sign and date the FA-1 when custody is taken of the item.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

1 Purpose

The purpose of this section is to establish procedures for calculating and recording depreciation of fixed assets.

2 Scope

Depreciation will be calculated and recorded for the County's depreciable fixed assets (excluding land) in accordance with the applicable financial reporting model.

Financial accounting and reporting for depreciation of fixed assets must be in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* (the *Codification*) and any future revisions and applicable pronouncements by the Governmental Accounting Standards Board (GASB) or other governing boards, as well as applicable pronouncements of the Financial Accounting Standards Board (FASB).

3 Guidelines

3.1 Depreciation Charges

Depreciation costs associated with the depreciable assets of proprietary funds, regardless of funding source, will be budgeted, calculated, and charged annually to the operations of the fund. Depreciation begins in the month the fixed asset is placed into service.

3.2 Method

All depreciable fixed assets will be depreciated using the straight-line method. Land is not depreciated. Depreciation will be calculated based upon the estimated useful lives outlined in Section 4 (Fixed Asset Classification and Useful Lives).

3.3 Salvage Values

In general, the salvage value of County fixed assets will be \$0. The County's Fixed Asset Management Program administrator will conduct a review of the amounts and calculation methods used for any exceptions to these guidelines.

Available guidelines and judgment will be used by the departments to estimate a salvage value for assets that may be operational or useable beyond their designated useful lives.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

3.4 Changes in Asset Life or Value

If the estimated useful life or value of an asset is changed at some point during its service (e.g., through improvement or betterment), no adjustment of prior depreciation will be made.

If a change is made to useful life, the remaining book value will be depreciated over the remainder of the adjusted useful life.

If a change is made to the book value of an asset (change in salvage value), the adjusted book value will be depreciated over the remaining useful life.

3.5 Depreciation of Grant Funded Assets

In accordance with the *Codification*, Section G60, assets acquired wholly or in part through grant funding will be recorded as fixed assets with a corresponding credit to a contributed capital account equaling the amount of the grant funding.

Depreciation and accumulated depreciation will be calculated and recorded in the normal manner. However, the annual depreciation expense for grant funded assets will be closed directly to the contributed capital account, rather than the retained earnings account, as is the case with non-grant assets.

4 Assigning Useful Life and Salvage Value

4.1 Useful Life – General

An estimated useful life will be assigned to each asset at the time the asset is entered into the FAMS, based on the listing of assets by class and associated useful lives, as outlined in Section 4 (Fixed Asset Classification and Useful Lives) and as maintained in the Class Table of the FAMS. The FAMS Class Table will be maintained in accordance with the following guidelines:

- Useful lives will be standardized for each asset class as defined in the FAMS Class Table.
- The FAC will be responsible for assigning assets to the appropriate asset class, which in turn will determine the standard useful life of the asset for depreciation purposes.
- The FAMS will include a table of standard asset classes, useful lives, and salvage values for department use.
- Information Services (IS), as directed by the Director of Finance and the County FAMS Program Administrator, will be responsible for maintaining the FAMS table of standard asset classifications and associated useful lives.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

Standard useful lives for vehicles and rolling stock will be established in coordination with and with input from Management.

4.2 Useful Life – Used Assets

If a “used” asset is acquired, the FAC will determine whether the useful life associated with the class assigned to the asset is appropriate. If the estimated remaining life of the used asset is different from the standard life in the Class Table, an adjustment reflecting a change in estimate will be entered into the FAMS for the asset. See the depreciation adjustment procedure in subsection 7 in this section for the specific steps involved in making the estimate adjustment.

4.3 Salvage Value

Salvage value for assets will be assigned to each asset at the time the asset is entered into the FAMS based on the listing of assets by class and associated useful lives, as outlined in Section 4 (Fixed Asset Classification and Useful Lives) and as maintained in the Class Table of the FAMS. Salvage values are determined as follows:

- Unless otherwise determined for a specific asset class, the salvage value for all Cibola County fixed assets and controlled items will be \$0.
- Salvage value will be standardized for each asset class as defined in the FAMS Class Table. Salvage value normally is not assigned at the individual asset level; rather it is pulled from the FAMS based on the class code assigned to the asset.
- The FAC will be responsible for properly assigning assets to the appropriate asset class, which in turn will determine the standard salvage value of the asset for depreciation purposes.
- The FAMS will include a table of standard asset classes, useful lives, and salvage values for department use.
- IS, as directed by the Director of Finance t h e County Manager, will be responsible for maintaining the FAMS table of standard asset classifications and associated useful lives. Salvage values for vehicles and rolling stock, if applicable, will be established in coordination with and with input from Management.
- If the FAC determines the standard salvage value needs to be changed, an adjustment reflecting a change in estimate will be entered in the FAMS for the asset. See the depreciation adjustment procedure in subsection 7 in this section for the specific steps involved in making the change in estimate adjustment.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

4.4 Secondary Useful Life

Where it is appropriate and allowable (e.g., Enterprise Funds for rate-setting purposes), the FAMS will provide the capability, and departments may assign a secondary useful life to be used for rate-setting purposes only.

Note: *Financial reporting information provided to Asset Management will always be based on the standard useful life and not the secondary useful life.*

5 Methodology and Calculation

5.1 Depreciation Method

Depreciation will be calculated using the straight-line method only. The basis used in straight-line depreciation is calculated by subtracting the salvage value, if any, from the acquisition cost. The result is the adjusted basis. Depreciation is then calculated by dividing the adjusted basis by the useful life. The total amount depreciated can never exceed the adjusted basis. At the end of the asset's estimated life, any salvage value will remain until the asset has been disposed of.

Example of straight-line depreciation

Asset Cost	\$21,000
Estimated Useful Life	5 years (60 months)
Monthly Depreciation	$\$21,000 \div 60 = \350
Annual Depreciation	$\$350 \times 12 = \$4,200$

5.2 Acquired Assets

Depreciation for acquired assets will be computed using the following *mid-month rule*: If an asset is acquired on or before the 15th of the month, depreciation will be charged for the full month. If the asset is acquired after the 15th of the month, no depreciation is charged for that month.

The same mid-month rule applies to disposals: If an asset is disposed of on or before the 15th of the month, the FAMS will not charge depreciation for the last month. If the asset is disposed of after the 15th of the month, depreciation is charged against the last month.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

5.3 Calculation Frequency and Scope

Depreciation will be calculated at least annually, prior to closing the fiscal year processing for the FAMS.

For management reporting purposes, depreciation will be calculated on all assets in the FAMS, regardless of fund (including general fund) or whether they are capital or controlled items.

5.4 Group Assets

The FAC will depreciate assets normally as individual units under the single-unit method of depreciation. The group method of depreciation will only be used for group assets or where single-unit depreciation is not feasible (with the prior agreement of the County's Program Administrator).

5.5 Idle and Reserved Assets

In the case of assets that are temporarily idle or being held in reserve pending future use, the FAC will continue to depreciate the asset without adjustment to the remaining useful life or periodic depreciation charges.

5.6 Related Accounting Transactions

The FAMS will identify and assign depreciation charges for an asset to the appropriate balance sheet accumulated depreciation account and fund. The accumulated depreciation accounts to be used for each asset category are those defined in the chart of accounts.

Where multiple funding sources are involved for an asset, calculated depreciation will be allocated by funding source, according to the percentage of cost funded by each source. Accumulated and year-to-date depreciation by funding source will be reported for each fixed asset.

6 Period Processing

The FAC will initiate depreciation processing in the FAMS and will ensure that depreciation is processed, at a minimum, for the last period of the fiscal year, prior to the fiscal-year-end close. After the depreciation process is run, the FAC will review the Depreciation Register and other available reports for *reasonableness* of the processing and posting.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

7 Depreciation Adjustment Procedure

1. When an adjustment is made to an asset value that affects calculated depreciation, the FAC will determine the nature of the change for financial reporting purposes, with assistance from accounting staff as appropriate.

If the adjustment involves a change to cost, salvage value, or useful life (i.e., class code), and the change is the result of an error in the original information or data entry, the depreciation adjustment will be classified as an accounting error for financial reporting purposes.

If the adjustment involves a change to either salvage value or useful life of the asset, and the change is the result of new events, changing conditions, more maintenance service life experience, or additional information, the depreciation adjustment will be classified as a change in accounting estimate for financial reporting purposes.

2. The depreciation adjustment for an accounting error will be calculated as follows:
 - Depreciation will be recalculated based upon the new information from the asset's acquisition date through the last date depreciated.
 - The adjustment will be taken in full (cumulative effect) in the period the adjustment is made, using the last date depreciated for the asset as the accounting transaction date for the adjustment.
3. The depreciation adjustment for a change in accounting estimate will be calculated as follows:
 - The depreciation adjustment is not accounted for by restatement of prior years' financial statements. The effect of the change will be accounted for in the period of change, if the change affects only that period, or in the period of change and future periods, if the change affects both.
 - The FAMS will provide the following support to calculate a change in estimate:

If the change does not result in full depreciation of the asset's cost basis as of the last date the asset was depreciated, the remaining balance will be depreciated over the remaining useful life after the change.

If the change does result in full depreciation of the asset's cost basis as of the last date the asset was depreciated, the remaining balance will be charged to depreciation using the last date the asset was depreciated as the date of the additional (close-out) depreciation charge.

4. Upon determination of the type of adjustment to be made, the FAC will complete a FAMS Capitalization Form—Financial Adjustments/Other Changes (FA-3) indicating the

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

information to be adjusted (acquisition cost, salvage value, useful life) and the type of adjustment to be made (accounting error or change in accounting estimate).

5. The FA-3 will be signed by the FAC and forwarded to the data entry clerk for entry into the FAMS.
6. The item will be entered into the FAMS as a financial adjustment.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 6

Depreciation

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

1 Purpose

The purpose of this section is to establish procedures for capitalizing and recording fixed assets acquired through purchases from outside suppliers.

2 Scope

Fixed assets will be recorded at original (historical) cost, plus or minus, if applicable, the effects of claims and judgments arising from the acquisition of assets (i.e., recoveries from contractors or judgments against the County). Adjustment due to gain or loss contingencies will be made as follows:

- Gain Contingencies – Fixed asset book values will be adjusted only when recoveries have been received.
- Loss Contingencies – Fixed asset book values will be adjusted when a fixed asset has been impaired and the amount of the loss can be reasonably estimated.

Original cost will include both the purchase price or construction cost of the asset and any other necessary and reasonable costs incurred to place the asset in service in its intended location. Cost by funding source will be recorded in each asset record.

In those instances, where the original (historical) cost is not available, assets will be valued in accordance with professional appraisal standards to estimate the historical cost.

3 Guidelines

3.1 Land

The original cost of purchased land will include the purchase price and any other charges necessary to purchase the land.

If the County acquires both land and building(s) as one parcel, the value of the land will be determined separately from the building(s) and recorded in the land a s s e t classification account.

Other charges may include site preparation expenditures, such as demolition and/or removal of existing buildings and structures, professional fees, and legal claims that will be directly attributable to the land acquisition.

Costs related to the demolition or removal of existing structures (less salvage value) will generally be considered to be part of the cost of the land and will be capitalized, provided the land was acquired with the expressed intent of demolition and clearing of the existing structure.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

3.2 Buildings and Improvements

The original cost of buildings will be recorded at purchase price or construction cost.

All charges associated with the building, such as broker fees, architect and legal fees, interest on construction (when applicable), inspection, testing, design, and project administration costs, will be included. The cost of asset systems may be capitalized separately or included in the original cost of the building.

3.3 Improvements Other than Buildings

The original cost of improvements other than buildings (i.e., airport runways and taxiways, parking lots, fences and walls, signage, and similar property not associated with a building or otherwise classified as public domain or infrastructure) will be recorded at purchase price or construction cost. All costs applicable to the improvement, such as professional fees, design, inspection, testing, and project administration costs, will be included.

3.4 Machinery and Equipment (Including Vehicles)

The original cost of machinery and equipment will be recorded at purchase price and will include any fees necessary to place the equipment in service, such as title fees, decals, freight, handling, installation, and inspection costs. Purchases of vehicles and rolling stock will be coordinated through the Management Division of Finance.

Costs that are excluded from the cost of equipment and are charged directly to expense include, but are not limited to, the following:

- Required licensing and registration fees for County vehicles and operational equipment
- Expenditures for repairing a piece of equipment damaged during shipment
- Relocation and rearrangement of existing equipment to accommodate the acquisition

3.5 Construction in Progress

Construction in progress includes all partially completed projects for the construction of an asset. The cost of construction in progress will not be capitalized until the construction is complete and/or the constructed asset is placed into service.

For purposes of capitalization (placement into service or capitalization within the system), a constructed asset will be considered completed when occupied or upon acceptance by the County of the total project construction cost. Prior to capitalization, project expenditures should be charged to *Construction in Progress* in the appropriate capital project fund.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

Internal labor charges and other administrative costs directly associated with a capital project may be charged to *Construction in Progress* and subsequently capitalized. The following criteria should be applied to determine whether such project-related costs should be capitalized or treated as normal periodic expenditures:

- Costs are chargeable to a capital project if they would not have been incurred during the specified time period in the absence of the project.
- Costs for dismantling, removal, or disposition of existing County-owned equipment and improvements in preparation for a new project may be capitalized by project. See the guidelines for land in subsection 3.1 in this section.

3.6 Group Purchases/Unit Cost

Fixed assets purchased in quantities of two or more will be capitalized and recorded based upon a determination of whether the multiple units meet the definition of an asset system or are individual assets in multiple quantity.

If the purchase is determined to be individual assets in multiple quantity, individual asset records will be established if the aggregate (combined) cost of the group purchase when divided by the number of units purchased results in a unit cost **equal to or greater than \$5,000** and the units have an expected useful life of more than 1 year.

If the purchase is determined to be a group asset of multiple like items, a single asset record (with a count equal to the number of multiple units) will be established only if the aggregate (combined) cost of the group exceeds the \$5,000 capitalization criteria, the units have an expected useful life of more than 1 year, and the units will remain together physically for control purposes.

If the individual units do not meet any of the above group asset criteria, they will be treated as expense items in the current accounting period.

4 Responsibilities by Major Asset Category

4.1 Machinery and Equipment (Excluding Rolling Stock)

4.1.1 Purchase Order (PO) Acquisitions

Receipt, tagging, and capitalization will be coordinated by the Fixed Asset Coordinator (FAC) of the acquiring department.

4.1.2 Contracts or Capitalized Lease Acquisitions

The Contract Administrator of the contracting department, working through the FAC, will coordinate receipt, tagging, and capitalization.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

4.2 Vehicles, Motorized Equipment, and Other Rolling Stock

Management, working through the Department Coordinator (DC) of the acquiring department, will coordinate receipt and capitalization.

4.3 Purchased Land, Buildings, and Improvements

The Finance completes the acquisition for land purchases. The Management Division processes other related project and capitalization information. This information is then provided to the FAC for recording in the Fixed Asset Management System (FAMS). The procedure is explained in Section 9 (Constructed Assets).

5 Responsibilities by Organization or Position Assignment

5.1 Fixed Asset Coordinator (FAC)

- Coordinates all aspects of the tagging and capitalization of fixed asset and controlled item purchases of machinery and equipment (excluding rolling stock), whether acquired by PO or contract. This includes coordinating and integrating the activities of other procurement and receiving functions within the FAC's department for fixed assets and controlled items.
- Monitors and processes into the FAMS the capitalization of vehicle and rolling stock purchases provided by Management.
- Establishes the initial item records in the FAMS for all of the above.
- Coordinates subsequent transactions, such as betterment, transfers, dispositions, etc., in accordance with all applicable fixed asset management procedures.

5.2 Purchasing Department (PD)

- Advises and coordinates with the FAC on purchase activity related to fixed assets and controlled items.
- Enters, in accordance with guidelines provided by the FAC, the appropriate asset code (1, 2, or 3) in the *Commodity Type* field on the requisition screen of the Financial Management System (FMS).

Note: *Procedures will be established within each department to provide fixed asset purchase and receiving information to the FAC.*

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

5.3 Department Receiving Staff

- Initiates and carries out required tagging tasks as defined in Section 5 (Numbering and Tagging Fixed Assets) and associated internal department tagging procedures, in conjunction with the AC.
- Provides timely notification, in conjunction with DPU staff, to the FAC of the receipt of a fixed asset or controlled item.
- Provides information for tagging and for the FAMS Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1), as appropriate, to the FAC.

5.4 Department Administrator

- Oversees and reviews, with assistance from the FAC, all departmental contracts to ensure that all contract purchases involving purchases of machinery and equipment (excluding rolling stock) are properly identified and capitalized.
- Coordinates with the FAC to ensure that contract items, when received or accepted by the County, are tagged in a timely fashion and have a properly initiated FA-1.

5.5 Department Accounts Payable Staff

Provides the FAC with all invoiced costs associated with a fixed asset or controlled item receipt for items purchased either by PO or contract.

5.6 Department Coordinator (DC)

- Coordinates vehicle and rolling stock acquisitions required by Management system, which take place concurrently with acquisitions in the FMS purchasing system.
- Provides vehicle and rolling stock information required by the FAMS (e.g., FA-1 information) to the acquiring FAC on a timely basis.

5.7 Asset Management

- Functions as a Fixed Asset Control Group to monitor capital fixed asset and controlled item purchases.
- Verifies the establishment of records in the Central FAMS.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

5.8 Fleet Management

- Functions as a Fixed Asset Control Group to coordinate all vehicle and rolling stock purchases.
- Assigns fixed asset identification (FAI) numbers.
- Provides each department with basic vehicle fixed asset record information to create the vehicle acquisition record for new vehicles for input into the FAMS.

6 Asset Acquisition by Purchase Order (PO) Procedure

Requisitions and POs for fixed assets and controlled items acquired through purchase will be processed in accordance with the County's procurement procedures as detailed in *Administrative Procedure 5-2* and other applicable administrative procedures and executive orders.

1. The ordering section will initiate the requisition request for a fixed asset or controlled item (including Capital Outlay Justification as appropriate) and forward it to the DPU in accordance with department procedures.
2. The DPU will enter the approved Purchase Requisition in the FMS. The DPU will be responsible for coding and entering a correct FAMS code in the *Commodity Type* field on the PO. A FAMS code is required for all line items that are
 - charged to FMS capital expenditure objects (the 4000 series) and have a cost equal to or in excess of \$5,000; or,
 - meet FAMS recording requirements for a controlled item.

Note: *Requisition line items chargeable to capital expenditure accounts (4000) are not to be coded to a high-level commodity code.*

The following codes may be used:

- *Fixed Asset*
 - *Controlled Item*
 - Either *Asset System* or *Group Asset* as outlined in Section 3 (Multiple Unit Assets)
3. When the PO has been issued, the DPU will forward copies to the ordering and receiving sections in accordance with department procedure. In addition, a copy will be forwarded to the FAC and the receiving location (if the remote receiving location is responsible for tagging and FA-1 initialization) as notification of a pending fixed asset receipt.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

4. Upon receipt, the item will be accepted and processed by the receiving location in accordance with County policy and department procurement procedure. This includes entry of the appropriate FMS Receiver and forwarding of receiving documentation to the appropriate department staff.

Additionally, as notification of the item's receipt, a copy of the accepted shipping documents, with the FMS Receiver number noted where possible, will be forwarded to the FAC.

5. The item will be tagged and a FA-1 will be initiated and completed.
6. The FA-1, including the assigned FAI/tag number, will be forwarded to the FAC. At a minimum, the following fields of the FA-1 are to be completed:

- *Asset Number*
- *Asset Description*
- *Purchase Order Number*
- *Ordering Department*
- *Ordering Location*
- *Received Date*
- *Manufacturer*
- *Model*
- *Serial Number*
- *Quantity*
- *Unit or Total Cost*

7. Periodically, Asset Management will forward a copy of the Posted Receiving Report to the FAC as additional verification/notification that an item with a fixed asset commodity type has been entered as an FMS Receiver.
8. The FAC will complete the FA-1 in preparation for data entry into the FAMS. The FAC will determine whether any additional information is required on the form for data entry as follows:
 - If a tag could not be physically affixed to the asset, the mounted (NT) asset may be recorded in the NT log book and the tag bearing the number assigned to the asset will be attached to the asset file or stored in the log book, if established. See Section 5 (Numbering and Tagging Fixed Assets).
 - The Asset Class or Fast Code (standard descriptor code) will be assigned.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

- The FAC will verify or determine the costs and provide any applicable funding split information to include in the capitalized value of the asset according to the procedures outlined on the FA-1. This information may include a) final invoice cost information from the Department Accounts Payable section, preferably by copy of vendor invoice; b) allocations of capitalized costs to multiple items, if applicable; c) any capitalized costs to be added after receipt of the equipment, such as installation costs (to be noted and collected once the equipment is in place); or d) the Acquisition Method, Capitalization, and other optional information.
 - If the asset has been acquired with grant funds, the FAC will complete appropriate grant information on the FA-1.
 - The Extended Description on the back of the form will be completed as appropriate.
9. The FAC will sign the completed FA-1 and forward the document to the FAMS data entry section to set up the asset record in the FAMS.

7 Procedure for Recording Related Accounting Transactions

1. The accounting transactions related to the acquisition of fixed assets and controlled items will be initially recorded as expenditures in the appropriate 4000 object codes in the FMS.
2. Transactions related to the acquisition of controlled items will be recorded as expenditures in the appropriate supply and services object codes.
3. At year-end, or on such other cycle as may be required by County financial reporting policies, current expenditures for fixed assets and controlled items will be recorded in asset accounts for balance sheet reporting. Data from the department FAMS will be used for this purpose.
4. Capitalization will consist of a debit to the appropriate balance sheet asset account and a credit to the current period expenditure account to which the item was initially charged. All capitalization entries will follow each department's detailed accounting and financial reporting procedures.
5. Capitalized assets will be recorded as follows:
 - The FAC will enter into the FAMS the appropriate FMS fund code and Acquisition Method and other data necessary for the system to establish proper source of funds for creation of a journal entry by the Finance Office at year-end to capitalize assets set up in the FAMS asset file.
 - At year-end, the FAMS will provide the Finance Office with a schedule of capital assets acquired during the current year as required.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

- This will enable the Finance Office to properly capitalize each department's fixed asset acquisitions in the FMS.
- 6. Controlled items will be recorded as follows:
 - Controlled items are noncapital. Therefore, their procurement will remain as a noncapital expenditure in the FMS and will be reflected as a noncapital asset in the FAMS asset item records.
 - Controlled items will be controlled in the same manner as fixed assets in terms of records, tagging and periodic inventories, and will have a Capitalize Code of **No** in the FAMS that will trigger the same capitalization procedures as used for fixed assets—except for the accounting transactions and coding only applicable to fixed assets.

8 Verification Procedure for Assets Tagged and Recorded in the FAMS

1. The Fixed Asset Control Group, working with the FAC, will review and monitor all asset purchases to verify that a complete asset record has been entered into the FAMS for all fixed assets and controlled items received.
2. The Fixed Asset Control Group will periodically produce and distribute a **Posted Receiving Report** to the FAC as verification or notification that an item with a fixed asset commodity type has been entered as an FMS Receiver. The report will identify all items received in the FMS that have a commodity type flag set as a fixed asset item.
3. Audit database reports will compare entries from both systems to verify that the department has entered items in its FAMS based on FMS information. The FAC will take appropriate action to clear any discrepancies.
4. If it is discovered that an asset for which there is no record of a capitalized or controlled asset acquisition has been placed in service, i.e., the asset was delivered directly to the custodial section rather than through the departmental receiving function, the FAC will be notified. The FAC will then complete a FA-1 and notify the appropriate departmental tagging personnel to locate and tag the asset.

9 Capitalization of Rolling Stock Procedure

1. In accordance with the procedure in Section 5 (Numbering and Tagging Fixed Assets) Management will perform the number assignment and FA-1 functions assigned to the FAC for vehicle and rolling stock purchases.
2. The DC of the acquiring department will perform the specific tasks normally assigned to the departmental tagging personnel and will be responsible for providing supplemental

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

FA-1 information to the FAC when the vehicle is placed in service. This might include a Closed Vehicle Work Order (with total cost, including make-ready) and/or a Unit Information Acceptance Form.

3. Monthly, the department will receive an electronic monthly vehicle file, which will include all new vehicle activity for the department and additional FA-1 information from the DC, as appropriate, based on departmental and fleet procedures.
4. The FAC will process and import the file into the FAMS by reviewing other FA-1 and funding source information to determine whether additional information needs to be added to the vehicle or rolling stock FAMS record. Such information might include the following:
 - Additional description information
 - The Ordinance Number or Council Motion Number, if available
 - Grant-related information, as appropriate

If additional information needs to be added to the FAMS record, the FAC will forward the information to data entry person for entry into the FAMS.

10 Capitalization Procedure for Machinery and Equipment Purchased by Contract

The procedures for capitalizing machinery and equipment purchased by contract will follow the same steps as outlined in the acquisition by PO procedure in subsection 6 in this section **except** as follows:

1. The departmental Contract Administrator for the related contract will notify the FAC, via a written Contract Capitalization Request, that a contract item has been received and accepted.
2. If responsibility for assigning FAI numbers and tagging has been delegated to remote receiving locations in the department, the Contract Administrator will also advise the receiving site that a contract item requires tagging.
3. In lieu of a separate form, the Contract Administrator can use an FA-1 to provide the required information and send it to the appropriate location (as above) with a simple cover note indicating this is a contract item that has been received and requires tagging and entry into the FAMS.
4. If no specific Contract Administrator has been assigned to the contract under which the capital equipment has been purchased, the department DPU or the Purchasing Single Point of Contact will be responsible for initiating the FA-1.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

5. The FA-1 submitted to the FAC for capital equipment acquired by contract will contain the following information:
 - Date of receipt
 - Contract number (document reference number)
 - Item description
 - Quantity
 - Purchase cost
 - FMS expenditure object code
 - Funding source(s)
 - Organization
 - Location
6. The FAC will then continue the capitalization process as outlined in the procedure in subsection 6 in this section. For contract purchases, the FAC and/or the departmental tagging personnel will perform all the same tasks as they would for the acquisition of equipment by PO, as outlined in subsection 6, and as assigned to them in subsection 4.

11 Procedure for Recording Multiple Fixed Assets Acquired by a Single Purchase

1. The acquiring department FAC (or the DC, for rolling stock) will initiate an FA-1 for each asset included in the purchase.
2. The FAC will enter separate asset costs in the FAMS for each asset acquired under a multiple unit purchase (including any allocated common costs).
3. An exception will occur for purchases of multiple items that qualify as asset systems or group assets, as defined in Section 3 (Multiple Unit Assets). These will be entered in a single asset record that includes the total cost and other data pertaining to the conglomeration of smaller items being combined into a single asset.
4. Each asset record will reflect the total calculated cost obtained by apportionment.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

12 Capital Leases

12.1 Classifying Leases

A lease will be classified and capitalized as a capital lease if it meets one or more of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains an option to purchase the leased property at a discounted price.
- The lease term is equal to or greater than 75% of the estimated economic life of the leased property.
- The present value of minimum lease payments equals or exceeds 100% of the fair value of the leased property less any investment tax credit retained by the lessor.

A lease that fails to meet any of the above criteria will be classified as an operating lease and recorded as an expense. Assets obtained through an operating lease will not be controlled utilizing the FAMS.

12.2 Accounting for Capital Leases

Equipment and real property acquired through capital leasing transactions, where the County is the lessee, will be considered to be owned by the County at the time the lease is signed. If a leased asset is capitalized, the asset will be

- recorded at an amount equal to the present value of the minimum lease payments, not to exceed the fair value of the asset,
- classified in the appropriate fixed asset fund category, as applicable, and
- depreciated based upon the County's normal depreciation methods in accordance with Section 6 (Depreciation).

The useful life of the asset will conform to the County's normal asset life policies as detailed in Section 4 (Fixed Asset Classification and Useful Lives), unless a) the lease term is equal to or greater than 75% of the estimated economic life of the leased property, or b) the present value of minimum lease payments equals or exceeds 100% of the fair value of the leased property, less any investment tax credit obtained by the lessor. In either of these cases, the useful life will be the term of the lease.

The following costs will be recorded for all capital leases:

- Leased asset cost
- Periodic interest expense on the related lease liability

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

- Periodic depreciation expense based on the recorded cost of the leased asset
- Executory costs, such as insurance and maintenance

12.3 Assignment of Historical Cost

In instances where the leasing agreement involves numerous pieces of equipment, the department will allocate the aggregate cost associated with the contract to the individual pieces of equipment on a reasonable basis (if the cost is not directly determinable from the lease agreement).

The recommended basis of allocation will be the individual rental costs of the equipment as a component of the aggregate rental associated with the contract.

The County's Fixed Asset Management and the Finance Office must approve any departures from the recommended allocation base described above.

12.4 Lease Agreement Data Requirements

Data requirements will be the same as defined for all fixed asset subsidiary ledgers, to the extent that they apply to a lease agreement.

In addition, *Lessor Name*, *Contract Number*, *Council-Approval Reference*, *Starting Date*, and *Expiration Date* should be kept in the data system when the system includes these fields. If the data system does not include these fields, the information should be kept in the leasing department's appropriate file.

13 Grant Funded Assets

13.1 Federal and Grantor Agency Requirements

Fixed assets and controlled items acquired in whole or in part with grant funds will be controlled and accounted for in accordance with the applicable federal government Office of Management and Budget (OMB) circular, the requirements outlined in the *Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments (Common Regulations)* as published in the *Code of Federal Regulations (CFR)*, and the specific requirements of the individual grantor agencies.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

13.2 Overview

As specified by the *Common Regulations*, property with a value **equal to or greater than \$5,000** that is acquired in whole or in part with federal or grant funds must be recorded by the County at acquisition. The following information must be included:

- Fixed asset number
- Vendor
- Acquisition date
- Asset location
- Description
- Total cost
- Asset condition
- Asset use
- Percentage of federal participation and dollar amount
- Federal grant description, including grant number
- Manufacturer serial and model numbers, stock number, or other identification number
- Date of disposal, sale price, or method used to determine fair market value where the County compensates an agency for its share
- Title ownership (County or federal government)

The County will be responsible for maintaining all grant funded equipment in good condition. Upon disposition, the County will use selling procedures, when appropriate, that encourage competitive pricing and result in the highest possible return.

13.3 Acquisition of Grant Funded Assets

Only those assets authorized by the program statute and regulations and the grant agreement will be purchased under a grant. If additional equipment and supplies will be necessary to complete a grant funded project, these costs will be recorded as part of the asset cost. However, the County department acquiring the grant funds must ensure that any supplies and equipment purchased to complete the project will be needed (i.e., equipment on hand cannot be used). The County will use competitive procurement practices to procure any supplies and equipment.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

13.4 Use of Grant Funded Assets

13.4.1 Real Property

Real property acquired with grant funds must be used for its original purpose for as long as it is needed. The property may be used for other purposes only with the prior approval of the granting agency.

Generally, approval will be given by the granting agency if the property is used for another federal project or a nonfederal project that has a purpose consistent with the authorizing grant legislation.

13.4.2 Equipment

Equipment acquired under a grant must also be used for its original purpose for as long as it is needed.

When no longer needed for the original purpose, grant funded equipment will be used for other projects (projects of the granting agency will be given first priority) currently or previously sponsored by the federal government.

13.5 Disposal of Grant Funded Assets

13.5.1 Real Property

If the County can no longer use grant funded real property, one of the following options will be exercised^[KR7] :

- The property will be sold and the federal agency paid its share of the proceeds according to matching or cost-sharing ratios.
- The property will be retained and the agency paid its share of the market value of the property.
- The title will be transferred to the federal agency, which will remit to the County its share of the market value of the property.
- The property will be disposed of as required by the particular terms of the grant.

13.5.2 Equipment

Grant program regulations regarding equipment dispositions will be followed. Generally, for federally funded grant equipment, the following guidelines^{apply}^[KR8] :

- Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

- Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold, and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the awarding agency's share of the equipment.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

1 Purpose

The purpose of this section is to establish a procedure for valuing and recording fixed assets and controlled items acquired through donation, confiscation, condemnation, eminent domain, annexation, or tax foreclosure.

2 Scope

Assets acquired through donation, confiscation, condemnation, eminent domain, annexation, or tax foreclosure will be recorded in the fund in which they are to be of service, in accordance with the valuation guidelines in this section.

3 Guidelines

3.1 Donation

Donated or contributed assets will be recorded at the estimated fair market value at the time of donation.

3.2 Confiscation

Fixed assets acquired by the County through statutory confiscation powers will be treated as unconditional donations for the purpose of determining values and establishing records for such items in the FAMS.

Legally imposed restrictions on the use of, or revenues from, such assets must be recorded in the FAMS record in the *Extended Description* field.

3.3 Condemnation/Foreclosure

Assets acquired through condemnation or tax foreclosure will be treated in accordance with the County's plan for the asset's eventual disposition.

3.3.1 Retained Assets

If the County expects to retain an asset obtained by condemnation or foreclosure actions, the asset will be reported at the asset's estimated fair market value on the date of condemnation or foreclosure, plus any legal, appraisal, or other associated costs.

3.3.2 Resold Asset

If the County expects to resell an asset acquired through condemnation or foreclosure within 12 months, the asset will be recorded at fair market value in the

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 7

Asset Acquisitions

appropriate

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

fund to which the taxes are owed, with a liability to the property owner, if needed, to reflect any excess of the value of the asset over the County's tax or assessment lien.

3.4 Eminent Domain

Assets acquired through eminent domain will be valued at the amount of compensation paid to the property owner plus any legal, appraisal, or other transaction costs associated with the acquisition.

3.5 Annexation

Assets acquired through annexation will be valued at the amounts recorded by the annexed entity (generally book value).

4 General Procedure

Assets received through donation, confiscation, condemnation, eminent domain, annexation, or tax foreclosure will be capitalized in accordance with this procedure if the asset is to be retained or used for an extended period (more than 1 year). These assets will not be capitalized if the asset is to be liquidated or disposed of within a short period (less than 1 year). In this situation, the receiving department should request that the Controller's Office [KR9] assign an appropriate current asset account to which the value of the asset, as determined herein, can be charged until disposition.

4.1 Asset Capitalization

1. For machinery and equipment assets (other than rolling stock), land, land improvements, and buildings, once the asset has been legally granted to or accepted by the County, the Department Fixed Asset Coordinator (FAC) of the receiving department will determine the acquisition cost (value) of the asset in accordance with the specific procedures in subsections 5 through 9 in this section.
2. Where necessary, the FAC will obtain an independent, verifiable, and realistic appraisal of the current fair market value of the asset. A certified appraisal should be obtained in cases where the asset is presumed to have substantial value, as established by either Finance or the Manager's Office. Otherwise, an authoritative source, such as actual price lists, professional valuations obtained by the donor, open market values of similar items, tax appraisals, and court awards and legal fees from eminent domain proceedings, will be used to establish acquisition cost.

If the acquisition involves land, improvements, or buildings, the appraisal will be completed in coordination with the Projects Coordinator.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

3. The item will be tagged and a Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) initiated and completed in accordance with Section 5 (Numbering and Tagging Fixed Assets).
4. The FA-1, including the assigned FAI tag number, will be forwarded to and completed by the FAC as outlined in Section 7 (Asset Acquisitions). In addition, the following will also be considered:
 - The unit or total cost will be the value assigned to the asset.
 - The appropriate acquisition method will be noted in accordance with Table 8-1.

Table 8-1 Acquisition Method Codes

Code	Description
G	Donation/Gift/Bequest
N	Confiscation
M	Condemnation
E	Eminent Domain
A	Annexation
F	Foreclosure
O	Other

The FAC will indicate the fund source(s) to be credited for the asset, sign the completed FA-1, and forward the document to the data entry section to set up the asset record in the Fixed Asset Management System (FAMS).

5. Data entry will follow the general approach outlined in Section 7 (Asset Acquisitions), using the appropriate acquisition method code (Table 8-1).
6. If the item is a vehicle or rolling stock asset, the FAC will request that Fleet Management establish the appropriate record for the item in the fleet system. The vehicle will be delivered to the Fleet Management facility servicing the acquiring department for inspection, appropriate County identification, and preparation of the unit for placement into service.

In accordance with Section 5 (Numbering and Tagging Fixed Assets), Fleet Management will assign the number and provide FA-1 information to the Department Vehicle Coordinator (DVC) or the FAC for vehicle and rolling stock acquisitions.

The vehicle will be processed as outlined in subsection 9 in Section 7 (Asset Acquisitions).

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

4.2 Related Accounting Transactions

For general fund assets, the FAMS will provide the asset account to be debited (based upon the class code assigned) and the appropriate investment-by-source account to be credited (based upon the fund and acquisition method assigned). For enterprise fund assets, the asset file will indicate the balance sheet asset account to be debited.

4.3 Depreciation

Assets received by the County through donation, confiscation, eminent domain, or tax foreclosure will be depreciated in the same manner as other acquired assets in accordance with Section 6 (Depreciation).

The depreciable cost basis will be the established or appraised value, adjusted for any conditional factors as described in subsections 5 through 8 in this section.

If the asset received by the County through donation, confiscation, eminent domain, annexation, or tax foreclosure is “used” and is not expected to be fully useable and serviceable over the standard useful life of the asset class, the FAC will consider adjusting down the estimated life for the asset in accordance with the procedure for depreciation.

5 Donated Assets

5.1 Unconditional Donations

The FAC of the receiving department will obtain and record a current fair market value at the date of donation based on a certified appraisal or other appropriate valuation as described in subsection 4.1, step 2 in this section.

The asset will be processed in accordance with the general procedure outlined in subsection 4 in this section.

5.2 Conditional Donations

If the donor imposes restrictions on the donation, the FAC will deduct any quantifiable negative values arising out of such conditions from the acquisition cost (the appraised value) of the asset to determine the valuation to be recorded and reported in the appropriate fund.

The asset will otherwise be processed in accordance with the general procedure in subsection 4 in this section.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

5.3 Donations Contingent upon a Specific Occurrence

If a donation is contingent upon the fulfillment of some contractual obligation by the County as recipient, the FAC will treat the asset as a contingent asset until the contingent condition has been met.

The FAC will advise the County Controller in writing of the receipt of the asset, the description of the asset, its market value (if known), and the details of the contingent donation.

Contingent assets will be disclosed in the financial statements by note only. In the period in which the contingency requirement is fulfilled and the County is entitled to consider the donation finalized, the asset will be capitalized following the general procedure in subsection 4 in this section.

6 Confiscated Assets

Fixed assets acquired by the County through statutory confiscation powers will be treated as unconditional donations for the purpose of determining values and establishing records for such items in the FAMS.

Legally imposed restrictions on the use of, or revenues from, such assets must be recorded in the FAMS record in the *Extended Description* field.

7 Eminent Domain

When an asset is acquired through eminent domain, the acquisition is a legal proceeding which, when complete, must also be approved by County Commission based on the recommendations of the Managers and Legal Council.

Since these transactions involve the acquisition of property and property rights, the capitalization will be coordinated between the Purchasing, the Project Coordinator Manager personnel, and the acquiring department.

7.1 Notice of Transaction

Upon receipt of the approved documentation evidencing an acquisition through eminent domain, the Purchasing Department will forward a notice of the transaction, including a new parcel data sheet, to the acquiring department. This notice, along with copies of other relevant acquisition documentation, will be forwarded to the FAC of the acquiring department for processing.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

7.2 Notice of Property Acquired by Eminent Domain

If a Capital Improvement Program (CIP) project is involved in the acquisition of the property, the Purchasing Department will forward a copy of the notice of property acquired by eminent domain to the Managers Department, to be included in the CIP project file.

7.3 Acquisition Cost

The acquisition cost (value) of the asset will be the amount of compensation paid to the property owner, plus any legal or other transaction costs associated with the acquisition. This provision applies to buildings and improvements that are not going to remain intact and in use by the County. Unwanted improvements, as well as the cost of demolishing and removing them, are added to the total acquisition cost of the land itself.

7.4 Processing the Acquisition

The FAC of the acquiring department will initiate an FA-1, assign a fixed asset identification (FAI) number to the property acquired, and process the acquisition into the FAMS in accordance with the general procedure in subsection 4 in this section. The FAC will complete the FA-1 in every detail as described in Section 7 (Asset Acquisitions), recording the CIP project number in the appropriate field, an acquisition method of eminent domain, and the fund to be credited.

7.5 Related Accounting Transactions

For general fund assets, the FAMS will provide the asset account to be debited (based upon class code assigned) and the appropriate investment-by-source account to be credited (based upon fund and acquisition method assigned).

For enterprise fund assets, the asset file will indicate the balance sheet asset account to be debited. The capitalization will be for a value equal to the amount of compensation paid to the property owner, plus any legal and/or other transaction costs associated with the acquisition.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

8 Annexation

Fixed assets acquired by the County through statutory annexation powers will be treated as unconditional donations for purposes of determining values and establishing records for such items in the FAMS. The annexed asset will be processed as follows:

1. Purchasing will contact the annexed municipal utility districts and obtain records of all annexed assets.
2. The Financial Department will, when necessary, distribute these records to the appropriate departments.
3. Purchasing will inform the Projects Coordinator of new real estate acquisitions. The Purchasing Department will assign an asset number to annexed land, notify the owning department, and obtain an account number from Cibola County Appraisal District.
4. The new owning department will record the asset in the FAMS and conduct an inventory within 1 year of annexation.

9 Foreclosure

Foreclosure refers to land or land with buildings and other improvements foreclosed upon by the County and other taxing jurisdictions for unpaid taxes, where the property is in the custody of the County pending collection of taxes or liquidation.

The Finance Deputy Tax Assessor-Collector and the Controller's Office are solely responsible for recording and tracking foreclosed properties, due to the specialized nature of these assets and because such property is not normally acquired for the use or benefit of a specific department.

9.1 Treatment as Contingent Assets

Foreclosed properties will be treated as contingent assets until the final disposition of the property is known. They normally are not treated as fixed asset acquisitions and are not entered in the FAMS when the property first comes under the County's jurisdiction for the following reasons:

- There may be pending claims by other jurisdictions against the same property.
- The County generally does not plan to keep the property for an extended period.
- Certain statutory provisions can further impact the ultimate disposition of the property.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

9.2 Processing the Acquisition

Property acquired through foreclosure will be processed in accordance with the following procedure:

1. Upon notification that the County has come into possession of property through foreclosure, the Deputy Tax Assessor-Collector will assign an identification number to each property so acquired.
2. The Deputy Tax Assessor-Collector will enter a property record into the Foreclosed Property database for each foreclosed parcel, showing the total amount of County taxes due on the property. Other relevant dollar figures, such as judgment amounts, taxes due to other jurisdictions, liens, maintenance costs incurred, etc., should be entered in descriptive fields.
3. The Deputy Tax Assessor-Collector will notify the County Controller in writing of foreclosed properties that have come into the possession of the County, along with a summary schedule of such properties.
4. At such time as foreclosed properties are sold or otherwise disposed of, the Deputy Tax Assessor-Collector will notify the County Controller in writing of such disposition and provide a schedule of the properties involved, along with a summary of the financial impact of the disposition. Included in this notification will be the proceeds from liquidation of the properties, a schedule of the taxes due to each jurisdiction having a claim against the properties, and a summary of the costs incurred by the County (or other jurisdiction) in taking possession, maintaining, securing, and disposing of the properties. The Controller's Office will record the impact of such dispositions in the current fiscal year financial statements, in accordance with County Comprehensive Annual Financial Report (CAFR) reporting policies.

9.3 Disposition or Capitalization

Upon disposition of a foreclosed property, the Deputy Tax Assessor-Collector will delete the corresponding record from the Foreclosed Properties database, making a permanent record of the transaction and closing the foreclosed property file, which will be retained in accordance with the County's records retention policies and procedures.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

In the event that a foreclosed property is ultimately taken over and put into use by the County, it will be capitalized and entered in the FAMS following the same procedural steps as specified for donated assets in subsection 5 in this section and as follows:

1. The Deputy Tax Assessor-Collector will obtain and establish a fair market value for the property.
2. The Purchasing Department will be notified, so that any land parcels can be entered in their database.
3. The FAC of the appropriate benefiting department will be notified, in writing, by the Deputy Tax Assessor-Collector, who will provide the required FA-1 information so that the property can be established in the department FAMS.
4. The FAC will initiate an FA-1, assign an FAI number to the property acquired, and process the acquisition into the FAMS in accordance with the general procedure in subsection 4 in this section. The FAC will complete the FA-1 in every detail, as described in Section 7 (Asset Acquisitions), recording the acquisition method of *foreclosure* and specifying the fund to be credited.

9.4 Related Accounting Transactions

For general fund assets, the FAMS will provide the asset account to be debited (based upon class code assigned) and the appropriate investment-by-source account to be credited (based upon fund and acquisition method assigned). For enterprise fund assets, the asset file will indicate the balance sheet asset account to be debited. |

[KR10]

10 Assets in the Temporary Custody of the County

Assets loaned to the County for limited time periods for evaluation, testing, etc., and for which the County never has or acquires ownership equity, will not be recorded in the FAMS as either fixed assets or controlled items.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 8
Asset Acquisition by Donation, Confiscation,
Condemnation, Eminent Domain, Annexation, or
Foreclosure**

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

1 Purpose

The purpose of this section is to establish procedures for accumulating capitalization costs for Capital Improvement Program (CIP) construction projects and reporting these to the Controller's Office for recording in the Fixed Asset Management System (FAMS). This includes calculating the amount of construction-related interest to be capitalized on an annual basis.

2 Scope

All construction work-in-progress costs will be reported in a separate asset classification in the appropriate fund. The asset under construction will be transferred from *Construction in Progress* to the appropriate fixed asset classification(s) when the construction project is completed, accepted by Council, or the asset is ready for its intended use or occupancy.

3 Guidelines

3.1 Capitalized Costs

All labor and material costs directly associated with the construction project will be capitalized as a cost of the new asset.

In addition, overhead costs, such as licenses, permits, and project management costs directly associated with the construction, will be capitalized. Other elements of County overhead that are difficult to measure, such as insurance and utilities, will be allocated and expensed as operating charges rather than added to the capitalized cost of the constructed asset.

3.2 Capitalization of Interest

Interest costs incurred during the construction phase of projects undertaken on behalf of a proprietary fund may be capitalized as part of the cost of the fixed asset if the amount is considered material. Ordinarily, interest costs incurred during the construction of general government fixed assets are not subject to capitalization. Interest costs will not be capitalized on assets acquired through grants or gifts unless the grant or gift permits such capitalization and the funding is provided through the grant or gift.

Note: *The calculation and accounting treatment of capitalized interest costs associated with the County's construction programs will be coordinated by the Controller's Office and the affected department.*

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

3.3 Placement of Constructed Assets into Service

3.3.1 Initial Notice

The Director of Finance or the Director of Building Services will advise the County Controller, Asset Management, and the department benefiting from the use of the asset when a capital project is occupied or is about to be placed into service, whichever occurs first. This initial capitalization report will serve as notification of the status of the project and that project costs accumulated in *Construction in Progress* will be capitalized and transferred to the appropriate fixed asset accounts. The capitalization notice contains the following:

- Schedules of inception-to-date project expenditures, itemized by expenditure account as well as by category of cost, in accordance with the guidelines in Section 7 (Asset Acquisitions) and Section 8 (Asset Acquisition by Donation, Confiscation, Condemnation, Eminent Domain, Annexation, or Foreclosure)
- References to the fund and project numbers to which the project expenditures have been charged
- Clear identification and summarization of any noncapital expenditure accumulated in the project construction-in-progress totals

3.3.2 Final Notice

When a capital project is completed and closed, a final capitalization notice will be forwarded to the County Controller, Asset Management, and the benefiting department, detailing additional project costs accumulated after the initial capitalization. The final capitalization notice will also contain a final summary showing inception-to- completion costs.

3.3.3 Capitalization and Record Keeping

The department placing the asset(s) in service will create the appropriate asset records in the FAMS, following the capitalization procedures outlined in this section. The department will proceed as follows:

- Create a permanent file containing documentation supporting the completion of the project and the capitalized costs of the assets resulting from the project. This supporting documentation may be from the Purchasing Department or other project accounting ledgers, reports, invoices, inspection reports, etc.
- Explain any costs that are not capitalized in accordance with the criteria contained in these policies.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

- Maintain this data in current files for audit review until the completion of the financial statements for the year of capitalization or until the asset is retired, in accordance with availability and archiving policies and procedures.

4 Responsibilities

The following responsibilities apply to all County departments. See Section 2 (Asset Valuation).

4.1 Purchasing Division

- Provides the Department Fixed Asset Coordinator (FAC) with the total capitalized costs associated with a construction project for the FAC's department.
- Accumulates and records costs associated with all phases of a construction project in the appropriate CIP project cost records, including salary recovery costs and Legal Department recovery costs.
- Identifies the appropriate asset classification and balance sheet account distribution of such costs in project cost summaries.
- Tracks and reports all construction in progress for all projects that have not yet reached 100% completion.
- Submits documentation to the Controller's Office, Asset Management, [KR11] and the benefiting department to place assets in service for all projects that have reached 100% completion or are occupied.
- Prepares and submits the Financial Management System (FMS) final close-out documents to the Controller's Office, Asset Management, and the benefiting department(s) after final payment is made and the County Council-approved acceptance of work motion is received.

4.2 Fixed Asset Coordinator FAC)

- Records constructed assets that have been placed in service in the department FAMS, based upon the information provided by the Purchasing Department.
- Ensures that all reported costs associated with the constructed asset, as provided by the Purchasing Department, are reflected in the record, including costs at the time the asset was placed in service and any and all final close-out costs.

4.3 Controller's Office [KR12]

- Reviews and approves all cost documentation submitted, including review and approval of the FMS final close-out package prepared and submitted by the Project Coordinator.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

- Monitors the consistency of information being provided to the Controller's Office for County Comprehensive Annual Financial Report (CAFR) purposes and to departments for FAMS reporting purposes.

5 Procedure for Accumulating and Tracking Construction Costs

1. At the inception of all CIP projects, the Purchasing Department will establish appropriate project codes and numbers in the Capital Projects module of the FMS to accumulate all costs associated with the project throughout the life of the project.

Note: Costs to be capitalized for constructed assets are outlined in Section 2 (Asset Valuation).

2. The Purchasing Department will establish and maintain a d d i t i o n a l tracking in other departmental capital project tracking systems within Financials to meet overall FAMS reporting requirements, including the separate costs for each constructed or purchased fixed asset detailed in the project contract.
3. During the course of work for a project (construction in progress) after the contract has been approved by County Council [KR13], awarded to a bidder, and the contractor begins work, the contractor will submit work estimates with costs itemized by type (e.g., materials, labor, project administration), including those directly associated with each fixed asset scheduled for construction or purchase.
4. The Projects Coordinator will process and approve monthly contract work estimates for project work and forward these to the Purchasing Department for payment processing.
5. The Projects Coordinator Department will proceed as follows:
 - Review and code each payment to the appropriate FMS project and/or subproject number established in step 1 above.
 - Specify retainage amounts, if applicable, and record the payment information through normal FMS processing.
 - Itemize the increments in construction-in-progress amounts included in the contract work estimates in its tracking ledgers in order to track the cumulative cost of each asset projected to result from the contract.
 - Record all real estate acquisition costs provided by the Purchasing Department in the appropriate project record.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

- Direct and indirect charges from other County sources that are directly assignable to a specific project/asset will be recorded in the appropriate project record.

Examples

Legal Department – Legal services costs associated with acquiring property

Salary Recovery Billings – Salary costs of County staff that provides capital project support

- Other overhead costs that cannot be directly associated with a single asset (e.g., project administration, delivery, insurance, utilities) will be recorded separately and allocated among the individual constructed or purchased assets upon project completion.
6. Interest for capital projects will be capitalized during the construction period in accordance with subsection 8 in this section.

6 Procedure for Placing Constructed Assets in Service

1. On an ongoing basis, but at least annually, regardless of project activity levels, the Purchasing Department will perform a review of all construction-in-progress ledgers to determine the percentage of completion for each project.
2. Projects that have reached completion or are occupied will be identified as ready to be placed in service. The Project Coordinator will perform the following tasks for these projects:
 - Analyze the project ledger data to determine the costs to be capitalized for each asset resulting from the project.
 - Determine if a single asset or multiple assets should be capitalized as the result of the project. This determination will include a decision on whether the project asset(s) will be treated and costs reported as asset systems or component assets, in accordance with Section 3 (Multiple Unit Assets).
 - Identify the costs associated with each asset or asset system constructed or purchased.
3. Projects that have not reached the completion or occupied level will continue to be tracked by the Project Coordinator as construction in progress.
4. Annually, the Project Coordinator will provide the Finance Office, Asset Management, and the benefiting departments with a Schedule of Construction in Progress detailing accumulated costs and percent completion information for each project that is open and has not yet been placed into service.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

Project costs that are not directly associated with a specific asset will be allocated to all assets resulting from the completed project using the apportionment method discussed in Section 7 (Asset Acquisitions).

5. Once the actual cost of each asset resulting from the project has been determined, the Purchasing Department will initiate a Request to Place Asset in Service.
6. The Accounting/Fiscal Section will approve the capitalization request and send a written notice to the Finances Office detailing the capitalization and the transfer of the project from *Construction in Progress* to the appropriate fixed asset accounts. (The appropriate balance sheet asset accounts will be debited and the *Construction in Progress* account will be credited for the total amount to be capitalized.)
7. The Project Coordinator will also forward a copy of the above notice, including cost and descriptive information, to the FAC of the benefiting department so that the master FAMS record(s) can be created. The FMS Final Close-Out Summary will be the official notice to the FAC providing capitalization information, including costs to be recorded.
8. Upon receipt of the “in service” information, the FAC will assign a fixed asset identification (FAI)/tag number in accordance with Section 5 (Numbering and Tagging Fixed Assets).
9. The FAC will initiate and complete a Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1), including the assigned FAI/tag number, in accordance with Section 7 (Asset Acquisitions) and the following requirements:
 - The acquisition date will be the date of the County Council motion or in-service date.
 - The unit or total cost will be the total inception-to-date expenditures associated with the project/asset at the time the asset is to be placed in service.

Note: *The unit or total cost will be amended through a financial adjustment in the FAMS at a future date when the final close-out costs are available.*

- The extended description of the asset will detail the basic construction of the asset (e.g., building specs, type of construction, square footage, components).
- The acquisition method will be C (Constructed).
- The CIP project number will be recorded as the FAMS project number.
- The funding source(s) to be credited for the asset will be indicated.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

- Required grant funding information, if applicable, will be included in Section 3 of the form.
 - If the asset to be placed in service is being componentized (e.g., the individual building systems are being recorded separately), the appropriate parent/child relationships among the assets will be noted. (For a building, the parent asset is generally the building shell.) The parent asset will carry the overall extended description for the conglomerate.
10. The FAC will sign the completed FA-1 and forward the document to the data entry section to set up the asset record in the FAMS following the same general approach as outlined in Section 7 (Asset Acquisitions).

7 Final Close-Out Processing Procedure

1. When the project is completed, the appropriate department will prepare a Request for Council Action (RCA) to accept final work for the project and notify the client or benefiting department of the project's completion. Copies of the RCA will be sent to the County Secretary [KR14] and the Finance Department.
2. Upon receipt of the RCA, the Finance Department will enter the RCA information in its project close-out tracking system and analyze the project ledger data to determine the final costs to be capitalized for each asset resulting from the project, including cost recovery and final intragovernmental billings.
3. Once the County Commission has accepted work and the Committee [KR15] motion is received, the Purchasing Department will compile and forward the Final Construction Pay Estimate to the Financial Department.
4. The Accounting Department will proceed as follows:
 - Make final payment to the contractor(s).
 - Forward the estimate to the Projects Coordinator.
 - Enter the final payment voucher package into the FMS.
 - Forward the documents for normal payment processing.
5. The Finance Manager will proceed as follows:
 - Verify that final payment has been processed and that all other project-related costs have cleared the FMS Suspense File.
 - Prepare the FMS final close-out packet.
 - Forward the FMS final close-out documents to Project Coordinator.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

6. The Fiscal Section will then proceed as follows:
 - Make adjustments if funds are needed to cover unbilled cost recovery due to insufficient funds.
 - Calculate and set aside an allowance for warranty inspection costs.
 - Determine the final close-out figure.
 - Return the completed FMS final close-out packet to the Project Coordinator.
7. The Project Coordinator will then proceed as follows:
 - Accumulate all final project costs and request that the project be closed in FMS Capital Projects.
 - Enter the close-out information into the FMS Capital Projects module, t h e r e b y “closing” the project.
 - Update their project close-out tracking systems.
 - Forward the original close-out documents to the County Managers Office for final review and closure. (Audit exceptions will be returned to the Purchasing Department for correction.)
 - Forward a copy of the complete FMS final close-out packet, including cost and descriptive information, to the FAC of the benefiting department so that the master FAMS record(s) can be created. The FMS Final Close-Out Summary will be the official notice to the FAC providing capitalization information, including costs to be recorded.
8. Upon receipt of the final close-out information, the FAC will determine whether the asset record(s) have already been created in the FAMS as a result of the asset being occupied or placed in service at the completion point. If the record **has not yet been established**, the FAC will follow the general capitalization procedure outlined in Section 7 (Asset Acquisitions) to place the project in service. If the record **has been established**, the FAC will continue with step 9 below to record the asset in the FAMS.
9. **If necessary**, the FAC will initiate a FAMS Capitalization Form–Financial Adjustments/Other Changes (FA-3) for each asset defined under the project to record the difference between the acquisition costs recorded at the time the asset was placed in service and the final close-out cost. The FA-3 will be completed as follows:
 - The adjustment transaction date will be the date of the County Council motion.
 - The reason for the adjustment will be *Final Project Close-Out Cost Adj.*

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

- The unit or total cost currently recorded (as of the time the asset was placed in service) will be replaced with the **total inception-to-date expenditures associated with the final close-out of the project/asset**.
 - The Other Changes section will be completed by changing the County [Council]^[KR16] motion number in the *Asset Master* screen (a user-defined field) from the motion number when the asset was placed in service to the motion number associated with the final project acceptance.
10. The FAC will sign the completed FA-3 and forward the document to the data entry section to update the asset record in the FAMS.
11. The data entry section will enter the item in the FAMS.

8 Capitalization of Interest

For construction projects (excluding projects funded by grants or gifts, unless the terms of the grant or gift permit such capitalization), interest charges on projects using proprietary funds during the construction period will be calculated and capitalized in accordance with guidelines coordinated by the Controller's Office and the affected department. General government projects will not capitalize interest, in accordance with Governmental Accounting Standards Board (GASB) *Statement* No. 37 (amendments to GASB *Statement* No. 34).

Capitalized interest costs will be included, as appropriate, in the information accumulated by the Finance Department as outlined in subsection 5, steps 1 and 2 in this section.

In accordance with the *Statement of Financial Accounting Standards* (SFAS) No. 62 or SFAS No. 34 and Finance Office guidelines, the Purchasing Department will calculate the interest expense, net of interest revenue earned on the bond proceeds, to be capitalized from the time of the borrowing until the completion of the project. Treatment of capitalized interest will be dependent on the actual funding source to determine which authoritative guideline to use.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 9

Constructed Assets

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

1 Purpose

The purpose of this section is to establish procedures for recording and accounting for costs of improvements, betterments, and maintenance expenditures as additions and alterations to existing capitalized assets.

2 Scope

Expenditures attributable to individual assets after the asset has been placed in service will be capitalized if the individual expenditure meets the County's criteria for the capitalization of a fixed asset (including the minimum dollar limit) and the related original asset has a remaining economic life of at least 1 year after the additional expenditure.

The expenditure should extend the useful life of an existing fixed asset by more than 1 year, significantly increase a capitalized asset's normal rate of output, significantly decrease a capitalized asset's operating cost, extend or expand an existing asset by significantly increasing its physical size, or significantly increase the efficiency of an existing fixed asset.

3 Guidelines

3.1 Improvements

Improvements include additions of new components to previously capitalized assets that either increase the assets' value, extend the useful life, increase the normal rate of output, lower the operating cost, or increase the efficiency of the existing assets. Replacements of components of existing capitalized assets with improved or superior units, such that the value or useful life of the assets is increased, are also classified as improvements.

Example

Construction of a new wing on a building

3.2 Betterments

Betterments enhance an existing capitalized individual or group asset to a condition beyond that achieved through normal maintenance repairs. A betterment increases the useful life of the asset by at least 1 year without the introduction of a new unit.

Example

Tuck-pointing of a building

Only alterations that significantly rebuild an asset will be capitalized as betterments. Alterations that change the physical structure of assets (e.g., cutting new entry and exit

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

openings or closing old ones; erecting new walls, windows, and partitions or removing old ones), but neither materially add value to the asset nor prolong its expected life, will be considered maintenance and expensed.

3.3 Accounting Treatment of Improvements and Betterments

An improvement or betterment that individually meets the capitalization threshold may be either added to the value of the existing capitalized asset or capitalized as a stand-alone fixed asset separate from the previously existing asset. If the value of the improvement or betterment is added to the value of the existing asset and the useful life has been increased, depreciation charges for future periods should be revised on the basis of the new book value and the new estimated remaining useful life.

Improvements or betterments of noncapitalized assets that do not involve replacements will be capitalized as part of the original asset only if the total cost of the original asset, including the improvement, **is equal to or greater than \$5,000**. Otherwise, the improvement will be expensed as maintenance and repairs.

Improvements or betterments that involve replacement of an existing component will be capitalized only when the value or useful life of the asset is increased. In such cases, the value of the replaced component should be deleted to prevent an overstatement of the asset's value.

3.4 Maintenance and Repair

Maintenance and repairs are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition.

Maintenance and repair costs incurred to keep a fixed asset in normal operating condition will be expensed. Maintenance costs are not capitalized and are not recorded as part of the associated asset in the fixed asset record.

Departments are responsible for tracking assets sent for repair to vendors and for maintaining appropriate documentation.

Note: *Improvements and betterments that do not either individually meet the capitalization threshold or add to the asset significantly will be treated as maintenance and expensed.*

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

4 Background for Understanding

The distinction between improvement and betterment is sometimes subject to interpretation; however, the accounting treatment is substantially the same. The critical decision or distinction to be made is whether an expenditure that is related to an existing fixed asset or controlled item qualifies as a cost to be capitalized (improvement or betterment) or as a charge to maintenance expense.

***Note:** The accounting that will occur over the life of an item depends on how the asset was classified as a multiple unit asset. See Section 3 (Multiple Unit Assets).*

As an asset ages and is used, maintenance and replacement to its systems will usually be required. Proper accounting practice calls for retirement and recapitalization if the replacement substantially increases the value of the asset or extends its life; otherwise, the replacement will be expensed. This must be done consistently. How the multiple unit asset is defined will dictate whether the replacement of a subunit or component is handled as a retirement of the subunit and recapitalized (improvement or betterment) or simply charged to maintenance expense.

4.1 Improvements

An improvement introduces a new component that may, in some cases, replace a previously existing component with a superior unit. A project or activity will qualify as an improvement if it involves any of the following:

- The addition of a new component to a previously capitalized asset that either increases the asset's value, extends its useful life, increases its normal rate of output, lowers its operating cost, or increases its efficiency
- The addition of new and separate units or extensions or expansions to noncapitalized assets that increase the asset's value or estimated useful life, such that the original asset, including the addition, now meets the capitalization threshold
- The replacement of a component of an existing capitalized asset with an improved or superior unit, such that the value or useful life of the asset is increased

Examples

- Installation of an air conditioning system where there previously was none
- Installation of a crane on a truck that did not previously have one

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

- Removal of a major part or component of equipment and the substitution of a new part or component that increases either the value or the useful life of the asset
- Addition of a new wing to a building

4.2 Betterment

A betterment materially renovates or enhances a previously capitalized asset without the introduction of a completely new unit. Alterations that change the physical structure of assets (e.g., cutting new entry and exit openings or closing old ones; erecting new walls, windows, and partitions or removing old ones) but neither materially add value to the asset nor prolong its expected life will be charged to maintenance expense.

Examples

- Enhancement of an old shingle roof through the addition of modern, fireproof tiles
- “Major catch-up” repair to or rehabilitation of an existing neglected asset that extends the useful life or increases the value of the asset

4.3 Maintenance and Repair

Maintenance and repairs may be distinguished from improvements and betterments in that maintenance and repairs are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition.

A project or activity will qualify as maintenance if it

- recurs on an ongoing basis (scheduled maintenance) and keeps the asset in a useable condition;
- simply restores a fixed asset to its former condition, addressing normal wear and tear associated with the use of an asset;
- does not add substantially to the value of the asset;
- facilitates asset utilization for its original estimated useful life; and
- does not significantly extend the useful life of the existing asset.

Examples

- Engine overhaul in a vehicle
- Compressor replacement in an air conditioning unit that is not componentized
- Resurfacing roof gravel or reflashings a roof

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

- Painting and similar activities
- Remodeling and rearrangement costs

5 Determining Whether to Capitalize or to Charge an Expense to Maintenance

5.1 Monitoring and Evaluating Expenditures

All purchase orders and goods received related to the repair, maintenance, or enhancement (replacement or partial replacement) of existing fixed assets and controlled items will be monitored and evaluated by each department's operating personnel, purchasing personnel, and/or Fixed Asset Coordinator (FAC) to identify whether the service will be treated as a maintenance or repair expense or a cost to be capitalized in accordance with the criteria set forth in this procedure.

All purchase orders and contracts issued under Capital Improvement Program (CIP) projects, with the exception of those of the Department of Aviation, will be monitored and reviewed by the County Manager to identify whether the service will be treated as a maintenance or repair expense or a cost to be capitalized, in accordance with the criteria in this procedure.

5.2 Expenditures Requiring Capitalization

Expenditures attributable to individual assets involving replacement, partial replacement, or renovation or repair after the asset has been placed in service will be capitalized as either an improvement or a betterment if **all** of the following conditions exist:

- The individual expenditure meets the County's criteria for the capitalization of a fixed asset (including the minimum dollar limit).
- The related original asset has a remaining economic life of at least 1 year after the additional expenditure.
- The expenditure either extends the useful life of an existing fixed asset by more than 1 year, significantly increases a capitalized asset's normal rate of output, significantly lowers a capitalized asset's operating cost, extends or expands an existing asset by significantly increasing its physical size or capacity, or significantly increases the efficiency of an existing fixed asset.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

5.3 Expenditures Charged to Maintenance Expense

Expenditures attributable to individual assets involving replacement, partial replacement, or renovation or repair after the asset has been placed in service will not be capitalized and will instead be charged to maintenance expense under **any** of the following conditions:

- The service is provided in the normal course of maintenance (e.g., scheduled maintenance) of the asset.
- The service is not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition.
- The replacement or partial replacement does not individually meet the capitalization threshold.
- The service is provided for a component or subunit of an asset system that was defined as such with the intent to expense replacements or partial replacements of components or subunits over the life of the asset system.

6 Procedure for Recording Improvements and Betterments in the Fixed Asset Management System (FAMS)

The FAC will establish improvements and betterments in the FAMS as outlined in the following steps. Improvements and betterments will be treated as separate assets with their own fixed asset identification (FAI)/tag numbers and as new costs to be depreciated independently of the base unit or asset system with which they are associated.

1. A parent/child relationship will be established between the improvement or betterment and the base unit with which it is associated. The parent asset will be the base unit to which the improvement or betterment is being made and the child asset will be the improvement or betterment itself.
2. The improvement or betterment will be assigned an asset classification and useful life that is representative of the improvement or betterment by itself, and not of the base unit or asset system of which it is a part.
3. For expenditures that will be capitalized, an FAI/tag number will be assigned to the improvement or betterment and a Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) will be initiated in accordance with Section 5 (Numbering and Tagging Fixed Assets).
4. The FA-1, including the assigned FAI/tag number, will be forwarded to and completed by the FAC to establish the improvement or betterment as a new and separate asset that will be related to its base asset in a parent/child relationship. The general approach will be as

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

outlined in Section 7 (Asset Acquisitions) and in accordance with the following requirements:

- The improvement or betterment will be designated a child asset.
 - The FAI/tag number of the base unit to which the improvement or betterment is being made will be entered as the parent asset number.
 - The acquisition date will be the date of receipt or the date of the motion by County Council accepting final work (for constructed assets), as appropriate.
 - The unit or total cost will be the total cost of the improvement or betterment. If the improvement or betterment is a constructed asset, the cost will be determined in accordance with Section 9 (Constructed Assets).
 - The extended description of the asset will be completed indicating that the asset is an improvement or betterment to an existing asset and describing the nature and specifications of the improvement or betterment.
5. The FAC will determine, in accordance with subsection 7 in this section, whether the improvement or betterment requires that the book value of the replaced component be retired or disposed of to prevent an overstatement of the asset's value. If a partial or full retirement is required in conjunction with the recapitalization, the FAC will initiate additional forms as necessary.
 6. The FAC will sign the completed FA-1 and forward the document to the data entry section to set up the asset record in the FAMS following the general approach outlined in Section 7 (Asset Acquisitions).
 7. The item will be entered in the FAMS as follows:
 - The improvement or betterment will be entered as a new asset. The asset will be designated a child asset, and the asset number of the base unit to which the improvement or betterment is being added will be recorded as the parent number asset on the Add screen.
 - If a retirement is required and the asset being replaced is a component asset, a disposal transaction will be completed in the FAMS.
 - If a partial retirement is required involving an asset system, a financial adjustment transaction will be completed in the FAMS.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 10

Improvements, Betterments, and Maintenance

7 Retirements Related to Replacements and Renovations

7.1 Replacement

The improvement may involve a replacement of a component asset or subunit of an asset system. See Section 3 (Multiple Unit Assets). In such cases, the book value of the replaced component will normally be retired or disposed of as follows to prevent an overstatement of the asset's value:

- If the subunit or component of the asset being replaced is defined as a component asset in the FAMS, the component asset being replaced will always be retired or disposed of as detailed in Section 13 (Retirement and Disposal).
- If the subunit or component of the asset being replaced is defined as an asset system in the FAMS, a determination will be made of the book value of the portion of the asset system being replaced. If the estimated book value of the subunit or component of the asset being replaced is monetarily significant, or the life of the conglomeration is extended, a partial retirement in the form of a financial adjustment will be made in the FAMS to retire the replaced component. If the estimated book value of the subunit or component of the asset being replaced is insignificant, or the life of the conglomeration is not extended, no adjustment for partial retirement will be made.
- If the improvement involves a replacement that does not increase the value of the existing asset, the FAC will expense the cost of the improvement, so that neither the asset record nor the balance sheet asset account will be affected. An FA-1 will not be completed in this case.

7.2 Renovation

If the betterment involves a renovation of a component asset or subunit or portion of an asset system, and the cost or value of the betterment is 75% or more of the current replacement cost of the component asset or asset system being renovated, the original component asset will be retired in accordance with Section 13 (Retirement and Disposal).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 11

Transfer of Fixed Assets

1 Purpose

The purpose of this section is to establish procedures for transferring fixed assets between organizational units or physical locations within a County department or between different County departments. By providing timely reporting of fixed asset transfers, these procedures ensure custodial responsibility, accountability, and the maintenance of accurate fixed asset records.

2 Scope

Both the transferring and receiving entities will appropriately account for transfers of fixed assets, whether they are transfers between departments (interdepartmental transfers) or within departments (intradepartmental transfers).

Interdepartmental transfers will be coordinated between the transferring and receiving departments, as well as with the appropriate Fixed Asset Control Group, for all real property assets, buildings, and equipment with values equal to or greater than \$5,000 or meeting Countywide controlled item classifications. The Fixed Asset Management System (FAMS) assists in providing proper accounting for transfers by distinguishing between inter/intradepartmental and inter/intrafund transfer transactions.

Fixed assets are sometimes transferred between general government funds and proprietary or trust funds. In such cases, the asset transfer is recorded by making offsetting entries to the appropriate asset accounts and to the investment in general fixed assets account by source accounts. The appropriate valuation of such a transferred asset in the receiving entity's accounts must be performed consistently. To avoid distortion of the financial statements, only the depreciated (net book) value of the transferred asset, rather than its original cost, will be reported by the receiving entity.

Transfers between departments within the general fund have no proceeds or gain or loss recorded in conjunction with the transfer in the individual FAMS records of the respective departments.

3 Guidelines

Assets can be transferred from one County department to another. When an active asset in the possession of a County department or department organizational unit (e.g., division, section) changes custodial responsibility or is physically moved from one location to another, a transfer transaction will be recorded in the FAMS.

3.1 *Transfer Due to a Change in Organizational Responsibility*

A change in custodial responsibility (stewardship) will occur when there is a change in organizational responsibility for safeguarding the asset from one department (or organizational unit within a department, such as a division or section) to another that results in a department code field changing in the FAMS.

The level at which transfers will be recorded in the FAMS will be determined based upon the level at which the organization code is established by the department in the FAMS. At a minimum, departments will use the two-digit Financial Management System (FMS) department code followed by valid four-digit FMS organization code.

Examples

- If responsibility for an asset is changed from one department to another, such as from the Police Department to the Health Department, a transfer entry in the FAMS is required.
- If responsibility for an asset is changed from the Supply Division of the Fire Department to the Building Services Division of the Fire Department, and division-level department codes have been assigned in the FAMS, a transfer entry is required.
- If responsibility for an asset is changed from the Warehouse Section to the Ordering Section of the Supply Division of the Fire Department, and department and organization codes are only assigned at the division level, a transfer entry is not required.

3.2 *Transfer Due to a Change in Physical Location*

When a change in the physical location of an asset occurs, the determination of whether a transfer entry in the FAMS is required will depend upon whether the location code adopted by the department has changed. The level at which transfers need to be recorded in the FAMS will be determined based upon the level at which location codes are established by the department in the FAMS. The location code level in the FAMS has generally been defined as a discrete building or structure at a site. When sub location codes (e.g., room numbers) are maintained in the FAMS, transfers between sub locations (rooms) within a location (building) will be required.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 11

Transfer of Fixed Assets

4 Types of Transfers

Note: For clarity, organizations involved in the transfer of an asset will be referred to as follows: The receiving or buying department is the department or organizational unit **receiving** the asset as a result of the transfer. The sending or selling department is the department or organizational unit **sending** the asset as a result of the transfer.

4.1 Departmental Transfer

A departmental transfer occurs when an active asset in the custody of a County department changes organizational responsibility or is physically moved from one location to another, but remains within the same department.

Example

A transfer of an asset between divisions in the Aviation Department

4.2 Mass Transfers/Updates

A mass update transaction is available in the FAMS that will allow departmental transfers to be performed on all assets in the department FAMS that meet the transfer criteria (change in organizational or physical location). A full audit trail is provided for each individual asset included in the mass update transaction.

Example

Changing all organization codes from one code to another in conjunction with reorganization

4.3 Interdepartmental/Interfund Transfer

An interdepartmental/interfund transfer occurs when an active asset in the custody of a County department changes organizational responsibility or is physically moved from one location to a different department in a different fund.

4.4 Interdepartmental/Intrafund Transfer

An interdepartmental/intrafund transfer occurs when an active asset in the custody of a County department changes organizational responsibility or is physically moved from one location to a different department in the same fund (e.g., one general fund department to another general fund department).

Example

A transfer of an asset between Asset Management and the Legal Department (both general fund departments)

4.5 Transfers of Grant Funded Assets

It may be necessary to obtain specific grantor approval prior to the transfer of federal or grant funded assets when it is determined that the fixed asset is no longer needed for the original grant purpose. Use of these fixed assets in other projects will be limited to other federal grant programs or programs that have purposes consistent with the original grant purpose. Guidelines for transfer of grant funded assets, as outlined in Office of Management and Budget (OMB) *Circular A-102* (revised), will apply.

5 Departmental Transfers

5.1 Transfer Procedure

1. The individual or manager responsible for asset custody in the organizational unit sending the asset, or the Department Fixed Asset Coordinator (FAC) if the FAC is coordinating the transfer for the groups, will initiate a Capitalization Form–Disposals/Transfers/Mass Updates (FA-2) requesting the transfer of the fixed asset or controlled item. In Section 4 of the form, the appropriate information identifying the receiving organization (division), location, or sub location will be entered as follows:
 - If the transfer involves a transfer in organizational responsibility, only the *New Division* is entered.
 - If the transfer involves a transfer in physical location, only the *New Location* or *New Sub-Location* is entered.
 - If the transfer involves both a transfer in organizational responsibility and physical location, all of the *New...* fields are entered.
2. Upon receipt of a memo approving the transfer from the receiving organizational unit, the sending manager will forward the memo and the FA-2 to the sending FAC.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 11

Transfer of Fixed Assets

3. The sending department FAC will proceed as follows:
 - Review and confirm the approvals of both the sending and receiving organizations and complete the FA-2.
 - Retain a copy of the FA-2 in a pending transfer file.
 - Forward the approved FA-2 to the receiving organization to arrange for actual delivery and moving of the asset.
 - Monitor the pending transfer file to ensure that expected transfer documentation has been received.
4. The **sending organizational unit** will sign the *Released by* line on the FA-2 at the time the asset is picked up by the receiving organizational unit.
5. Upon delivery of the physical asset, the **receiving organizational unit** will sign the *Received by* line on the FA-2, and return the form, with all required signatures, to the sending department FAC for entry into the FAMS.
6. Upon receipt of the FA-2 from the receiving organizational unit indicating the transfer has been completed, the sending department FAC will verify the transaction date, as appropriate, and forward the FA-2 to the data entry clerk for entry into the FAMS.
7. The FAMS record will be updated following established data entry procedures.

5.2 Related Accounting Transactions

The FAMS will properly reflect the transfer in the financial reports of the department and funds as follows:

- The transfer will be reflected as a reduction in the valuation of assets for the sending organization and an increase in the valuation of assets for the receiving organization.
- The appropriate changes will be reflected in the department and Central Reporting System Net Changes reports.
- The net effect of the transfer transactions will be reviewed by the department and Asset Management for posting at year-end to ensure proper County Comprehensive Annual Financial Report (CAFR) representation of the transfer information.
- Any journal entries required to reflect the net effect of transfers between funds will be made as summary entries for the department at year-end. Departmental responsibility and specific procedures for such entries will be provided by and coordinated with Asset Management.

6 Interdepartmental/Interfund Transfers

When the transfer involves different departments and different funds, a transfer is treated as a disposal by the selling department and an acquisition by the buying department. Special method codes will be recorded to designate these transactions as transfer-type transactions. To ensure accurate County financial accounting, the proceeds and cost basis at which the transaction occurs require special consideration.

6.1 Transfer Procedure

1. The FAC of the department selling the asset will initiate an FA-2 requesting the transfer of the fixed asset or controlled item. In Section 3 of the form, the appropriate information will be entered as follows:
 - Transaction Date – The estimated transaction date for the transfer is entered.
 - Disposal Method – *Dept. Transfer – Interfund* is entered.
 - Reason – *Interdepartmental transfer to XXX Department* is entered, where XXX is the buying department that will receive the asset.
 - Proceeds – The estimated book value (original cost minus accumulated depreciation) of the asset on the transaction date is entered. This will result in a net gain or loss of \$0. A preview book value is displayed when the information is entered in the FAMS.
 - Grant Transfer Records – Any information necessary to satisfy grant transfer recording requirements is entered, as appropriate.
2. The selling department FAC will obtain and attach a memo approving the transfer from the appropriate department management of both departments.
3. The FAMS record will be updated following established data entry procedures.
4. The selling department FAC will retain a copy of the Capitalization Form–Disposals/Transfers/Mass Updates (FA-2) and the FAMS Transfer Summary in a pending transfer file until the transaction has cleared on the receiving department side.
5. The selling department FAC will forward the approved FA-2 to the FAC of the buying department, indicating final selling department approvals, to arrange for actual delivery and moving of the asset.
6. The selling department organizational unit will sign the *Released by* line on the FA-2 at the time the asset is picked up by the buying organizational unit.
7. Upon delivery of the physical asset, the designated and authorized receiving group of the buying department will sign the *Received by* line on the FA-2 and record the

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 11

Transfer of Fixed Assets

transaction in the buying department's FAMS, using the selling department's original FAI/tag number.

8. The buying department's receiving group will forward the selling department's FA-2 (with the FAMS Transfer Summary attached) to the FAC of the buying department.
9. The FAC of the buying department will monitor the pending transfer file to ensure that the expected transfer documentation has been received.
10. The FAMS record will be updated in the selling and buying departments following established data entry procedures.

6.2 Related Accounting Transactions

The FAMS will properly reflect the transfer in financial reports of the departments and funds as follows:

- The transfer will be reflected as a disposal and reduction in the valuation of assets for the selling organization.
- The transfer will be reflected as an acquisition and increase in the valuation of assets for the buying organization.
- The change will be reflected in the Net Changes Report of both departments and funds as a disposal (selling) or an addition (buying).
- The net effect of the transfer, as reflected on accounting reports for the funds involved, will be no gain or loss reported or associated with the transaction.
- No prior depreciation will be reported for the asset in the buying department.
- The net effect of the transfer transactions will be treated by the department and Asset Management as a normal disposal or acquisition for the funds involved. Such transactions, however, will be reviewed at year-end by Asset Management for appropriate and accurate treatment in the FAMS.
- Appropriate departmental billings and transactions will be processed by the departments involved to record the interdepartmental proceeds of the transaction at book value.

7 Interdepartmental/Intrafund Transfers

A transfer is treated as a disposal by the sending department and an acquisition by the receiving department when the transfer involves different departments **in the same fund** (e.g., within the general fund). Special methods will be recorded to designate the transactions as transfer-type transactions. The proceeds and cost basis at which the transaction occurs require special consideration to ensure that the net effect on the fund's overall financial statements is \$0.

7.1 Transfer Procedure

The same procedure will be followed as outlined in subsection 6 in this section with the following exceptions:

- In the *Reason* field for the transaction on the FA-2 requesting the transfer of the fixed asset or controlled item, the FAC of the department sending the asset will enter *Interdepartmental/intrafund transfer to XXX Department*, where XXX is the department that will receive the asset.
- No cost entry is required by the sending department. When the transaction is entered, the FAMS will automatically remove the asset at original cost (and related accumulated depreciation) with no gain or loss reported.

Note: *The intent of this transaction is to move the asset from one department to another with no net accounting effect on the fund.*

7.2 Related Accounting Transactions

The FAMS will properly reflect the transfer in financial reports of the department and fund as follows:

- The transfer will be reflected as a disposal and reduction in the valuation of assets for the sending organization and as an acquisition and increase in the valuation of assets for the receiving organization.
- The net effect of the transfer, as reflected on accounting reports for the fund involved, will be \$0.
- The net effect of the transfer transactions will be reviewed at year-end by Asset Management for appropriate and accurate treatment in the FAMS.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 11

Transfer of Fixed Assets

8 Transfers of Assets via Asset Manager

When a department determines that personal property is surplus, it may, where a need exists, transfer the personal property between organizations within the department, in accordance with subsection 5 in this section.

The Asset Manager will be responsible for the ultimate disposal of County property that is either no longer needed (excess, obsolete) or found to be unserviceable (worn, scrap) by County departments in accordance with County policy and other legal mandates.

1. County departments will transfer surplus personal property to the Asset Manager in Finance under the following categories and condition codes, in accordance with this procedure and Section 12 (Transfer and Removal of Surplus Property):
 - *Excess* – Personal property that is in excess of the department's requirements. Excess personal property is assumed to be serviceable.
 - *Obsolete* – Personal property that no longer meets County specifications or requirements but is in useable condition. Obsolete personal property will be transferred as serviceable.
 - *Worn* – Personal property that performs its functions but does so with excessive or uneconomical repair costs. Worn personal property will be transferred as unserviceable.
 - *Scrap* – Personal property that no longer functions and has no market value except for its basic material content. Scrap is considered unserviceable and will be disposed of in accordance with existing scrap metal/refuse contracts or as otherwise directed by the Director of Finance.
2. Upon demonstrated need on a first-come, first-served basis, the Asset Manager will transfer personal property to County departments. After the FAC of the receiving department initiates a request for transfer, the Asset Manager will process the transfer (as the sending department) in accordance with this procedure and Section 12 (Transfer and Removal of Surplus Property).
3. The asset will be added to the receiving department's FAMS at a cost of \$0 when it meets the criteria for controlled items.

9 Transfers of Federal or Grant Funded Assets

A department will not transfer federal or grant funded assets unless the transfer is allowable in accordance with the guidelines outlined in the Office of Management and Budget (OMB) *Circular A-102* (revised) and the *Uniform Requirements for Grants and Cooperative*

Agreements with State and Local Governments, subject to the specific guidelines of the grantor agency.

Specific regulations can be found in the *Code of Federal Regulations* (CFR). For most grants operated by the County, regulations regarding grant funded equipment disposition can be found in the following areas:

- “Housing and Urban Development” (24 CFR 85.32)
- “Justice” (28 CFR 66.32)
- “Health & Human Services” (45 CFR 74.34)
- “Federal Emergency Management Agency” (13 CFR 13.32)

Note: The Code of Federal Regulations can be found on the Internet at <http://www.access.gpo.gov/near/car/index.html>.

When a transfer of an asset from one grant to another grant is deemed to be allowable, the FAC of the department will initiate and complete the Capitalization Form—Financial Adjustments/Other Changes (FA-3) documenting the transfer from one grant number to another. Section 4 of the form will be completed, indicating the new grant number or reporting category to which the asset is being transferred.

The FAMS record will be updated following established data entry procedures.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 12

Transfer and Removal of Surplus Property

1 Purpose

The purpose of this section is to establish an effective surplus and salvage procedure that provides for cost-effective utilization of County-owned personal property through salvage, reclamation, or disposal of surplus supplies, materials, equipment, and confiscated property^[KR17]. This section also establishes a central receiving, storage, and disposition point within Finance for all inquiries or requests concerning disposable materials.

2 Scope

Methods for the disposal of personal property items that are excess, obsolete, worn, or scrap and for maximizing the benefits or return to the County through reuse, sale, or other final dispositions are included in this procedure.

This procedure applies to all County departments and should be used to determine the most efficient and economical means of utilizing and/or disposing of personal property items. This procedure supersedes *Administrative Procedure 7-3*, dated March 5, 1993 and *Materials Management Operating Procedure*, dated March 1, 1995.^[KR18]

Other applicable County ordinances, policies, and procedures should be used in conjunction with this procedure. See also Section 11 (Transfer of Fixed Assets) and Section 13 (Retirement and Disposal).

3 Responsibilities

3.1 Finance

- Establishes a cost-effective, Countywide property-disposition program for equipment and personal property items, as required by County ordinance.
- Ensures compliance with this program.
- Manages the final disposition of County surplus, including collection, transfer, redistribution and disposal and obtains County Council approval as required.
- Establishes an inventory of accountable personal property items that have been physically transferred for disposition. Minimally, this inventory will include descriptions, receipt dates, and methods of disposal or redistribution.
- Ensures that all personal property items that have been transferred for disposition are made available to County departments.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 12

Transfer and Removal of Surplus Property

3.2 Strategic Purchasing Division

When approving purchases, considers the availability of useable surplus personal property items to avoid duplicate purchases of equipment, supplies, and materials.

3.3 Departments

- Ensure that all personal property items within the department's custody are disposed of in accordance with this procedure, unless otherwise authorized by an ordinance or an exemption approved by the Director of Finance.
- Ensure that property custodians are assigned to adequately monitor the security, utilization, and disposition of personal property in the department's custody.
- Establish procedures to ensure that sensitive data files and licensed software are protected and removed upon transfer of personal property items, such as personal computers and other electronic data processing equipment.

4 Forms

4.1 Request for Transfer of County Surplus Property--Transfer or Disposal of Surplus Material (FA-97)

This is an all-purpose form used to document the physical transfer of property between accounts or to departments or surplus warehousing facilities.

4.2 FAMS Transfer Summary

This is a system-generated form that provides complete record data for the transfer of fixed assets and controlled items.

5 Procedure

1. The division or section will send capitalization and disposal forms to the Department Fixed Asset Coordinator (FAC) requesting disposal.
2. The FAC will generate a detailed Asset Listing Report for each fixed asset and controlled item and return the complete package back to the disposing division. The FAC is responsible for determining if property is worn or to be considered scrap and disposed of in accordance with existing scrap metal/refuse contracts or as otherwise directed by the Director of Finance. See also Section 13 (Retirement and Disposal).
3. The division may call the Asset Manager to schedule pickup or delivery.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 12

Transfer and Removal of Surplus Property

4. During pickup or delivery, the Asset Manager will verify all authorized items on the FA-97 and send a signed copy to the FAC.
5. Upon verification of the FA-97, the Asset Manager will add the assets to the FAMS using information from the Asset Listing Report provided and established data entry procedures.
6. Upon receipt of the signed FA-97 from the Asset Manager, the FAC will enter the disposal of the assets in the FAMS, generate a Disposal Summary, and send a copy to the section or division responsible for the assets.

6 Property Redistribution

Surplus property items transferred to the Asset Manager will be redistributed on a first-come, first-served basis when documentation is approved by the requesting department director or designee.

Departments receiving property from the Asset Manager will assign a new FAI/tag number to the item, in accordance with Section 5 (Numbering and Tagging Fixed Assets). The department will add the item to the department FAMS with a value of \$0 if the property meets the definition of a fixed asset or controlled item with the exception of value. The acquisition date recorded in the department FAMS will be the date the property was transferred.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 12

Transfer and Removal of Surplus Property

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

1 Purpose

The purpose of this section is to govern the removal of a fixed asset or controlled item from the custodial department's records and to account for the resulting gain or loss. To achieve this purpose, procedures are provided for processing and recording retirements and dispositions of fixed assets and controlled items.

2 Scope

All fixed assets and controlled items that are sold, exchanged, traded in, abandoned, donated, stolen, damaged beyond repair, worn beyond utilization, or in any way removed from service and disposed of during the current fiscal reporting period will be recorded as retirements in the Fixed Asset Management System (FAMS). This procedure will be used in conjunction with Section 11 (Transfer of Fixed Assets) and Section 12 (Transfer and Removal of Surplus Property) and Fleet Management procedures for vehicle disposals to ensure proper recording of retirements and disposals in the FAMS.

Retirements of assets include the reduction of both fixed asset and accumulated depreciation accounts. In addition, depending upon the method of disposition and the amount of proceeds or other compensation received by the fund, a gain or loss on the disposition may be reflected in the fund's financial statements.

3 Responsibilities by Major Asset Category

3.1 Land, Buildings, and Other Real Estate

The Projects Coordinator and the Director of the custodial department will coordinate and process the retirement and disposal of all land, buildings, related improvements, and other real estate assets.

The department will record the disposal and any related proceeds in the department FAMS.

3.2 Vehicles and Rolling Stock

Fleet Management will coordinate and process the retirement and disposal (including sales) of all vehicles and rolling stock assets.

The department will record the asset with an *idle/pending sale* status in the department FAMS when the vehicle or rolling stock asset is turned over to Fleet Management for disposal. Fleet Management will provide the department with a disposal transaction and any related proceeds for processing in the department FAMS once the disposal process is complete.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

3.3 *Other Equipment*

The director of the custodial department, either working with the Asset Manager or alone (with appropriate approvals or in accordance with this procedure), will coordinate and process the retirement and disposal of all other County assets.

3.3.1 Asset Manager

- Is responsible for the ultimate disposal of County property (except as specified above) that is either no longer needed (excess, obsolete) or found to be unserviceable (worn, scrap) by County departments, in accordance with County policies and other legal mandates.
- Takes possession of the property from the department through transfer and attempts to transfer the property to another County department in need, sell the asset through bid or auction, or otherwise dispose of the property, in accordance with County policies and procedure.
- If proceeds result from the disposal, ensures that revenue is properly assigned in accordance with this procedure.

3.3.2 Department Directors

- Identify and process appropriate assets for retirement or disposal through trade-in, transfer to the Asset Manager, scrap metal/refuse contracts or sale—only with the approval of the Director of Finance.
- Record lost or stolen property in the department FAMS.
- If proceeds result from the disposal, assign and record the proceeds to the specific asset retired (if identifiable) in the department FAMS, in accordance with established data entry procedures.
- Review trends and analyze asset disposals on a regular periodic basis to determine the proper use of resources to the full extent of their useful lives.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

4 Disposal Criteria

Departments will minimize stocks of surplus property. Fixed assets and controlled items in the following categories will be retired or disposed of in the FAMS:

- *Excess* – Fixed assets or controlled items that are no longer needed (in excess of the department's requirements) but are still serviceable or useable.
- *Obsolete* – Fixed assets or controlled items that no longer meet department specifications or requirements but are still serviceable or useable.
- *Worn* – Fixed assets or controlled items that may still be operable but require excessive maintenance or repair (cost, manpower) to remain in an operable condition.
- *Damaged or Destroyed* – Fixed assets or controlled items that are not operable due to damage or accident and would require excessive repair (cost, manpower) to return the asset to serviceable condition.
- *Scrap* – Fixed assets or controlled items that no longer function, are unserviceable and have no market value except for their basic material content.
- *Lost or Stolen* – Fixed assets or controlled items that are assigned to or acquired by a department but have been lost or stolen and deemed unrecoverable.

5 Disposal Methods

Fixed assets or controlled items will be retired or disposed of in the FAMS using one of the following methods^[KR19] :

5.1 Departmental, Interdepartmental, or Intrafund Transfer

Excess or obsolete fixed assets or controlled items that are no longer required by one County department (sending department) will be transferred either to another group within the same department or to another County department in need (receiving department), in accordance with Section 11 (Transfer of Fixed Assets), if a department in need can be immediately identified by the sending department.

5.2 Transfer to the Asset Manager

Excess or obsolete fixed assets or controlled items that are no longer required by one County department will be transferred to the Asset Manager if another County department in need is not immediately identifiable, in accordance with Section 11 (Transfer of Fixed Assets).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

5.3 Sale

Fixed assets or controlled items will be sold whenever reasonable proceeds from such a process are anticipated. Sale and pricing methods will be subject to the approval of the Director of Finance and may include direct negotiation, sealed bid invitation, spot bidding, fixed-price sale, public auction, or out-of-cycle sale. Sales will be conducted by the Asset Manager, except where departments obtain specific approval from the Director of Finance .

5.4 Trade-In

Fixed assets or controlled items that are traded in or exchanged for a similar asset will be recorded as a sale (original asset) and acquisition through purchase (new asset) by the department in the FAMS.

5.5 Return to Supplier for Credit

Excess or obsolete fixed assets or controlled items may be returned, if possible, to the vendor from whom they were originally purchased.

5.6 Lost or Stolen

Fixed assets or controlled items that have been lost or stolen and that have been properly recorded and deemed unrecoverable, in accordance with subsection 11 (stolen) or subsection 12 (lost) in this section, will be retired.

5.7 Scrap

Fixed assets or controlled items that have been transferred to the Asset Manager and are found to be damaged, destroyed, or in any other way having no recoverable value will be accumulated and disposed of in accordance with existing scrap metal/refuse contracts or as otherwise directed by the Director of Finance.

Department Directors may authorize the disposal of fixed assets and controlled items in accordance with existing scrap metal/refuse contracts with appropriate justification and recommendation from the FAC or as otherwise directed by the Director of Finance.

5.8 Donation

Surplus property items that have been transferred to Asset Manager, with an estimated market value of \$25 or less as determined by the Director of Finance and Administration, may be donated to a nonprofit corporation or government entity in accordance with procedures established in this section, for use in providing services benefiting the residents of the county

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

or may be destroyed as scrap. Items with a market value of \$25 or less may be donated or destroyed only if the cost of maintaining the item in inventory or the probable cost of attempting to sell the item exceeds the market value of the item as determined by the Director of Finance and Administration.

Asset Manager will establish procedures, approved by the Director of Finance to donate surplus items to nonprofit corporations and government entities on a first-come-first-served as-is-where-is basis. Surplus items that may have low market values or high cost of warehousing and inventorying include, but are not limited to, used and soiled clothing and obsolete used cell phones. Asset Manager staff may identify other items at any time.

6 General Disposal Procedure

1. Upon determination that a fixed asset or controlled item is either no longer needed or found to be unserviceable, as applicable to the criteria in subsection 4 in this section, the Department Fixed Asset Coordinator (FAC) will determine the appropriate method of retirement or disposal of the asset.
2. The FAC will obtain the necessary approvals and authorizations (e.g., memos, director approvals) associated with the proposed disposal method.
3. The FAC will initiate and process the appropriate forms required under Section 11 (Transfer of Fixed Assets) and Section 12 (Transfer and Removal of Surplus Property) and the appropriate FAMS capitalization form, and will follow the corresponding procedure for the transaction.
4. The Asset Manager will attempt to dispose of any and all excess or obsolete property in a manner that provides maximum benefit to the County, either through transfer of the property to other County departments in need or through transactions that provide the County with proceeds from the disposal.
5. The FAC will record the retirement of all assets (except vehicles and rolling stock), including any proceeds, in the department FAMS in accordance with established data entry procedures.
6. The final disposal of assets will be entered in the Asset Manager FAMS following established data entry procedures.

7 Disposal by Transfer to the Asset Manager

Excess or obsolete fixed assets or controlled items that are no longer required by one County department will be transferred to the Asset Manager if another County department in need is not immediately identifiable. Refer to Section 12 (Transfer and Removal of Surplus Property).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

7.1 Disposal Procedure

1. When a department division or section identifies assets qualifying as excess or obsolete, the division manager will issue a written disposition request to the FAC.
2. The FAC will first determine whether another organizational unit within the department has use for the asset or whether another County department is in need of the asset. If a need is identified within the department or in another County department, the FAC will consider an asset transfer and obtain approval in accordance with Section 11 (Transfer of Fixed Assets).
3. The FAC will submit a proposed schedule of assets to be disposed of to the department director for approval using a Request for Transfer of County Surplus Property—Transfer or Disposal of Surplus Material (FA-97) in accordance with Section 12 (Transfer and Removal of Surplus Property).
4. The FAC will sign and forward the FA-97 to the FAMS data entry clerk, who will print the asset listing.

Note: *Assets may not be disposed of until after inspection and acceptance by the Asset Manager.*

5. The FAC will notify the Asset Manager and coordinate the removal of the asset to the Asset Manager in accordance with Section 12 (Transfer and Removal of Surplus Property).
6. The asset listing will be forwarded along with other required documentation to the custodial division moving the asset. The FA-97, containing an inventory listing of the items being transferred, will accompany the delivery.
7. The Asset Manager will review and note discrepancies or changes on the asset listing, paying particular attention to the condition of the asset.
8. The custodial division will sign the *Released by* line on the FA-97 when the asset is received by the Asset Manager.
9. Upon delivery of the physical asset, the designated and authorized receiving group of the Asset Manager will sign the *Received by* line on the FA-97, acknowledging receipt of the asset, and will record the transaction in the Asset Manager surplus inventory system using the sending department's original FAI/tag number.
10. The department copy of the signed FA-97 will be forwarded by the custodial division to the FAC, along with the signed asset listing showing the actual delivery date.
11. The department data entry clerk will update the FAMS to reflect the changes on the asset listing, following established data entry procedures.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

12. The FAC will retain a copy of the asset listing in a pending transfer file until the transaction has cleared on the receiving department side.
13. The sending FAC will close out the transfer in the department's pending transfer file. (The sending department will require no further FAMS entries.)
14. The item will be entered in the Asset Manager FAMS following established data entry procedures.

7.2 Related Accounting Transactions/Net Effect

- The asset will be retired from the FAMS of the sending department at book value (\$0 proceeds) and any loss will be recorded.
- The asset will be acquired in the FAMS of the Asset Manager at \$0.
- No depreciation will be reported for the assets in the Asset Manager.
- The department recording the interdepartmental transfer to the Asset Manager will process no departmental billings or transactions.

8 Disposal by Sale

8.1 Vehicles and Rolling Stock

All rolling stock approved for sale by the department director will be sold at auction by Fleet Management, based on the disposition request from the custodial department and in accordance with the procedure below [KR20] .

Note: Refer to Fleet Management policies and procedures for specific information covering disposals of rolling stock.

8.1.1 Disposal Procedure

1. Department directors will approve the retirement or disposal of all vehicles and rolling stock in their custody. In evaluating the retirement of a vehicle or rolling stock asset, consideration will be given to the criteria outlined in subsection 4 in this section.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

2. The FAC or DVC will complete an Equipment Assignment/Form A/Disposal Data Sheet (ES-1) to be approved by the department director or a designee and forwarded to the County's contract auctioneer. The vehicle status indicated on the form will be *sell*.
3. The County's contract auctioneer will forward the ES-1 to Fleet Management upon receipt and acceptance of the unit, in accordance with Fleet Management procedures.
4. The FAC or DVC will arrange for the custodial division to transport the vehicle to the contract auctioneer's facility. The ES-1 and other documentation will be provided to the custodial division for signatures of release and receipt.
5. The FAC will maintain a copy of the ES-1 and asset listing in a pending sale file.
6. The custodial division will complete Section 3 of the ES-1 at the time the asset is released for transport. The status indicated on the form will be *sell*.
7. Upon delivery of the vehicle, the auctioneer's representative will sign at the appropriate location in Section 3 on the ES-1.
8. A copy of the signed ES-1 will be forwarded to Fleet Management for verification and processing. The vehicle will remain the department's responsibility while it is in the custody of the auctioneer for safekeeping, pending final sale.
9. Upon sale of the vehicle, Fleet Management will obtain all sales information within 5 working days, including sales price, shop number, commission, and any disposition costs incurred.
10. Fleet Management will collect and verify any proceeds received and provide this information (upon request) to the sending department in a Vehicle Disposal Proceeds memo.
11. Fleet Management will update the Fleet Management system asset record to reflect the actual sales information.
12. Monthly, the department will receive a monthly vehicle file (via diskette or over the WAN network) from Asset Management that includes all vehicle disposals for the department. The FAC may obtain additional information for the Capitalization Form-Data Entry Form Fixed Asset Acquisitions (FA-1) from the DVC.
13. The FAC will import and process the monthly vehicle file into the FAMS following established data entry procedures.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

8.1.2 Related Accounting Transactions/Net Effect

- The asset will be retired from the FAMS of the sending department, the proceeds recorded, and any gain or loss computed.
- Proceeds will be assigned directly to the asset being sold in the department FAMS.
- Fleet Management will transfer the sales proceeds for the unit, less associated costs, to the department *Sale of Obsolete County Vehicles Revenue* account (#8515) within 10 working days from the date of the sale.

8.2 Land, Buildings, and Other Real Estate

8.2.1 Disposal Procedure

1. The department director will notify the Purchasing Department and request the disposal of the property in accordance with County Charter and ordinance requirements.
2. Prior to initiating the sale process, the Purchasing Department will circulate a listing of surplus County property to the operating County departments to determine whether such property might be needed to support a current or planned County program. If there is a need for the property within the County, a transfer will be completed in accordance with Section 11 (Transfer of Fixed Assets).
3. If there is no anticipated County use for the surplus property, the Purchasing Department will arrange for an appraisal to establish a fair market value for the land and present the proposed sale to the County Council^[KR21] for approval of an auction or bid sale.
4. The sale will be conducted in accordance with policies, procedures^[KR22], .
5. Offers will initially be presented to the County Managers Department for acceptance and approval. Once an approved offer to buy is received and accepted, a proposal and sales agreement will be presented by the Managers Office to County Commission for approval. If the proposal and sales agreement are approved by County Commission, the sale transaction will be completed in accordance with policies and procedures.
6. The Purchasing Department will forward to the Project Coordinator a copy of the final sales agreement, including the final sales price and any selling costs.
7. The FAC will initiate a Capitalization Form–Disposals/Transfers/Mass Updates (FA-2) to process the disposal.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

8. The FAMS record will be updated following established data entry procedures.

8.2.2 Related Accounting Transactions/Net Effect

- The asset will be retired from the FAMS of the sending department, the proceeds recorded, and any gain or loss computed.
- Proceeds will be assigned directly to the asset being sold in the department FAMS.
- The T r e a s u r e r s D e p a r t m e n t will deposit the funds when they are received from the buyer and will credit the department revenue account specified in the documentation submitted with the Request for Committee Action (RCA) to authorize the sale.

8.3 Machinery and Equipment

The sale of surplus machinery and equipment is completed by Finance Asset Manager. Circumstances with certain types of equipment may require the coordination between the selling department and Asset Manager to sell and dispose of the equipment on [site](#)^[KR23].

8.3.1 Disposal Procedure

1. An FA-2 to process the disposal will be initiated and completed by the FAC.
2. The department will determine if a need exists for the equipment within the department or within the County. If no need exists, the department will contact the Asset Manager to coordinate the sale of the asset and to determine if the asset should be transported to the warehouse facility or sold on site.
3. Procedures for the transfer of surplus assets to the warehouse to be sold are outlined in Section 12 (Transfer and Removal of Surplus Property). If the on-site sale option is chosen, the remaining steps below should be followed.
4. Asset information will be provided to the Asset Manager for advertising purposes. The department or the Asset Manager may identify potential buyers for appropriate contact prior to the sale.
5. Assets will be made available for viewing during regular business hours prior to the sale.
6. If the sale of the asset is to another government entity, appropriate documentation and revenue account information must be submitted with the Request for [Council](#)^[KR24] Action (RCA) to authorize the sale.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

8.3.2 Related Accounting Transactions/Net Effect

- The asset will be retired from the FAMS of the selling department, the proceeds recorded, and any gain or loss computed.
- Proceeds will be assigned directly to the asset being sold in the department FAMS.

9 Disposal by Trade-In

All trade-ins, as dispositions of County property, must be detailed and presented to Procurement Services for approval as a part of the purchase of the new equipment.

9.1 Disposal Procedure

1. An FA-2 to process the disposal will be initiated and completed by the FAC.
2. The trade-in will be processed as a disposition through sale, as outlined in subsection 8 in this section.
3. When the disposal involves an exchange (a trade-in of similar assets with no cash differential), the cost of the acquired asset will be recorded at the book value of the surrendered asset, and the FAMS record will be updated following established data entry procedures.
4. When the disposal involves a trade-in of assets with a cash differential, the acquired asset is recorded as the sum of the book value of the asset surrendered plus the cash paid. The FAMS record will be updated following established data entry procedures, and the new item will be added to the FAMS at its original cost before the trade-in allowance.

9.2 Related Accounting Transactions/Net Effect

- The asset being traded in or exchanged will be retired from the FAMS at book value net of any trade-in allowances (as proceeds), and any gain or loss will be recorded.
- The new acquired asset will be recorded at its original cost before trade-in allowances.

10 Disposal by Return to Supplier for Credit

10.1 Disposal Procedure

When a disposal involves obsolete property that has never been used (e.g., spare parts), the FAC will attempt to return the merchandise to the vendor from whom it was originally purchased. Specific procedures for such returns, including required approvals, will be provided by the Purchasing Department.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

Upon approval, the FA-2 to process the disposal will be initiated and completed by the FAC in similar manner to a sale transaction. The FAMS record will be updated following established data entry procedures.

10.2 Related Accounting Transactions/Net Effect

The asset will be retired from the department or Asset Manager FAMS with proceeds in the amount of the credit provided by the vendor.

11 Disposal of Stolen Assets

11.1 Disposal Procedure

1. The custodial division will notify the FAC immediately, documenting the status of the item, when there is evidence of theft or belief that the item has been stolen.
2. When an asset is identified as stolen, the FAC will file a police report within 24 hours of the discovery. The report will contain the following information:
 - Tag number (if known)
 - Asset description
 - Date that the asset was reported missing
 - Any additional pertinent information regarding the loss or disappearance
3. An FA-2 to process the disposal will be initiated and completed by the FAC.
4. The FAMS record will be updated following established data entry procedures and will include the following information:
 - *Transaction Date* – Today's date
 - *Disposal Method* – Stolen
 - *Proceeds* – \$0
 - *Gain/Loss Book Value* – (Calculated; no entry)
 - *Reason* – Police case number

11.2 Related Accounting Transactions/Net Effect

The asset will be retired from the department FAMS at book value (\$0 proceeds).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

12 Disposal of Missing Assets

12.1 Disposal Procedure

1. When an asset is identified as lost or unconfirmed during the physical inventory process, the custodial division will inform the FAC of the following:
 - Tag number (if known)
 - Asset description
 - Date that the asset was reported missing
 - Any additional pertinent information regarding the loss or disappearance
2. The item will be transferred in the FAMS to the designated location for unconfirmed property. The FAMS record will be updated following established data entry procedures and physical inventory instructions. The *Transaction Date* will be the date the asset was found missing. The asset will remain at this location until the next inventory is completed.
3. Any assets found will be transferred to the department location.
4. The division will explain in detail why the missing items cannot be located, supply applicable supporting documentation, and recommend to the department director either that these items remain active in the system or that their status be changed to *inactive* (dispose).
5. The missing items should not remain active in the FAMS for more than two inventory cycles.

12.2 Related Accounting Transactions/Net Effect

The asset will be retired from the department FAMS at book value (\$0 proceeds).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

13 Disposal of Damaged, Destroyed, or Cannibalized Assets (Including Scrap)

13.1 Disposal Procedure

When an asset of significant value sustains major damage by natural causes, accident, vandalism, etc., and, in the judgment of the manager of the custodial division or section, the estimated costs of repairs are great enough to raise a question as to whether the asset should be repaired or disposed of, the following procedure will apply. (This procedure also applies to nonworking or damaged assets that are cannibalized for parts.)

1. An asset identified by the division as damaged will be brought to the attention of the FAC by a memo.
2. The FAC will provide the director with recommendations for handling the damaged asset (e.g., a repair or disposal decision based on cost-benefit analysis).
3. The director will decide upon the appropriate action for the damaged item.
4. If the asset cannot be returned to service, the FAC, with the approval of the department director, may transfer the asset to the Asset Manager (see subsection 7 in this section for final disposal) or accumulate and dispose of in accordance with existing scrap metal/refuse contracts.
5. Fixed assets or controlled items that have been transferred to the Asset Manager as excess or obsolete and are found to have no recoverable valuable will be deemed to be *scrap* and will be accumulated and disposed of in accordance with existing scrap metal/refuse contracts or as otherwise directed by the Director of Finance.

13.2 Related Accounting Transactions/Net Effect

The asset will be retired from the department FAMS at book value (\$0 proceeds).

14 Abandonment of Fixed Assets

14.1 Disposal Procedure

1. If a department identifies an asset (e.g., during the physical inventory process) that has been abandoned but not recorded as idle or surplus in the FAMS, the custodial division will issue a memo to the FAC detailing the following:
 - Asset description
 - Tag number (if any)
 - Location code

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

2. If research determines the department has not formally acquired the asset, it will be deemed abandoned property and will be reported to Finance.
3. If no other County department claims a physical inventory exception for the item, the FAC will submit a recommendation of action to the department director to transfer the abandoned property to the Asset Manager.
4. Upon approval, the abandoned property will be transferred to the Asset Manager in accordance with the general procedure outlined in subsection 7 in this section.

14.2 Related Accounting Transactions/Net Effect

Since the property is not recorded in the FAMS, no disposal entry will be made in the sending department FAMS.

15 Disposition of Federal and Grant Funded Assets

No disposition of federal or grant funded assets will be initiated unless it is allowable in accordance with the guidelines outlined in the Office of Management and Budget (OMB) *Circular A-102* (revised) and the *Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments*, subject to the specific guidelines of the grantor agency.

Additionally, no disposition of federal or grant funded assets will be initiated unless the County's grant program administrator and the department director of the grantee department have given prior approval to such disposition.

If proceeds result from the disposition through sale of grant funded property, the FAC, working with the department grants administration, will ensure that proper notifications are provided to and instructions and approvals obtained from the grantor agency concerning how proceeds are to be handled. Depending upon the grantor agency or source involved and the dollar level of the proceeds, funds may or may not need to be returned or credited to the grantor agency or source.

Where possible and allowable upon the closing of a grant, the County will seek to transfer the property to another allowable grant in lieu of sale or other disposition method.

16 Disposition of low value items by Donation

Property Asset Manager may receive surplus items with an estimated market value of \$25 or less. These items will be made available for donation to nonprofit corporations or government entities providing services benefiting the residents of the county. The following items must be completed prior to any transfer of surplus items by donation.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 13

Retirement and Disposal

- A memo from Asset Manager to the Director of Finance identifying items with low market value and Director must approve inventory of items to be made available.
- A written request from nonprofit corporation or government entity on letterhead signed by a representative duly authorized to make such a request and describe the program(s) that will benefit from the donation. Proof of nonprofit status must be attached to letter.
- A release form, identifying surplus property items being transferred and signed by receiving organization, will be designated by Asset Manager.

Surplus property items will be made available on a first-come-first-served and as-is-where-is basis. Organizations may be contacted directly by the Asset Manager to advise them of availability of surplus items that may benefit their programs according to types of surplus items and known programs.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

1 Purpose

The purpose of this section is to establish procedures for conducting and reporting the periodic physical inventory of departmental fixed assets and to ensure the accuracy of departmental fixed asset records.

2 Scope

County departments will maintain accountability for their equipment and establish current and accurate fixed asset physical inventory records by conducting physical inventories under the coordination of Finance.

Annually, or at other intervals established by Finance, a complete physical inventory of all County fixed assets and controlled items will be conducted and the results reconciled with the asset records. Additionally, the Office of Management and Budget (OMB) *Circular A-102* (revised) requires that the County conduct a physical inventory of all grant or federally funded assets at least biennially. The inventory of grant funded assets will verify the existence, current use, and continued need for the property. These requirements will be achieved through adherence to the County's physical inventory policies, as outlined in this section.

3 Responsibilities

3.1 Departments and Department Fixed Asset Coordinators (FACs)

- Coordinate the physical inventory with Finance to ensure that it is completed within the scheduled time frame.
- Conduct a thorough inventory in accordance with the Fixed Asset Management System (FAMS) procedures presented in this section.
- Reconcile any exceptions to ensure that the inventory result provides a complete accounting of all assets recorded in the department FAMS.
- Document the inventory results and forward a written report, signed by the department director, to the Director of Finance, indicating completion of the inventory and any exceptions.

3.2 Finance

- Establishes general FAMS procedures and an inventory schedule that includes all departments and causes the least amount of disruption to normal operations.
- Ensures that the FAMS has appropriate functions and reporting to assist departments in conducting and reconciling the inventory.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

- Assists departments in investigating and resolving all significant differences between the current physical inventory and the existing asset files.
- Reviews and compiles final inventory results of all departments and submits these results to the Mayor and the County Controller.

4 Inventory Frequency

Finance will establish physical inventory intervals and schedules for the inventory of all fixed assets and controlled items. All departments will perform physical inventories in accordance with these established inventory schedules.

At a minimum, capital asset will be inventoried during even-numbered fiscal years, and all assets, capital and controlled items, will be inventoried during odd-numbered fiscal years.

5 Conducting the Physical Inventory

5.1 Inventory Schedule

Finance will require an inventory completion schedule from all departments. Each FAC will coordinate the inventory process with the assistance of Finance.

5.2 General Procedure

1. Once a location has been selected for physical inventory, the FAC prepares an Inventory Worksheet for the location. Printing the worksheet serves two purposes:
 - It identifies the batch within the FAMS that will be used for comparison with the batch of assets found in the bar code reader inventory.
 - It provides a “walking document” to help identify and locate the assets that need to be inventoried at the location.
2. Designated department personnel will conduct the actual inventory as follows and record observations in the bar code reader:
 - The inventory taker will initial the worksheet (as the inventory taker) for the location being inventoried.
 - The bar code tags of all of the assets found with County tag numbers at that location will be scanned, indicating the quantity observed. (This value is generally 1, but will be greater for group control assets.)
 - If a tag cannot be scanned because it is damaged or dirty, the tag number will be manually entered and subsequently replaced (see subsection 8 in this section).

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

- Any items found at the location that do not have a County tag number, are not listed on the worksheet, and are not personal property will be tagged and recorded as well.
 - Nontagged assets (e.g., buildings, land, improvements) will also be inventoried, and the ownership, location, and status of these assets will be verified.
3. After collecting the inventory data, the inventory results in the bar code reader will be uploaded and compared to the FAMS for reconciliation and exception processing.
 4. Any exceptions in the inventory findings will be identified by comparing the field inventory results with the asset information in the FAMS. When field results for an asset are the same as the information in the FAMS master file, the asset will be updated as *reconciled* and the date of the inventory recorded in the asset record. If there is a discrepancy between the field inventory information for an asset and the FAMS master file, the record will be marked as an exception that will need to be reconciled.
 5. An Inventory Exceptions Report with the following exception categories will be prepared for processing by the FAC:
 - Exceptions involving location discrepancies within the department
 - Exceptions where the asset was found during the inventory but is not in the FAMS database
 - Exceptions where the asset is in the FAMS database but was not found during the inventory

Note: *Additional steps and procedures for conducting the inventory are detailed in the FAMS User Manual.*

6 Reconciliation Results and Actions

1. The FAC will obtain and review the Inventory Exceptions Report to determine and recommend appropriate action.
2. Exceptions involving location discrepancies within the department will be cleared through departmental transfer transactions, in accordance with established procedures, based on the approval and authorization of the FAC.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

3. Exceptions where the asset was found during the inventory but is not in the FAMS database will be handled as follows:
 - If research determines that the asset was formally acquired and is properly in the custody of the department, but has not been recorded in the FAMS as an acquisition, the exception will be cleared through an acquisition transaction, in accordance with established procedures, based on the approval and authorization of the FAC.
 - If research determines that the asset has not been formally acquired by the department, and a County FAI/tag number is affixed to the asset, the FAC will contact Finance Asset Management to determine whether the “owner” department can be located based on an inquiry (by asset number) in the Central FAMS Reporting Database. If the department can be identified, the FAC will arrange for the return of the property to the owner department. If the department cannot be identified, the asset will be deemed abandoned property and will be reported to Finance for inclusion in a Countywide Abandoned Assets Report.
 - If research determines that the department has not formally acquired the asset, and a County FAI/tag number is not affixed to the asset, it should be tagged and added to the FAMS.
4. Exceptions where the asset is in the FAMS database but was not found during the inventory will be handled as follows:
 - The asset will be transferred to a missing location in the FAMS with the fiscal year noted.
 - The FAC will make every attempt to locate the asset, including reviewing any available Countywide reports that may assist in determining its location. The department will continue attempts to locate the lost or unconfirmed asset during the following inventory cycle.
 - If the asset cannot be located after the following inventory cycle, the FAC will follow the procedures for a missing asset outlined in Section 13 (Retirement and Disposal).
5. For those exceptions that can be resolved, the appropriate reconciliation transactions will be entered into the FAMS (Transfer, Add, Disposal, etc.). Once reconciled, the asset will be updated as *reconciled* and the date of inventory and the reconciliation date will be recorded in the asset record.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

7 Reporting Final Results

The Director of Finance will submit an inventory report covering all department inventories to the Mayor and the County Controller. The report will document the following:

- All confirmed and unconfirmed assets
- Department inventory results and related asset values
- Items changed to *inactive* status

8 Damaged or Defaced Tags

1. Items with damaged or defaced tags will be reported to the FAC. The physical inventory information will be verified against the fixed asset inventory report to confirm the identification of the asset.
2. The FAC will issue a new tag number in accordance with established procedures.
3. The custodial section will sign and return the retagging notice to the FAC, confirming that the new tag has been affixed to the asset.

9 Grant Funded Assets

A physical inventory will include verification of the existence, location, current use, and continued need for grant funded property. Physical data for grant funded assets will be reconciled with the FAMS records following the same procedures used for other fixed assets.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 14

Physical Inventory

This page is intentionally left blank.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

1 Purpose

The purpose of this section is to establish period processing procedures and reporting requirements for the Fixed Asset Management System (FAMS) and to define the guidelines for maintenance, retention, and disposition of fixed asset records.

2 Scope

Concerning the reporting of fixed asset information, the County must comply with reporting and disclosure requirements in accordance with current Generally Accepted Accounting Principles (GAAP) for governmental entities, including pronouncements of the Governmental Accounting Standards Board (GASB), the *Codification of Governmental Accounting and Financial Reporting Standards*, pronouncements of the Financial Accounting Standards Board (FASB), and other authoritative literature codifying governmental accounting principles and methods, as well as recommendations contained in *Government Accounting, Auditing and Financial Reporting* published by the Government Finance Officers Association (GFOA). Refer to the *FAMS User Manual* for specific periodic and year-end processing procedures and the list of available reports.

3 Periodic Procedures

3.1 Monthly

Prior to month-end, departments will be responsible for timely entry and review of all transactions that have occurred during the period, as specified in these procedures. These transactions include, but are not limited to the following:

- Additions (acquisitions)
- Disposals
- Transfers
- Financial adjustments
- Status changes (*idle, active*)
- Inventory results and reconciling transactions
- Other adjustments (parent-child relations, asset number changes)

The Fixed Asset Coordinator (FAC) will be responsible for ensuring that the FAMS is backed up regularly for security purposes, but in no circumstances will backups be less frequent than once a week.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

3.2 Annually

Prior to year-end close, Asset Management will

- ensure and verify that depreciation has been processed for all assets in the FAMS database,
- perform any necessary year-end close procedures in the FAMS, and
- complete and archive a post-close backup of the database for the period.

3.3 Other

Departments will be available for a physical inventory of all fixed assets and controlled items as described in Section 14 (Physical Inventory). Each department will prepare a Missing Assets Report and an Inventory Report and forward these reports to Finance and Asset Management.

4 Financial Statements

Annually, Asset Management will provide the Finance Office with capital asset data, schedules, and information to be included in the County Comprehensive Annual Financial Report (CAFR). Schedules and supplemental information will be obtained from the FAMS in accordance with the County Finance requirements and schedules. Schedules, data, and information will be provided in accordance with GASB *Statement* No. 34 criteria for capital asset reporting, as determined by the Controller's Office.

4.1 Required Disclosures

The Accounting Principles Board (APB) of the American Institute of Certified Public Accountants (AICPA) *Opinion* No. 22, "Disclosure of Accounting Policies," requires financial statement preparers to include a description of all significant accounting policies as an integral part of financial statements. This description must include the following accounting principles and methods regarding fixed assets:

- Disclosure of accounting treatment for fixed assets purchased with governmental fund types, as well as those purchased with proprietary fund types (This disclosure note also may include the County's accounting for betterments.)
- Accounting policy for infrastructure capitalization
- Accounting policy used to account for the capitalization of interest costs associated with self-constructed general fixed assets
- The valuation bases for purchased and donated fixed assets

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

- Disclosure of the County's depreciation policy, as required by GAAP, including the estimated useful lives and depreciation method
- Disclosure of the County policy for exercising the option, under the National Council on Governmental Accounting (NCGA) *Statement 2*, that allows for depreciation on certain assets (e.g., assets acquired or constructed with resources externally restricted for capital acquisition) to be closed to the appropriate contributed capital account after being recognized in operations

APB *Opinion* No. 12, "Omnibus Opinion," requires disclosure of the separate classes of fixed assets and the amount of accumulated depreciation. This information should be in the notes if it is not disclosed in the combined balance sheet.

4.2 Optional Disclosures

The 2001 edition of *Governmental Accounting, Auditing and Financial Reporting* (GAAFR), published by the GFOA, suggests that certain disclosures are necessary in supplementary data schedules. The inclusion of these optional disclosures within the financial statements of the County will be at the discretion of the Controller's Office and in accordance with GASB *Statement* No. 34, *Statement* No. 37, and *Statement* No. 38.

5 Disclosure Requirements for Leases

5.1 Leases Receivable

The 1987 *Codification*, Section L20.124 states that the disclosure requirements of *Statement of Financial Accounting Standards* (SFAS) No. 13, "Accounting for Leases," should be used for both capital and operating leases. In addition to a general description of the capital and operating arrangements, SFAS No. 13 requires the following disclosures of sales-type and direct financing leases:

- The components of the net investment in sales-type and direct financing leases as of the date of each balance sheet presented, including unguaranteed residual values accrued to the benefit of the lessor; unearned income; and future minimum lease payments to be received, with separate deductions for (i) amounts representing executory costs, and any profit thereon, included in the minimum lease payments and (ii) the accumulated allowance for uncollectable minimum lease payments receivable
- Future minimum lease payments to be received for each of the 5 succeeding fiscal years, as of the date of the latest balance sheet presented

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 15

Periodic and Year-End Procedures and Records Maintenance

- The amount of unearned income included in income to offset initial direct costs charged against income for each period for which an income statement is presented (for direct financing leases only)
- Total contingent rentals included in income for each period in which an income statement is presented

5.2 Capital Lease Obligations

The 1987 *Codification*, Section L20.124 also provides authoritative guidance on lessee disclosures. The County is required to provide disclosures for capital lease agreements in accordance with SFAS No. 13. The disclosure requirements of SFAS No. 13 for capital leases include the following:

- General leasing arrangements
- The gross amount of assets recorded under capital leases, presented by major asset classes
- Minimum future lease payments, in total and for each of the next 5 years, presenting a deduction for the amount of imputed interest to reduce the net minimum future lease payments to their present value

6 Records Retention

Fixed asset records will be maintained for the life of each asset and retained in accordance with County requirements for the retention of accounting records.

6.1 Fixed Asset Master Record

6.1.1 Asset Record Information

The fixed asset master record includes, at a minimum, the following asset record information for each fixed asset owned by the County:

- Department and division, as appropriate
- Asset tag number
- Asset category
- Asset description (including manufacturer and serial number)
- Ownership code
- Title holder
- In-service date

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

- Asset cost
- Funding sources and amounts (specific federal grant or agreement numbers and the amount from each)
- Location, use, and condition (and the date the condition was reported)
- Method of acquisition
- Ultimate disposition data: date, disposition code, and reason for disposal
- Source document reference (e.g., purchase order number, vendor invoice, voucher number)
- Salvage value
- Useful life
- Asset type (capitalized or controlled)
- Date of last inventory
- Project number (for construction, improvements, or betterments)
- Valuation method
- Book value
- Leasing information (for capital leases)
- Maintenance information

6.1.2 Record Maintenance

The data recorded in the FAMS will be maintained on a current basis by the individual County departments in accordance with the following requirements:

- Acquisitions, interdepartmental and intradepartmental transfers, and dispositions will be recorded promptly and accurately, in accordance with the policies and procedures established by the County.
- Key reports, especially those with a financial impact, will be reviewed carefully by department management on a periodic basis. Amounts will be checked and balancing procedures executed.
- Significant discrepancies or variances will be researched immediately, to ensure that errors may be corrected in a timely manner.
- Results from physical inventories will be reconciled and entered into the FAMS. Data fields will be updated to reflect current fixed asset information.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

6.2 Retention Policy

The County will maintain both hard copy and electronic fixed asset records while an asset is in service.

6.2.1 Paper Documentation

The following information will be stored and maintained as paper documentation:

- Original acquisition documents, including purchase orders, invoices, receiving tickets, and vouchers payable
- Records of improvements and/or betterments affecting the original asset
- Input forms completed for submitting data to the FAMS (retained until the system output reports can be examined to confirm successful posting of the data submitted)
- Maintenance records pertaining to certain assets (e.g., vehicles and rolling stock), in accordance with County policy

6.2.2 Electronic File Backup Maintenance

Computer-stored data will be backed up and saved on an annual basis after the records have been updated with the annual physical inventory information, in accordance with existing Countywide Information Services data storage policies.

Data stored on magnetic tape will be updated whenever there will be mainframe computer hardware or software changes or updates.

6.2.3 Retention Period and Storage

All hard-copy records will be stored in clearly marked boxes or storage containers, either in the office or in an off-site storage facility, for 1 year after the asset has been disposed of. After 1 year of office storage, all hard-copy records will be transferred to off-site storage (following disposal) for an additional 6 years.

Computer system data that has been stored on magnetic tape will be stored in a tape room or vault with the contents clearly labeled. Tapes containing data backups from daily or month-end processing will be stored for 7 years. Two copies of tapes containing data backups from year-end processing will be stored for 7 years in separate locations. To minimize the loss of data due to the deterioration of the storage medium, data will be transferred to an appropriate long-term storage medium.

The County's retention policy for hard-copy records and computer system data will apply to all fixed assets. Additionally, records for equipment acquired under a grant must be retained for 3 years after the disposition of the property.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

6.2.4 Record Disposal

Once the retention period has expired, the documents and/or data will be disposed of in accordance with County Records Management policies.

Paper documents that are placed on microfiche or microfilm will also be immediately disposed of once final disposition approval is received.

**FIXED ASSET ACCOUNTING AND
MANAGEMENT PROCEDURES MANUAL
SECTION 15
Periodic and Year-End Procedures and Records
Maintenance**

This page is intentionally left blank.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

Acquisition	The process by which the County comes into possession and ownership of a fixed asset, e.g., purchase, donation, construction, eminent domain, foreclosure.
Acquisition Cost	The total cost of obtaining a fixed asset and putting it in place and in condition for use. This cost will be recorded in the FAMS, representing the value of the asset when it was acquired. The acquisition cost is generally the historical or original cost but may be based on a different valuation for certain types of transactions.
AICPA	American Institute of Certified Public Accountants.
APB	Accounting Principles Board of the AICPA.
Assets	Materials, property, claims against others, and other items of value belonging to the County. Fixed assets are a specific type of asset within this broad category. Inventories of supplies and materials are another separate category of assets.
Book Value	The portion of an asset's historical or original cost not yet depreciated or used. Book value can be calculated by subtracting accumulated depreciation from the historical or original cost of the asset.
CAFR	Comprehensive Annual Financial Report. The County's annual financial report issued by the County Controller.
Capital Asset	Any fixed asset with an original cost equal to or greater than \$5,000. These items have significant value and will be capitalized.
Capital Leases	Leases of assets that are deemed to be, essentially, purchases financed over a period of time and that are capitalized as fixed assets rather than having their lease payments charged as current-period costs.
Capitalization	The process by which fixed assets are established in both the fixed asset records and the accounting system. The accounting aspect of capitalization usually entails reclassifying amounts previously recorded as expenses, expenditures, or construction in progress into a fixed asset category. Capitalized assets are equal to or greater than \$5,000.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

Capitalized Interest	Interest on long-term debt financing for CIP projects, incurred during the construction period, that is capitalized as a part of the total acquisition costs of the resulting fixed asset.
CFR	<i>Code of Federal Regulations.</i>
CIP	Capital Improvements Program. The County's 5-year major capital projects program, which is budgeted each year based on County Council approval.
County Property	All property owned by the County, whether purchased, leased, confiscated, donated, received by eminent domain, constructed, or annexed. County properties may include supplies, real property to be sold for delinquent taxes, police property, lost and found items, scrap materials for recycling, capital assets, and controlled items.
Codification	<i>Codification of Governmental Accounting and Financial Reporting Standards.</i> A publication issued by the GASB.
Construction in Progress	A fixed asset category containing the accumulated dollar amounts of construction and other costs of CIP projects that are only partially completed. Once a project is completed, its costs are capitalized and reclassified from construction in progress to other fixed asset categories, e.g., land, improvements, buildings.
Contract Administrator	The individual responsible for managing a County procurement contract under which a fixed asset is acquired; typically, a buyer or administrator of the acquiring department.
Controlled Item	A property item that meets the criteria for a fixed asset but with a value less than \$5,000 and equal to or greater than \$1,000. These items will be subject to management control.
Custodial Organization	The County organization given possession, use, control, and responsibility for a fixed asset.
Depreciation	An amount charged against the historical cost of an asset representing the loss in value of the original asset as it is used and ages. Depreciation reduces the accounting value of an asset and is accumulated over the estimated life of the asset.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

FAC	Department Fixed Asset Coordinator. The individual in each department assigned the responsibility for coordinating and monitoring all FAMS transactions and records.
Disposition	The process by which the County relinquishes possession and ownership of a fixed asset, e.g., sale, trade-in, salvage, scrap, donation.
DPU	Department Purchasing Unit.
DVC	Department Vehicle Coordinator.
Estimated Cost	Professional (certified) appraisals of the cost of an asset; used in those instances where historical cost records are not available. The estimated cost is determined by inventorying existing assets. When required, the estimated cost will be used as the acquisition cost.
Fair Market Value	The price at which a willing seller would sell something to a willing buyer, neither being under any compulsion to buy or sell. This is the price that would be paid for an item in a condemnation proceeding.
FAMS	Fixed Asset Management System (County of Houston).
FASB	Financial Accounting Standards Board. An independent professional accounting resource organization.
Fiscal Year	References to annual budgets, expenditures, reports, etc., generally refer to the County's fiscal year of July 1 through June 30.
Fixed Asset	Items of property that are tangible in nature; have significant value; have an economic useful life longer than 1 year; maintain their identities, either as separate entities or as identifiable components; are not repair parts or supply items; and are used in the conduct of County activities.
Fixed Asset Control Group	The County personnel responsible for the establishment, maintenance, and reporting of the primary fixed asset records for a particular class of assets. For most classes of fixed assets, this responsibility is assigned to the FACs.
FMS	Financial Management System. The County's financial accounting and reporting system.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

Fully Depreciated	A fixed asset that has been depreciated down to its predetermined salvage value, which is normally \$0 for County assets, but can also be a positive dollar amount. Assets may continue in use for some time after being fully depreciated before actual disposition takesplace.
Funding Source	As used in this manual, the revenue or equity source for financing the acquisition of fixed assets, e.g., operating budget funding, grant funds, bond funds, donations.
GAAFR	<i>Governmental Accounting, Auditing and Financial Reporting.</i> A publication of the GFOA that recommends accounting and reporting practices for governments.
GAAP	Generally Accepted Accounting Principles.
GASB	Governmental Accounting Standards Board. An independent professional accounting resource organization.
GFAAG	General Fixed Asset Account Group. An account group in which fixed assets of governmental funds, such as the general fund, are recorded. Asset values are matched by equal amounts in investment-by-source accounts showing the sources of funding for the asset acquisitions. The GFAAG is not considered a fund in government accounting.
GFOA	Government Finance Officers Association.
Governmental Funds	Funds financed by taxes, public improvement bonds, government fees, and other government revenues. Neither depreciation expenses nor gains or losses on disposal of assets are recorded in fixed asset accounting for governmental funds.
Historical Cost	Also, <i>Original Cost</i> . The actual amount paid for an asset at the date of acquisition, including any normal costs associated with preparing the asset for use. In the case of newest assets, particularly machinery and equipment, this is the acquisition cost.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

Infrastructure	Long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include, but are not limited to, roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.
NCGA	National Council on Governmental Accounting. An independent professional accounting resource organization.
Net Book Value	The acquisition cost of a fixed asset less accumulated depreciation to date.
OMB	Office of Management and Budget.
Original Cost	See <i>Historical Cost</i> .
Parent-Child Relationship	The association of a smaller component or addition that qualifies as a fixed asset in itself with a larger fixed asset (e.g., associating an elevator system with the building in which it is located).
Personal Property	All tangible property other than real estate, such as furniture, fixtures, movable equipment, materials, and supplies.
Proprietary Funds	Enterprise funds and internal service funds that use accounting practices similar to those of private businesses. Fixed asset accounting for proprietary funds involves recording depreciation expenses and measuring gains or losses on disposals of assets.
RCA	Request for Council Action.
Real Estate	In legal terminology, land and everything attached to it; also, interests in land above and below ground. As used in the FAMS, real estate includes land, land improvements, and buildings.
Real Property	All real estate assets, including land, buildings, and improvements to land or buildings. In legal terminology, land and items growing on, permanently erected on, or affixed to the land; also, rights to use land.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX A

Glossary

Replacement Cost	The estimated cost of acquiring a new equivalent asset. Replacement cost may be approximated through the use of a specific price index. For example, a building constructed in 1940 for \$200,000 would cost considerably more to rebuild today. Therefore, replacement cost will usually be higher than the original cost (personal computers may be an exception).
Retirement	A type of disposition involving a fully depreciated asset, either by sale, trade-in, salvage, or scrap.
Rolling Stock	As used in the FAMS, rolling stock includes all types of wheeled or tracked vehicles, whether on-road or off-road, powered or manpowered.
SFAS	<i>Statement of Financial Accounting Standards</i> . One of a series of pronouncements issued by the FASB.
Vehicles	As used in the FAMS, all types of equipment used in transporting people or materials, including rolling stock, vehicle attachments, aircraft, and boats.
VMIS	The Fleet Management Vehicle Management Information System. Used to maintain the central operating and maintenance records for the County's rolling stock assets.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX B

Forms

Form Number	Form Name	Description/Purpose
FA-1	Capitalization Form–Data Entry Form Fixed Asset Acquisitions	Provides data entry information for the Fixed Asset Management System for new acquisitions and authorizations for action taken.
FA-2	Capitalization Form–Disposals/Transfers/Mass Updates	Provides data entry information for the Fixed Asset Management System for disposed, transferred, or mass-updated assets and authorizations for action taken.
FA-3	Capitalization Form–Financial Adjustments/Other Changes	Provides data entry information for the Fixed Asset Management System for financial adjustments, grant transfers, or other changes to system data and authorizations for action taken.
FA-4	Designate Fixed Asset Coordinator	Authorizes employee to act as Department Fixed Asset Coordinator and identifies additional personnel to approve transfer of surplus materials and supplies.
FA-97	Request for Transfer of County Surplus Property–Transfer or Disposal of Surplus Material	Authorizes the removal, transportation, and disposal of County-owned surplus property and material and provides the itemized listing of surplus equipment to be removed.
ES-1	Equipment Assignment/Form A/ Disposal Data Sheet	Provides data entry information for the Vehicle or Fleet Management System for new acquisitions, transfers, reassignments, updates, and disposal of vehicles and rolling stock.

FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

APPENDIX B

Forms

This page is intentionally left blank.

**CIBOLA COUNTY
BOARD OF COUNTY COMMISSIONERS
RESOLUTION NO. 16-38**

**EXECUTION OF CONTRACTS; GRANT AGREEMENTS; MEMORANDA OF
UNDERSTANDING; JOINT POWERS AGREEMENTS; SETTLEMENT
AGREEMENTS; PURCHASES**

WHEREAS, the Cibola County Board of Commissioners met upon notice of meeting duly published at the Cibola County Administration Building, 515 West High Street, Grants, New Mexico 87020 on July 27th, 2016, at 5 p.m. as required by law; and,

WHEREAS, the Board of County Commissioners of the County of Cibola exercises the powers of the County as a body politic and corporate pursuant to NMSA 1978, Section 4-38-1(1884); and,

WHEREAS, the Board of County Commissioners is statutorily charged with examining and settling all accounts of receipts and expenses of the county and all accounts chargeable against the county pursuant to NMSA 1978, Section 4-38-16 (1876); and,

WHEREAS, the Board of County Commissioners is the body that is statutorily charged with making such orders concerning the property belonging to the county as it deems expedient pursuant to NMSA 1978, Section 4-38-13 (1876); and,

WHEREAS, the Board of County Commissioners is statutorily authorized to "employ and set the salary of a county manager to conduct the business of the county, to serve as personnel officer, fiscal director, budget officer, property custodian and to act generally as the administrative assistant to the board, aiding and assisting it in the exercise of its duties and responsibilities;" and,

WHEREAS, NMSA 1978 Section 13-1-125 (2007) exempts certain small purchases from the bidding requirements the Procurement Code so long as those purchase are made in compliance with regulations set forth by Cibola County; and,

WHEREAS, the Board of County Commissioners promulgated regulations which delineate the manner in which procurement of items of tangible personal property, services and construction are procured by the County.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of the County of Cibola:

1. The County Manager is expressly authorized to procure and execute contracts for *budgeted* items of tangible personal property, services and construction on behalf of Cibola County in the amount of Twenty Thousand Dollars (\$20,000.00) or less.
2. All procurement shall be made pursuant to the County's Purchasing Regulations and the New Mexico Procurement Code NMSA 1978 Sections 13-1-28 *et. seq.*, and the County's Certified Purchasing Officer must sign off on all contracts to confirm conformance with the Procurement Code.
3. The Board of County Commissioners retains the authority to enter into contracts for *unbudgeted* items of tangible personal property, services and construction.
4. The Board of County Commissioners retains authority to enter into contracts for those *budgeted* items of tangible personal property, services and construction on behalf of Cibola County in excess of Twenty Thousand Dollars (\$20,000.00).
5. The authority to enter into legal settlement agreements for amounts of Twenty-Five Thousand Dollars \$25,000.00 or less is delegated to the County Manager. The Board of County Commissioners retains the authority to enter into legal settlement agreements in excess of the County Manager's Authority.
6. Any contract or settlement agreement entered into pursuant to this resolution shall be presented to the Board at its next regular meeting after the date of execution by the County Manager.
7. The County Manager may prepare and submit applications for grants, though the determination whether to execute a grant agreement rests solely within the discretion of the Board of County Commissioners.
8. The Board of County Commissioners retains the authority to enter into Memoranda of Understanding, Memoranda of Agreement and Joint Powers Agreements.
9. All Contracts, Memoranda of Understanding, Memoranda of Agreements and Joint Powers Agreements must be submitted to legal counsel for review.

APPROVED, ADOPTED, AND PASSED on this 27th day of July, 2016.

BOARD OF COUNTY COMMISSIONERS

T. Walter Jaramillo, Chairman

Robert Armijo, District I

Jack Moleres, District III

Patrick Simpson, District IV

Lloyd F. Felipe, District V

ATTEST BY:

Elisa Bro, County Clerk

**CIBOLA COUNTY, NEW MEXICO
AMATEUR RADIO EMERGENCY
COMMUNICATIONS TEAM ORDINANCE
ORDINANCE NO. 16-39**

**AN ORDINANCE ESTABLISHING THE CIBOLA COUNTY AMATEUR RADIO
EMERGENCY COMMUNICATIONS TEAM (ARES)**

WHEREAS, a trained and equipped Amateur Radio Emergency Communications Team is essential to provide communication and assistance with the communications in the event of any emergency; and

WHEREAS, the United States Department of Homeland Security and its New Mexico counterpart will provide funding to local governmental entities to assist in assuring that a local governmental entity has a well-trained and equipped amateur radio operations team; and

WHEREAS, the Board of County Commissioners of Cibola County, New Mexico, desires to establish such a team.

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Cibola County:

**SECTION 1. ESTABLISHMENT OF AMATEUR RADIO EMERGENCY
COMMUNICATIONS TEAM**

There is established the Cibola County Amateur Radio Emergency Communications Team which shall be under the direction, guidance, and control of the Cibola County Emergency Manager. The Cibola County Amateur Radio Emergency Communications Team may also be referred to as "EMCOMM/SORT/ARES."

SECTION 2. MEMBERSHIP

- 2.1 **REGULAR MEMBERSHIP.** Regular membership shall be open to any person holding an amateur radio license and passing a background check.
- 2.2 **PROBATIONARY MEMBERSHIP.** All members, whether holding a license or not, shall be required to serve a six-month probationary membership. During the six-month probationary membership, the individual shall be afforded the opportunity to prove to the satisfaction of the Cibola County Emergency Manager that he or she is proficient in the amateur radio skills necessary to effectively serve on the Cibola County Amateur Radio Emergency Communications Team; that the individual is able to conform to the rules and regulations of the Team; and that the individual is committed to the purposes of the Cibola County Amateur Radio Emergency Communications Team. The Cibola County Emergency

Manager has the discretion to extend the probationary period up to an additional six (6) months or to waive the probationary period in whole or in part.

- 2.3 TEAM COORDINATORS. The Cibola County Emergency Manager may appoint a team coordinator and a deputy team coordinator to serve as liaison between the Cibola County Emergency Manager and the Amateur Radio Emergency Communications Team/Search Operations Rescue Team.

SECTION 3. NO COMPENSATION

No compensation shall ever be provided to the members of the Cibola County Amateur Radio Emergency Communications Team, provided, however, that actual costs of obtaining training, licensing, and the like may be reimbursed to the member subject to the discretion of the Emergency Manager and budgetary constraints imposed by the Board of County Commissioners of Cibola County, New Mexico. Members of the Cibola County Amateur Radio Emergency Communications Team will be covered at the discretion of Cibola County Emergency Managers Office under the risk management of Cibola County, or under a local volunteer fire department. In the case insurance provided by local volunteer fire department the member may have to join said volunteer fire department, and comply with training and rules established by the county. Regardless, all accidents will be reported to the Cibola County Emergency Manager verbally as soon as the accident occurs, and a standard accident reporting form will be forwarded to the Cibola County Emergency manager no later than within 24 hours in writing. Cibola County reserves the right to investigate all accidents involving Cibola County Amateur Radio Communications Team members, and to expect full cooperation in any investigations of any accidents, or allegations of misconduct. Members of Cibola County Amateur Radio Communications Team members will fall under all county policies when performing work for the county. Cibola County may deny risk management insurance coverage if it appears the Cibola County Amateur Radio Emergency Communications Team member acted outside the scope of his or her duties, or was negligent in his or hers duties, by standards set by national EMCOMM groups, or Cibola County Personnel Policies.

SECTION 4. USE OF COUNTY EQUIPMENT

Each regular member of the Cibola County Amateur Radio Emergency Communications Team may, at the discretion of the Cibola County Emergency Manager, be issued such equipment, trained how to use equipment already in permanent locations, or given permission to program Cibola County Radio Frequencies as is determined to be necessary for the proper performance of his or her duties. Each member so assigned equipment shall be obligated to return that equipment upon the request of the Emergency Manager. The Cibola County Emergency Manager may at his expense issue identification cards to members of the Cibola County Amateur Emergency Communications Team, and it will be considered county property.

SECTION 5. VEHICLE USE

Subject to proof of a valid New Mexico driver's license and a review of the driving record, and the completion of a defensive driving course, any member of the Cibola County Amateur Radio Emergency Communications Team may be permitted by the Cibola County Risk Manager to utilize a Cibola County vehicle, if such utilization is necessary for the proper performance of the member's role. Such use of a Cibola County vehicle shall be only for such limited time as is necessary, as determined by the Cibola County Emergency Manager, and shall be returned to his care, custody, and control upon his direction. Members of the Cibola County Amateur Emergency Communications Team responding in their own private vehicles will be required to maintain their own insurance on said vehicles, and insure they are in good safe working order. Members of the Cibola County Amateur Emergency Communications Team are never under any circumstances to operate any county vehicle, or their own vehicle, in violation of any local or state traffic laws.

SECTION 6. REMOVAL FROM AMATEUR RADIO EMERGENCY COMMUNICATIONS TEAM

- 6.1 PROBATIONARY MEMBERS. The Cibola County Emergency Manager may remove any probationary member of the Cibola County Amateur Radio Emergency Communications Team at any time. The Emergency Manager must state the reason for removal. The removal shall be non-grievable and non-appealable.
- 6.2 REGULAR MEMBERS. The Cibola County Emergency Manager may remove any regular member from the Cibola County Amateur Radio Emergency Communications Team. The member shall be afforded an opportunity to meet with the Emergency Manager and to discuss the reasons provided by the Emergency Manager for such termination. If, following such meeting, the Emergency Manager still determines that it is in the best interest of the Amateur Radio Emergency Communications Team to remove said member, the member shall be notified in writing and shall immediately return all Cibola County equipment in his or her possession. The member may appeal the termination decision to the County Manager.

PASSED, APPROVED AND ADOPTED this 27th day of July, 2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Molerés
Commissioner, District III

Patrick Simpson
Commissioner, District IV

Lloyd F. Felipe
Commissioner, District V

Attest:

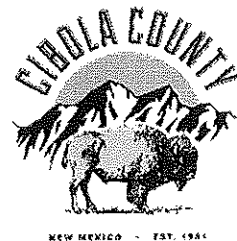
Elisa Bro
Cibola County Clerk

Cibola County Commission

T. Walter Jaramillo, Chairman
Robert Armijo, 1st Vice-Chair
Jack Moleres, 2nd Vice-Chair
Patrick Simpson, Commissioner
Lloyd F. Felipe, Commissioner

Cibola County

515 West High Street
Grants, New Mexico 87020
Phone (505) 287-9431 – Fax (505) 285-5434



Tony M. Boyd
County Manager

To: Cibola County Commission

From: Frances R Medina *FRM*

RE: Copiers for County

In June 30, 2016 the copier contract for the County Expired. The Procurement Office solicited bids from three different contractors who are presently on State or NASPO Contracts. The Procurement Office would like to recommend that Albuquerque Image Products supply us with new copiers and support. Attached is a cost comparison of the three from whom we received proposals.

Thank You,

COST COMPARISON OF COPY MACHINES

ALBUQUERQUE IMAGE PRODUCTS

NASPO CONTRACT

NM2014-2019PA

DOCUMENT SOLUTIONS

STATE CONTRACT #50-000-15-00065

RICOH

STATE CONTRACT # 50-000-15-00066

DEPARTMENT	# COPIES INCLUDED	COST PER MO 60 MONTH LEASE	COST PER YEAR	OVERAGES
MANAGER	4500	597.98	\$ 7,175.76	0.00659
CLERKS	2800	404.11	\$ 4,849.32	0.00659
TREASURER	1000	251.52	\$ 3,018.24	0.00659
ASSESSORS	1300	159.91	\$ 1,918.92	0.00659
DETENTION	12000	791.36	\$ 9,496.32	0.00659
DISPATCH	1200	142.44	\$ 1,709.28	0.00659
DWI	1600	146.89	\$ 1,762.68	0.00659
SHERIFF	1700	344.4	\$ 4,132.80	0.00659
			<u>\$ 34,063.32</u>	

DEPT	# COPIES INCLUDED	COST PER MO 60 MONTH LEASE	COST PER YEAR	OVERAGES
MANAGER	15000	\$	\$ 410.00	0.0085
CLERK	10000	\$	\$ 368.00	0.0085
TRES	3000	\$	\$ 186.00	0.0085
ASSESS	5000	\$	\$ 206.00	0.0085
DETENT	20000	\$	\$ 1,100.00	0.0085
DISH	5000	\$	\$ 182.00	0.0085
DWI	5000	\$	\$ 206.00	0.0085
SHERIFF	5000	\$	\$ 275.00	0.0085
			<u>\$ 35,196.00</u>	

DEPT	# COPIES INCLUDED	COST PER MO 60 MONTH LEASE	COST PER YEAR	OVERAGES
MANAGE	15000	\$	\$ 387.07	0.0073
CLERKS	10000	\$	\$ 537.41	0.0073
TRES	3000	\$	\$ 321.67	0.0073
ASSESS	5000	\$	\$ 230.26	0.0073
DETENT	20000	\$	\$ 1,263.59	0.0073
DISH	5000	\$	\$ 157.96	0.0073
DWI	5000	\$	\$ 193.20	0.0073
SHERIFF	5000	\$	\$ 445.84	0.0073
			<u>\$ 42,444.00</u>	

MEMORANDUM OF AGREEMENT

BETWEEN

377th Air Base Wing

AND

Cibola County Detention Center

1. **PURPOSE:** The purpose of them Memorandum of Agreement (MOA) between the 377th Air Base Wing, Kirtland Air Force Base (KAFB), New Mexico, and the Cibola County Detention Center, hereafter known collectively as the CCDC is to provide housing support to the 377 ABW confinement prisoners.
2. **DEFINITIONS:** A detainee is an individual that is pre-trial; who has not been convicted/adjudged. Inmates are individuals that have received a sentence; who have been convicted or adjudged.
3. **RESPONSIBILITIES:** Assistance for the above mentioned action will be requested by the unit responsible for the prisoner, and then the CCDC will determine whether such requests can be honored.

3.1. CCDC will:

3.1.1 Provide full confinement facilities to each prisoner.

3.1.2 Ensure CCDC detainees and KAFB detainees are segregated from one another, including from foreign national inmates and detainees.

3.1.3 Ensure detainees who committed minor offenses are separated from those who have committed serious offenses.

3.2 The 377 ABW/Tenant units and Mission Partners will:

3.2.1 Provide escorts along with transportation of the inmate to the CCDC at their own cost.

3.2.2 Provide CCDC with payment of (\$65 per day) for the charges incurred for the duration of the inmate's stay.

3.3 The 377th Security Forces Squadron will:

3.3.1 Provide armed escort along with the respective unit for inmates needing armed escort.

3.3.2 Provide 72 hour advance notice when coordinating with the CCDC to house or release,

temporary or otherwise, military inmates/detainees.

4. **GENERAL:** The aforementioned items are not an exhaustive list and should not be construed as agreement of all actions to be proved by either the 377 ABW or the CCDC, as the situation dictates. With respect to such additional actions, the parties to this agreement will coordinate with each other and seek to cooperate and honor the request for assistance when reasonably possible.
5. **IMPLEMENTATION:** This MOA shall become effective on the date of the last signature of the parties involved. Any changes or amendment to or termination of this agreement will be subject to the approval of all parties involved with thirty (30) days written notice. This MOA shall be reviewed annually and shall remain in full force and effect until specifically abrogated by one of the parties to this agreement with thirty (30) days notice to all parties.

BOARD OF CIBOLA COUNTY COMMISSIONERS

Robert Armijo

Commissioner, District I

T. Walter Jaramillo

Chairman, District II

Jack Moleres

Commissioner, District III

Patrick Simpson

Commissioner, District IV

Lloyd F. Felipe

Commissioner, District V

Attest:

Elisa Bro

Cibola County Clerk

JOHN C. KUBINEC, Colonel, USAF
Commander, 377 Air Base Wing

Date

m. General Election Canvassing Process (Discussion Only)

No Documentation for this Item for
Discussion Only

To: The training selection committee
From: Jessie K. Carabajal; EMS Supervisor
Date: July 18, 2016
Re: 12th Annual Car Passenger Safety Conference

This year for the 2016 EMS week we were involved with the Ramah Navajo Police Department in a check point. During the 4 hours we were there, we witnessed 250+ individuals go in and out of Mountain View. Of these there were 40+ children in the vehicles. We safely educated and examined 10 car seats that were lily-fitted to the car and/or the child. This indicates to the EMS department that we are in need of public education. Not only that but when discussing issues with law enforcement officers, there are a handful of parents that do not secure their children to their seats. They are then fined and released.

It is our intention to send Mechelle Cody to this national conference to gain knowledge of what other departments are doing to increase their injury prevention at this level. We will then implement changes to EMS and assist our local law enforcement. We will work closely with the RNPD to assist parents with education as an alternative to fines. Our EMS department will become the center for car seat education; we will reinforce our injury prevention, and as a team, be educated to handle these situations as needed. Pine Hill EMS has 7 of our 8 EMS personnel CPS technician certified. We will be required to hold this certification.

Jessie K. Carabajal
Pine Hill EMS Supervisor



CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL

No: Admin 100.00

SOP 100.00

Definitions

Scope: terms used in this manual shall have the following definitions.

1. **Acting:** serving temporarily in a position in which a member is not ordinarily assigned, usually in a position of higher rank.
2. **Appeal:** the right of a member to appeal for review from any Order, dismissal, or suspension by the Fire Chief.
3. **Chain of command:** the line of authority from the Fire Chief through a single subordinate each level of command.
4. **County (or city or district):** the physical area within the defined boundaries of a County, city or district.
5. **Dismissal:** the act of termination of service of a member.
6. **Emergency call back:** call back to duty when emergency conditions require additional personnel to mitigate the emergency.
7. **EMS:** emergency medical services.
8. **Fire code:** ordinance governing fire prevention as adopted by the County.
9. **Gender:** within this manual, the words "he" and "his" shall be construed to refer to both genders.
10. **General bulletins:** consecutively numbered, written procedures used to clarify department policy or procedures or to be disseminate information of a permanent nature. General bulletins should be kept in a permanent file.
11. **General order:** consecutively numbered, written directives used to change the Department's rules and regulations, or standard operating procedures. General order shall be kept in a permanent file.
12. **Immediately:** the term "immediately" shall be construed to mean "as soon as possible and practical".
13. **Incompetence:** the inability to satisfactorily perform one's duty or responsibilities.
14. **Inspection:** periodic exam of personnel, stations or apparatus for readiness, fitness for duty, and attention to duty according to standard setup in the rules and regulations manual, standard operating procedures, and general orders.



15. Insubordination: willful disobedience of an order, lawfully issued by senior officer, or any disrespectful, muteness, insolent, or abusive language towards superior officer.
16. Length of service: the period of time starting from the date a member begins until the present or until the date a member resigns.
17. May and should: the word "may" is permissive. "Should" is advisory. Where used, the word "should" implies that, while the procedure is not mandatory, it is in the best interest of everyone involved in the procedure to be followed.
18. Members: collective term applied to all persons within the department.
19. Neglect of duty: failure to give proper attention to the performance of one's duty.
20. Oath of office: the oath each member takes at the time he has commissioned into the Department's service.
21. On duty: a member is on duty during the period of time when he is actively responsible for or engaged in the performance of his duties.
22. Order: any instruction or directive, either written or oral, issued by superior officer to the subordinate or group of subordinates in the course of duty.
23. Personnel: Fire department members.
24. Plural words: within this manual, singular words include the plural and plural words including the singular.
25. Probationary period: the initial six months (or other period of time) of new members services, beginning with the date of membership.
26. Promotion: a change in a member status to a position of greater responsibility of higher classification.
27. Rank: a grade of official standing. Each class a members of the department constitutes a rank.
28. Ranking officer: the officer having the highest rank in grade, unless otherwise designated.
29. Relieved of duty: a membership condition during which a member is not required or permitted to perform assigned duties but retains membership status. A member generally is relieved of his duty when under investigation.
30. Resignation: the active voluntarily terminating of membership.
31. Rules and regulations manual: a written collection of administrative policies, operational procedures, and rules and regulations authorized by an order of the Fire Chief.
32. Shall and Will: the words "shall" and "will" are used herein indicate that the action referred to is mandatory.
33. Special bulletin: a written, unnumbered procedure covering a specific situation or event and that applies for limited period of time.
34. Special duty: any duty that requires a member to be excused from his regular.
35. Special order: a written, unnumbered directive covering a limited period of time during which the rules, regulations, or standard operating procedures will be changed. Special orders shall be kept in a permanent file.
36. Superior Officer: a member was supervisory responsibilities, either temporary or permanent, over members of lower rank.
37. Suppression personnel: members assigned to firefighting and emergency medical service response duties.
38. Suspension: an action taken whereby a member is denied the privilege of performing his duties as a consequence of dereliction of duty, breach of discipline, misconduct, or violation regulations. Suspension is either first step in the disciplinary process or penalty addressed.

39. Sworn member/Staff: a uniformed member.
40. Tense: the word use in the present tense including future tense.
41. Through official channels: through the hands of the superior officer in the chain of command. Written and oral communications may be passed through interoffice mail or voice mail unless the urgent or sensitive nature of the matter requires personnel face-to-face contact.



CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL
No: Admin 100.1

SOP 100.01

I. Administration

1. Each District shall have assigned boards for posting General Orders, Special Orders, and Memos.
2. The purpose of the assigned boards shall be to facilitate communications and promulgate policy. A bulletin board shall also be provided for posting items of general correspondence. No item shall be posted without the approval of the Fire Chief or his designated representative.
3. A manual containing the department's official Standard operating Policy and Procedures shall be located within the Chiefs Office.
4. Each Supervisor shall be responsible for maintaining the clipboards, bulletin boards, and manuals described above.
5. Definitions:
 - A. General Correspondence: Letters of appreciation, Meeting notices, and other items of an informational nature to be posted for review. Letters of appreciation and commendation shall be discarded after 30 days. Other items shall be discarded as appropriate.
 - B. General Orders: Consecutively numbered, written directives used to amend or clarify a policy or procedure and for information of a permanent nature. General orders shall be posted for review and kept in a permanent file. New general orders shall be read aloud to members at the general meeting. Members shall also be required to initial new general orders to indicate that they have read the order.
 - C. Memo: Consecutively numbered correspondence, generally of an informational nature. Memos may address listed of policies offer or clarify routine practices but may not alter or amend of item addressed in the SOP manual. Memos shall be posted for review, if appropriate, shall be maintained in a permanent file.
 - D. Special order: a written, unnumbered directive that addresses a specific instance where a policy or procedure will be changed, altered, or amended for specific period of time. Special orders will be posted during specific time period and shall be discarded after they expire.
 - E. Standard operating procedures: a written, numbered organizational directive that establishes a standard course of action.





Cibola County Emergency Services

515 W. High St. Grants, NM 87020 (505) 285-2558

General Orders

To: ALL DEPARTMENT PERSONNEL

No: ADMIN 100.03

SOP 101.2

OBEDIENCE TO ORDERS:

1. Member shall read and become familiar with the departments standard operating procedures, policies, and rules and regulations. No plea of ignorance of the rules and regulations will be accepted as an excuse for any violation.
2. Member shall promptly and willingly respond the lawful orders of superior officers or acting officers. Refusal to obey a lawful order shall cost to insubordination. Obvious disrespect for or disruption of a supervisor's order likewise shall be deemed insubordination.
3. Members shall abide by County, State, and Federal law, local ordinances and rules, and the departments standard operating procedures and rules of conduct. Member shall not be required to obey orders that are illegal, immoral, or in conflict with the departments standard operating procedures.
4. Members shall not publicly criticize or comment derogatorily to anyone about instructions or orders received from a superior officer.
5. Every officer, on and off duty, will be held responsible for enforcing the departments standard operating procedures. If a violation comes to officer's attention, that officer shall immediately notify the member of the violation and take corrective action. Should an officer fail to report a violation of an order or the departments SOP's, that officer shall be equally responsible for the violation.
6. Supervisors and acting supervisors shall refrain from exceeding their authority in giving orders. The wrongful or injurious exercise of authority is prohibited.
7. Should a member receive an order that conflicts with the previous order, the member shall notify the officer who issued the conflicting or shall be governed by the officer subsequent instructions.
8. Any member who is given an order he believes to be unjust, improper, or contrary to the standard operating procedure, or rule of the department or a federal, state, or County policy should respectfully decline the order and shall state the reason for doing so. The member shall request that the supervisor of the person issuing the order be contacted for instructions if the person issuing the order does not resend or alter the original order.
9. A member may repeal for relief from orders or instructions that the member believes to be illegal, unjust, or improper.



Cibola County Emergency Services

515 W. High St, Grants, NM 87020 (505)-285-2558

POLICY

To: ALL DEPARTMENT PERSONNEL
No: ADMIN 100.0

SOP 100.3

CODE OF CONDUCT

- I. As a basic condition of membership, all members have an obligation to conduct their official duties in a manner that serves the public interest, upholds the public trust, and protects the department's resources. To this end, all members have the responsibility to:
 - A. Perform their duties to the very best of their abilities and in a manner that is efficient, cost-effective, and meets the needs of the public.
 - B. Demonstrate integrity, honesty, and ethical behavior in the conduct of all department business.
 - C. Ensure that personal interest do not come into conflict with official duties and avoid both actual conflicts of interest and the appearance of conflicts of interest when dealing with vendors, customers, other individuals doing business or seeking to do business within the department.
 - D. Ensure that all department resources, including funds, equipment, vehicles, and other property, are used in strict compliance with the department's standard operating procedure, The Cibola County Fire Marshal's Office and solely for the benefit of the department.
 - E. Conduct all dealings with the public, county employees, and other organizations in a manner that presents a courteous, professional, service oriented image of the department.
 - F. Shall treat the public and other members fairly and equitably, without regard to age, color, disability, ethnicity, national origin, political affiliation, race, religion, gender, sexual orientation, or any other factor unrelated to the department's business;
 - G. avoid any behavior that could fall under the definition of misconduct in the disciplinary section of these policies; and



- H. Report for duty at the appointed time and place fully equipped, fit, and able to perform assignments.
- II. Officers and supervisors shall set an example for other members have a responsibility to ensure that their activities and decisions pertaining to community services, personal actions, and the management of public funds are consistent with the department's policies and procedures.



CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL
No: ADMIN 100.0

SOP 100.4

Professional Relations:

1. Department members shall exhibit courtesy and respect to all officers and acting officers. While on duty, all officers shall be referred to by their appropriate rank.
2. Supervisors shall exhibit courtesy and respect to their subordinates shall treat all members in a fair and impartial manner.
3. Member shall treat one another with due courtesy shall not engage in horseplay or disrespectful conduct while on duty.
4. Members are required to speak the truth at all times, whether or not under oath, in giving testimony, in connection with official orders, any connection with official duties.
5. Member shall not make false reports concerning any department business or the personal character or conduct of any member.
6. Member shall exhibit courtesy and respect to members of the public and other county employees. Members are required to give their name and rank whenever requested by member of the public.
7. Should member have a complaint against a member of the public, he shall forward to complaint in writing to the Fire Chief.

Other professional relations items:

- A. Our essential mission and number one priority is to deliver the best possible service to our community.
 1. Listen carefully to and understand the community's position, perspective, and needs.
 2. Get the community member your exclusive attention.
 3. Use a positive, friendly time a voice and body language.
 4. Use supportive and encouraging language that the public will understand.
 5. Reflect professional concern, be courteous and polite.
 6. What you hear and see someone's home or business should be kept to yourself. (Remember HEPA; it's a law).
 7. Protect their property as if it was your own.
 8. Be gentle, kind, and courteous in all your dealings with the public.



CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL
No: Admin 100.0

SOP 100.5

PERSONAL APPEARANCE

1. This policy applies to all members officially representing Cibola County Emergency Services at a public meeting, training session, seminar, conference, or other similar event.
2. Members shall maintain proper personal hygiene while on duty.
3. Uniforms and shoes shall be neat and clean and shall conform to the requirements set forth in SOP 101.05, Uniforms.
4. When not uniform, members who are on duty or who are representing the department shall dress in a professional manner that is appropriate for the occasion. At no time while in uniform shall a member wear jewelry, pens, ribbons, buttons, or articles of clothing that constitutes an advertisement; a religious, political, or social viewpoint; or a message that is offensive to anyone on the basis of age, color, disability, ethnic background, national origin, race, religion, political affiliation, gender, or sexual orientation.
5. Hair should be kept clean and well groomed, shall not constitute a safety hazard, and at no time shall interfere with the use of protective clothing or equipment.
6. Beards or goatees are discouraged, neatly trimmed sideburns and mustaches are permitted provided that they do not interfere with the use of protective clothing or equipment. Sideburns shall not extend below the base of the ear and mustaches shall not extend below the bottom lip.
7. Members shall limit their use of jewelry to a wrist or pocket watch, a wedding ring, and one school or university ring. These items shall not interfere with the proper use of protective clothing or equipment earrings, bracelets, and chains, and so forth are not recommended. (Questions concerning this statement shall be directed to the Fire Chief or his designee).



8. Members who are not involved in emergency response operations shall limit the use of jewelry. Items that create excessive noise, interfere with job performance, or constitute a safety hazard shall not be worn.
9. Male department members are discouraged from wearing earrings and ear studs. Female members, shall limit their use of earrings and ear studs to a single pair. Nose jewelry or other items that draw attention to the wearer are also highly discouraged.



CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL
No: Admin 100.0

SOP 100.6

SEXUAL HARASSMENT

1. Unwanted or unsolicited verbal or physical harassment of members by supervisors or coworkers will not be tolerated. Supervisor shall promptly correct behavior should it occur.
2. If a member informs a supervisor or a coworker that his language or behavior is offensive and such conduct continues, the member immediately should report the situation to the Fire Chief or Assistant Fire Chief.
3. Appropriate disciplinary action shall be taken against a member found guilty of harassing a fellow member.
4. All members shall comply with the Cibola County sexual-harassment policy.





CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

GENERAL ORDERS

To: ALL DEPARTMENT PERSONNEL
No: Admin 100.0

SOP 100.7

INAPPROPRIATE BEHAVIOR

The following activities are prohibited by members while on duty.

1. Unlawful behavior, gambling, noisy or quarrelsome conduct, and lewd or indecent activities.
2. Threats or act of physical violence against members of the public, coworkers, or other department members or county employees.
3. Sexual activity to include the possession or use of printed audiovisual material that is sexually offensive.
4. Abusive behavior, hazing, or harassment of members or members of the public. Horseplay, practical jokes, and other disruptive behavior is also prohibited.
5. Use a department supplies, tools, and material to clean or repair personal vehicles or property. (Unless approved by the Fire Chief)
6. Altercation or modification of vehicles, apparatuses, buildings, computers, items of equipment owned or operated by the department without the Fire Chief/Marshal authorization.
7. Acceptance or solicitation of gifts, rewards, or fees for service incidental to the performance of one's duty. In addition, no member should be required to make a donation to a person or organization as a condition of membership.
8. Campaigning for or against any elected official.
9. Publicly criticizing the official actions or orders of superior officer. Nor may a member publicly speak disrespectfully of the department or its members.
10. Recommending or endorsing specific products, trade names, or businesses.
11. Conducting personal business or performing any activity for which the member will oversee any form of compensation from anyone other than the district.
12. Making any personal phone calls that last longer than five minutes.



13. Permanently parking or storing vehicles, trailers, campers, tractors, boats, and so forth, on department property. Vehicles with commercial advertising on them shall be parked away from the station and shall not be readily visible to passers-by.
14. Making false statements in any official communication or in conversation with another member or citizen.
15. Performing any and or making any statement, oral or written, about one's immediate superior, intending to destroy discipline and good order.
16. Performing any act or making any statement, oral or written, about one's co-members, intending to destroy morale, good order, or working relationships with members.
17. Displaying insolence or indifference or evading duty during an emergency incident. Any member found to be guilty of this offense shall be relieved of duty immediately.





CIBOLA COUNTY EMERGENCY SERVICES

Cibola County Office of the Fire Marshal
515 W. High St. Suite B Grants, NM 87020

POLICY

To: ALL DEPARTMENT PERSONNEL
No: Admin 100.0

SOP 100.8

CONTROLLED SUBSTANCES

- I. The use of alcoholic beverages, debilitating drugs, or any substance that impair physical or mental capabilities while on duty is strictly prohibited.
- II. Off-duty consumption about all that reflects negatively on the department or that impairs a member's ability to perform his job is prohibited.
- III. Member shall be familiar with and strictly comply with the drug and alcohol free workplace provision.

This General Order is most easily described as a zero tolerance standard about the use of drugs and alcohol by members of all departments at any time when they may be called upon to act or respond as a member of the department.

If a member has consumed alcohol within the previous eight (8) hours, or is still noticeably impaired by alcohol consumed prior to the eight hours, they must voluntarily remove themselves from driving department vehicles. If a member has consumed alcohol within the previous four (4) hours, or is still noticeably impaired by alcohol consumed prior to the four hours, they are not to respond on emergency incident, attend training, or present themselves at the station or headquarters.

No member of a fire and emergency services agency/organization shall participate in any aspect of the organization and operation of the fire emergency agency/organization under the influence of drugs/alcohol including but not limited to any fire and emergency operations, training, etc.

No member shall come into the station, headquarters, or emergency event if they have consumed alcohol within the timeframe prescribed above.

No open containers about all shall be on the premises of the department.

The use of illegal drugs/drugs not prescribed to the member is strictly prohibited.
Any violation of this policy may result in criminal charges and or disciplinary action.

PROFESSIONAL SERVICES CONTRACT

CIBOLA COUNTY

THIS AGREEMENT is made and entered into by and between the County of Cibola, hereinafter referred to as the "County" and Vikram Alladi, MD, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. Compensation.

A. The County shall pay to the Contractor for services satisfactorily performed at the rate of \$200.00 per hour, billed in 15 minute increments for on-site services this billing will include \$100.00 per hour travel time per on-site visit, not to exceed a total of 2 hours travel time per on-site visit. The County shall also pay Dr. Alladi an annual base sum of \$12,000.00 to be billed monthly. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$525.61 shall be paid by the County to the Contractor upon receipt of invoice. The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$12,000.00. The County shall additionally be responsible for the cost of inmate pharmaceuticals, the cost of clinically indicated tests, and the supplies/equipment reasonably necessary for the delivery of medical services to the County's inmates during the term of this Agreement. In no event will the Contractor be paid any amount in excess of the specified total amount payable without this Agreement being amended in writing.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices MUST BE received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be

deemed tendered on the date it is postmarked. However, the County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. PERSONNEL

Dr. Alladi will provide medical services and maintenance of appropriate clinical supervisory and Administrative structure for the medical services as required under this agreement Dr. Alladi will additionally require that any staff provided to assist him will possess the appropriate credentials and licenses for the services offered.

4. STANDARDS OF CARE

All medical services provided by Dr. Alladi under this Agreement shall be consistent with accepted professional standards of medical care and all applicable correctional facility standards.

5. Term.

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners. This Contract will not automatically renew on an annual basis, but must be presented to and approved by the Cibola County Commission for each of the three (3) additional one (1) year terms unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with Section 13-1-150 NMSA 1978, no term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

6. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S

OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

7. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

8. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

9. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

10. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall

any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

11. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

12. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

13. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

14. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and

(ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

15. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

16. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

17. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

18. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical

condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

19. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

20. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

21. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

22. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

23. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or

subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

24. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

25. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

26. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

27. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

28. Approval of Contractor Personnel.

Personnel proposed in the Contractor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Contractor without prior written consent of the procuring agency of the County. Replacement of any Contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Contractor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Contractor's personnel at any time.

29. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

30. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

31. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

32. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

33. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting or unless it is executed by the Cibola County Manager, pursuant to the Manager's delegated authority. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

34. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

35. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

36. Incorporation and Order of Precedence.

Request for Proposals No. FY2016-05-02 and the contractor's proposal are incorporated by reference into this agreement and are made a part of this agreement. In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
2. this contract itself; then
3. the Request for Proposals; then
4. the Contractors Best and Final Offer(s), in reverse chronological order; then
5. the contractor's proposal; then
6. the contractor's standard agreement terms and conditions (which may or may not have been submitted as part of the contractor's proposal).

37. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
- ii. replace or modify the product or service so that it becomes non-infringing; or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

38. Professional Liability Insurance.

Contractor agrees to maintain in full force throughout the duration of the Agreement a professional liability insurance policy with a minimum coverage of \$1,000,000.00 per occurrence/ \$2,000,000.00 aggregate.

39. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager // 515 West High Street // Grants, NM 87020

To the Contractor: Dr. Vikram Alladi //300 Tijeras Ave. NE #316 //Albuquerque, NM 87102

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: Dr. Vikram Alladi

Address: 300 Tijeras Ave. N.E. # 316, Albuquerque, NM 87102

By: _____ Date: _____
Cibola County Manager

Printed Name: Tony Boyd

Address: 515 West High Street
Grants, NM 87020

By: _____ Date: _____
Cibola County Purchasing Agent

Printed Name: Frances Medina

Address: 515 West High Street
Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this _____ day of _____, 2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Patrick Simpson
Commissioner, District IV

Lloyd F. Felipe
Commissioner, District V

Attest:

Elisa Bro
Cibola County Clerk

Attachment 1

Scope of Work

- a. As needed services of medical to provide diagnostic and treatment services to inmates, including prescription of medication as well as on-call availability through the contracted medical health clinician when referred by Facility or other County contracted personnel except when out of town.
- b. Completion of all necessary written documentation regarding the medical assessment and treatment provided under the terms of this Agreement.
- c. Telephone consultation to the Facility's staff and designated administrative personnel during normal business hours or in the event of an emergency.
- d. Full cooperation with the Facility to evaluate the quality of medical services being delivered to inmates and on the effectiveness of the medical care delivery system;
- e. Full cooperation with any peer group or individual designated by Cibola County to review and evaluate the medical services provided inmates and the performance of any duties assigned to Dr. Alladi pursuant to this Agreement and will make every effort to follow recommendations made by such group or individual.
- f. Full cooperation with Cibola County in preparing all documents necessary to procure third party payments, when available. Billings to third party payers will be the responsibility of Cibola County with Cibola County receiving any amounts paid by third party payers.

PROFESSIONAL SERVICES AGREEMENT

CIBOLA COUNTY

THIS AGREEMENT is made and entered into by and between the County of Cibola, hereinafter referred to as the "County" and Sindy Sacoman, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. Compensation.

A. The County shall pay to the Contractor in full payment for services satisfactorily performed Two Thousand Four Hundred Thirty-nine Dollars and Sixty-Six Cents (\$2,439.66) monthly, to be invoiced in equal monthly amounts after performance of the services. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$0.00 shall be paid by the County to the Contractor in equal monthly amounts. The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$29,276.00. In no event will the Contractor be paid any amount in excess of the specified grant amount allocated for this service.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices MUST BE received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. Term.

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners. This Contract will not automatically renew on an annual basis, but must be presented to and approved by the Cibola County Commission for each of the three (3) additional one (1) year terms unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with Section 13-1-150 NMSA 1978, no term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

26. Approval of Contractor Personnel.

Personnel proposed in the Contractor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Contractor without prior written consent of the procuring agency of the County. Replacement of any Contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Contractor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Contractor's personnel at any time.

27. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement.

Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

28. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

29. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

30. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

31. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting or unless it is executed by the Cibola County Manager, pursuant to the Manager's delegated authority. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

32. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

33. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

34. Incorporation and Order of Precedence.

In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
 2. this contract itself; then
 3. the Request for Proposals; then
 4. the Contractors Best and Final Offer(s), in reverse chronological order;
- then
5. the contractor's proposal; then
 6. the contractor's standard agreement terms and conditions (which may or may not have been submitted as part of the contractor's proposal).

35. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
 - ii. replace or modify the product or service so that it becomes non-infringing;
- or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's

obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

36. Professional Liability Insurance.

Contractor agrees to maintain in full force throughout the duration of the Agreement a lawyers professional liability insurance policy with a minimum coverage of \$1,000,000.00 per occurrence/ \$2,000,000.00 aggregate.

37. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager // 515 West High Street // Grants, NM 87020

To the Contractor: Global Corrections Group //One Sun Avenue NE Suite # 650 //Albuquerque, NM 87109

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: Cindy Sacoman

Address: 75 Overlook Drive, Placitas, New Mexico 87043

By: _____ Date: _____
Cibola County Manager

Printed Name: Tony Boyd

Address: 515 West High Street
Grants, NM 87020

By: _____ Date: _____
Cibola County Purchasing Agent

Printed Name: Frances Medina

Address: 515 West High Street
Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this ____ day of _____,
2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk

Attachment 1

Scope of Work

The Contractor shall:

- A. Provide culturally sensitive, comprehensive assessment and evaluation;
- B. Be responsible for designing, reviewing and carrying out process and outcome evaluation activities of the Cibola County DWI Prevention Program and Compliance Monitoring Program; including designing evaluation instruments, gathering relevant base-line and follow-up data, tabulation and analysis of data, and producing evaluation reports;
- C. Provide quarterly narrative reports to the Project Director which will be submitted to LDWI;
- D. Coordinate the development of the Needs Assessment, Capacity Building, Strategic Planning and Evaluation of the Community -Based Process and/or direct service programs and support the Implementation Stages
- E. Attend local and state level evaluation meetings, as set forth by program requirements, including attendance at State Evaluation Trainings mandated by LDWI and/or Cibola County DWI Programs;
- F. Analyze pre-tests and post-tests, survey, and other evaluation assessments as implemented by project staff;
- I-I. Use specific core indicators, process and outcome evaluation instruments and protocols and standardized data collections procedures as indicated by LDWI;
- I. Provide feedback, technical assistance, and support staff in the evaluation and implementation of the goals and objectives on a monthly basis or as needed;
- J. Provide on-site visits and/or telephone contact on a monthly basis;
- K. Develop a PowerPoint presentation of the Needs Assessment Highlights and Gaps in Data and present to the community and County Commissioners upon request.

CIBOLA COUNTY

CONTRACT # 2016-07-01

THIS AGREEMENT is made and entered into by and between the County of Cibola, hereinafter referred to as the "County" and **Valle del Sol of Arizona**, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. **Scope of Work.**

Scope of Work

- A. Conduct screening on all referred adults, hereinafter referred to as client, (using acceptable Instruments such as SASSI, or ASI). Copies of these shall be given to the CC. *These shall be used along with a Needs Assessment completed by CC to determine treatment needs.*
- B. Develop treatment plans based on assessments and individual needs of the client using guidelines outlined by Valle del Sol of Arizona. Copies of treatment plans shall be made available to CC upon request.
- C. Provide relevant treatment through group or as recommended and approved by CC. *All therapists shall be licensed/certified therapists with the State of New Mexico. Copies of licenses shall be provided to CC and shall be made available to CC at time of acceptance of contract.*
- D. Client attendance and monthly written progress reports shall be provided to CC on each client by the 10th day of every month for the previous month.
- E. Maintain clinical records and submit to the court as requested.
- F. Coordinate needed services with other individuals and agencies.
- G. Provide consultation to the court regarding treatment and disposition. All decisions regarding any and all treatment services including, but not limited to Residential Treatment Programs must be presented to the Cibola County DWI Coordinator and be approved by the Cibola County DWI Coordinator prior to referral or any action being taken by Valle del Sol of Arizona. The exception to this requirement is in the situation that the client is a danger to self or others.
- H. Maintain all financial records (including source documentation) relating to programming as evidence of costs incurred.

Maintain accounting system that conforms to generally accepted accounting principles; procedures must be established and supporting documentation maintained to substantiate costs.

J. Bill Medicaid or other insurance promptly. Medicaid and/or any other insurance shall always be billed for all services that are eligible for payment by such before billed to Cibola

County DWI Program. Contractor is responsible for assisting client in Medicaid enrollment and maintaining Medicaid enrollment.

K. Provide Unit Cost Reports monthly reflecting actual number of units of service provided; identification of client served, types of service units provided, and how much was paid by Medicaid or other insurance; maintain monthly budget reports. There will be no charge to CC for a client's missed appointment. Contractor will submit a monthly bill for all services provided for clients that are not covered by Medicaid or insurance.

L. Provide Aftercare treatment and support as required.

M. Provide supervision and monitoring of all Contractor employees providing services to CC.

N. Allow CC to audit files or records upon request.

O. Follow guidelines in New Mexico Court Standards, including but not limited to creating Treatment Provider Policies and Procedures in regards to Cibola County Judicial Courts.

P. The Contractor shall prepare written assessments/reports as well as strictly adhere to timely submissions of said written assessments/reports as delineated in the scope of work above as time is of the essence in providing treatment services to the participants in the Cibola County DWI Program. Contractor shall fax or email incident report to Cibola County DWI Coordinator and the referring Court within 24 hours of any problems arising with client behavior which the Contractor has knowledge of. Incident reports shall be faxed or emailed to the DWI Coordinator and the referring court within 24 hours of client being a no show to group, therapy or case management.

Q. The Contractor shall act in accordance with the policy, procedure and protocol of Federal and State confidentiality guidelines, statutes and regulations. Further, the Contractor shall sign a Memorandum of Understanding regarding confidentiality.

2. Compensation.

A. The compensation to be provided pursuant to this solicitation is not to exceed amount of \$41,000.00.

B. Contractor must submit a monthly statement accounting for all services performed.

C. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. Term.

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners. This Contract will not automatically renew but will be brought to the County Commission for a full vote before any extensions. But may be presented for additional one (1) year terms unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations).

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date

of termination. A notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 2) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a

substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of seven (7) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold the Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants,

subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

26. Approval of Contractor Personnel.

Personnel proposed in the Contractor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Contractor without prior written consent of the procuring agency of the County. Replacement of any Contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Contractor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving

assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Contractor's personnel at any time.

27. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

28. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

29. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

30. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

31. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

32. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

33. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

34. Incorporation and Order of Precedence.

In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
2. this contract itself; then
3. the Request for Proposals; then
4. the Contractors Best and Final Offer(s), in reverse chronological order; then
5. the contractor's proposal; then
6. the contractor's standard agreement terms and conditions (which may or may not have been submitted as part of the contractor's proposal).

35. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
- ii. replace or modify the product or service so that it becomes non-infringing; or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

36. Insurance.

Contractor agrees to maintain in full force throughout the duration of the Agreement a premises liability insurance policy with a minimum coverage of \$1,000,000.00 per occurrence/ \$2,000,000.00 aggregate. Contractor additionally agrees to maintain in full force throughout the duration of the Agreement a general commercial liability insurance policy with a minimum coverage of \$1,000,000.00 per occurrence/ \$2,000,000.00 aggregate.

37. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Frances Medina, Cibola County Certified Purchasing Officer // 515 West High Street // Grants, NM 87020

To the Contractor: Valle Del Sol

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: _____
Address: _____

By: _____ Date: _____
Certified Purchasing Officer

Printed Name: Frances Medina

Address: 515 West High Street
Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this ____ day of _____, 2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk

SERVICES CONTRACT AMENDMENT

CIBOLA COUNTY

THIS AGREEMENT is made and entered into by and between the County of Cibola, pursuant to its authority under NMSA 1978, Section 5-1-1, hereinafter referred to as the "County" and Mt. Taylor Ambulance, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. Compensation.

A. The County shall pay to the Contractor in full payment for services satisfactorily performed Forty-Five Thousand Dollars and no cents (\$45,000.00) annually, to be invoiced in equal monthly amounts after performance of the services. No New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$0.00 shall be paid by the County to the Contractor in equal monthly amounts. The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$45,000.00. Payable in 12 equal monthly payments of \$3,750.00 per month upon approved invoice. In no event will the Contractor be paid any amount in excess of the specified total amount payable without this Agreement being amended in writing.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices MUST BE received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the

County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. Term.

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners. This Contract will automatically renew on an annual basis, for up to three (3) additional one (1) year terms unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations).

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

26. Approval of Contractor Personnel.

Personnel proposed in the Contractor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Contractor without prior written consent of the procuring agency of the County. Replacement of any Contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Contractor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Contractor's personnel at any time.

27. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement.

Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

28. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

29. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

30. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

31. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting or unless it is executed by the Cibola County Manager, pursuant to the Manager's delegated authority. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

32. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

33. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

34. Incorporation and Order of Precedence.

The contractor's proposal is incorporated by reference into this agreement and are made a part of this agreement. In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
 2. this contract itself; then
 3. the Request for Proposals; then
 4. the Contractors Best and Final Offer(s), in reverse chronological order;
- then
5. the contractor's proposal; then
 6. the contractor's standard agreement terms and conditions (which may or may not have been submitted as part of the contractor's proposal).

35. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
 - ii. replace or modify the product or service so that it becomes non-infringing;
- or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's

obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

36. Liability Insurance.

Contractor agrees to maintain in full force throughout the duration of the Agreement a liability insurance policy with a minimum coverage of: Comprehensive General Liability - \$1,000,000 per occurrence, \$2,000,000 General Aggregate, Occurrence type, if available; if not "Claims Made" type with a minimum of a six (6) year tail. The County will be named as an additional insured on said policy, and will be provided an updated certificate of insurance on an annual basis.

37. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager // 515 West High Street // Grants, NM 87020

To the Contractor: Dr. Paul Sandoval, NMDA //7825 American Heritage Dr. NE //Albuquerque. NM 87109.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: Thomas J. Habiger
Address: 1213 Peel Street, P.O. Box 1921, Grants, NM 87020

By: _____ Date: _____
Cibola County Manager

Printed Name: Tony Boyd
Address: 515 West High Street
Grants, NM 87020

By: _____ Date: _____
Cibola County Purchasing Agent

Printed Name: Frances Medina
Address: 515 West High Street

Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this _____ day of _____,
2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk

Attachment 1

Scope of Work

Required activities include, but are not necessarily limited to, the following:

- 1.1 Provide a Certificate of Public Convenience and Necessity ("Certificate") issued by the New Mexico Public Regulation Commission, authorizing, Mt. Taylor to provide ambulance service to transport sick or injured person(s) to and from places within the County of Cibola and between it and places within the State of New Mexico.
- 2.2 Promptly respond and provide appropriate service or secure the provision of more immediate service, to all calls for ambulance services to transport sick or injured persons to and from places within the County of Cibola and between it and places within the State of New Mexico as allowed by his Certificate. (The indigence of a sick or injured person shall not constitute a reason for failure to respond to a call for an ambulance.) The area of response shall be as outlined below for initial and immediate response, anything beyond the listed areas shall be based upon the need and request for Mutual Aid as outlined in Memorandum of Understandings between Mt. Taylor Ambulance and other agencies within Cibola County and neighboring counties.
 - I-40: East to the 92-mile marker.
 - West to the county line.
 - State Road 53: South to the 56-mile marker. This shall also include the housing areas on Forest Road 49 and 50 within Cibola County.
 - State Road 605: North to the 11-mile marker.
 - State Road 117: South to the 35-mile marker. State Road 122: West to the County Line.
 - State Road 124: East to 2-mile marker
 - Lobo Canyon Road: North to the end of the pavement and farther if requested.
 - The unincorporated areas of the county that are not covered by Tribal entities.
- 2.3 Provide basic and, when available, intermediate or advanced medical treatment to the sick or injured persons it transports in accordance with the protocols as set for in Appendix A attached hereto.

- 2.4 Ambulance Personnel shall maintain basic licensure and when available, intermediate or paramedic medical training, skills, techniques, medications or procedures on the equipment provided by their service, to include signed authorization from the services medical director as required [7.27.215 NMAC-PR, 1-197; 7.27.2.15 NMAC-RN, 7-1-00].
- 2.5 Promptly process or cause to be processed all insurance claims payable resulting from the transportation of sick or injured persons as allowed to or from places of treatment. The County shall have the right to inspect these insurance claims upon reasonable prior notice.
- 2.6 Comply with (i) the Ambulance Standards Act, Chapter 65, Article 6, NMSA 1978, as amended (the "Act"), and with each and every regulation adopted pursuant to such Act; (ii) the New Mexico Motor Vehicle Code, Chapter 66, Article 1-8, NMSA 1978; as amended; (iii) regulations applicable or relating to the Certificate of Public Convenience and Necessity and (iv) any other applicable laws, rules, regulations or orders.
- 2.7 Maintain a headquarters within the limits of the County and have available for use a minimum of two (2) ambulances at all times (except when responding to limited energy calls or providing transports). Mt. Taylor Ambulance shall participate with the Cibola Regional Communication Center by monitoring the Cibola County Fire Frequency for all dispatch information and notification to CRCC for all in-service, arrival, completion and enroute to facility times. This will allow for data to be collected and used for the purposes of applying for additional funding through various sources for both the County and Mt. Taylor Ambulance.
- 2.8 Ensure capability to respond to an emergency or disaster by participating in emergency planning, training and exercises, to include attending Local Emergency Planning Committee meetings and maintaining an approved Medical Director.
- 2.9 Provide an initial Statement of Work (SOW) outlining specific goals and objectives to be achieved during the term of the Agreement.
- 2.10 Submit with the monthly invoice a report of activities (e.g., number, type of calls made (and average response times) within the County and other pertinent documentation) that support the Scope and/or Statement of Work as provided herein.
- 2.11 Provide periodic reports either in writing or in person at a County

Commission Meeting.

- 2.12 Services as compensated hereunder shall not include any provision of services to County inmates.

SERVICES CONTRACT

CIBOLA COUNTY

THIS AGREEMENT is made and entered into pursuant to NMSA 1978, Section 4-36-2, by and between the County of Cibola, hereinafter referred to as the "County" and New Mexico State Library Service, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. **Scope of Work.**

The Contractor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. **Compensation.**

A. The County shall pay to the Contractor in full payment for services satisfactorily performed Two Thousand Five Hundred and Fifty Dollars and no cents (\$2,550.00) annually, to be invoiced in equal monthly amounts after performance of the services. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling \$2,550.00 shall be paid by the County to the Contractor in equal monthly amounts. The total amount payable to the Contractor under this Agreement, excluding gross receipts tax and expenses, shall not exceed \$2,550.00. In no event will the Contractor be paid any amount in excess of the specified total amount payable without this Agreement being amended in writing.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices MUST BE received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. **Term.**

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners. This Contract will not automatically renew.

4. **Termination.**

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

5. **Appropriations.**

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether

sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or

in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns

that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

27. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

28. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

29. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven

potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

30. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting or unless it is executed by the Cibola County Manager, pursuant to the Manager's delegated authority. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

31. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

32. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

33. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

i. provide a procuring agency of the County the right to continue using the product or service;

ii. replace or modify the product or service so that it becomes non-infringing;
or

iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

34. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager // 515 West High Street // Grants, NM 87020

To the Contractor: Joy Poole, Deputy State Librarian//New Mexico State Library
1209 Camino Carlos Rey//Santa Fe, N.M. 87507-5166

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: Joy Poole

Address: 1209 Camino Carlos Rey

By: _____ Date: _____
Cibola County Manager

Printed Name: Tony Boyd

Address: 515 West High Street
Grants, NM 87020

By: _____ Date: _____
Cibola County Purchasing Agent

Printed Name: Frances Medina

Address: 515 West High Street
Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this ____ day of _____,
2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk

Attachment 1

Scope of Work

Required activities include, but are not necessarily limited to, the following:

- A. Rural Bookmobile West serves the Areas in Cibola County of El Morro, Pine Hill, Fence Lake, Bluewater and Cubero. All funding used to stock bookmobile with books, CDs, magazines, videos and requested materials

Contract No.

STATE OF NEW MEXICO AUDIT CONTRACT

(Counties)

Cibola County

hereinafter referred to as the "Agency," and

Harshwal & Company LLP

hereinafter referred to as the "Contractor," agree:

As required by the Audit Rule, NMAC Section 2.2.2.1 et seq., Contractor agrees to, and shall, inform the Agency of any restriction placed on Contractor by the Office of the State Auditor pursuant to NMAC Section 2.2.2.8, and whether the Contractor is eligible to enter into this Contract despite the restriction.

1. SCOPE OF WORK (Include in Paragraph 25 any expansion of scope)

A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for Fiscal Year 2016:

1. Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
2. Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules- Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 15.65);
3. Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 15.65), if applicable, consisting of:
 - a. Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.22);
 - b. Combining financial statements;
 - c. Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - d. Remaining supplemental information on schedules as required by NMAC Section 2.2.2.10.A(2)(f).

B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:

1. The Management Discussion and Analysis (MD&A);
2. RSI data required by Statements 25, 27, 43, 45, 67 and 78 regarding pension plans and post-employment healthcare plans administered by defined benefit pension plans; and
3. Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).

- C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).

2. DELIVERY AND REPRODUCTION

- A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor on or before **November 1, 2016** and in accordance with NMAC Section 2.2.2.9:
1. an organized, bound and paginated hard copy of the Agency's audit report for review;
 2. a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C580; and
 3. a copy of the completed State Auditor Report Review Guide available at www.osanm.org;
- B. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13. If the State Auditor does not receive copies of the management representation letter, and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.
- C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.
- D. Pursuant to NMAC Section 2.2.2.8, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency.
- E. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **TWO** copies of the report, an electronic version of the audit report, in PDF format and the electronic copy of the Excel version of the Summary of Findings Form, the Vendor Schedule, and the Fund Balances. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver **10** copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.
- F. The Agency, upon delivery of its audit report, shall submit to the Federal Audit Clearinghouse (FAC) the completed dated collection form and the reporting package described in § 200.512 of Uniform Guidance for Federal Awards. The submission is required to be made within 30 calendar days of receipt of the auditor's report, or nine months after the end of the audit period.

3. COMPENSATION

- A. The total amount payable by the Agency to the Contractor under this Contract, including New Mexico gross receipts tax and expenses, shall not exceed **\$31,939.00**.
- B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. In accordance with Section 12-6-14(A), NMSA 1978, and NMAC Section 2.2.2.8, Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this Contract prior to approval by the State Auditor.
- C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	\$21,938.00
(2) Federal single audit	\$3,596.00
(3) Financial statement preparation	\$3,236.00
(4) Other nonaudit services, such as depreciation schedule updates	\$0.00
(5) Other (i.e., component units, specifically identified)	\$1,155.00

Gross Receipts Tax = **\$2,014.00**

Total Compensation = **\$31,939.00**

D. The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this Contract and invoiced by the Contractor. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below.

E. Pursuant to Section 12-6-14, NMSA 1978 and NMAC Section 2.2.2.8, the State Auditor may authorize progress payments to the Contractor by the Agency; provided that the authorization is based upon evidence of the percentage of audit work completed as of the date of the request for partial payment. Progress payments up to 70% do not require State Auditor approval, provided that the Agency certifies receipt of services. The Agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed prior to making such payment. Progress payments of 70% or more but less than or equal to 90% require State Auditor approval after being approved by the Agency. If requested by the State Auditor, the Agency shall provide a copy of the approved progress billings. The State Auditor may allow only the first 50% of progress payments to be made without State Auditor approval if the Contractor's previous audits were submitted after the due date. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

4. **TERM.** Unless terminated pursuant to Paragraphs 5 or 19, this Contract shall terminate one calendar year after the latest date on which it is signed.

5. **TERMINATION, BREACH AND REMEDIES**

A. This Contract may be terminated:

1. By either party without cause, upon written notice delivered to the other party and the State Auditor at least ten (10) days prior to the intended date of termination.
2. By either party, immediately upon written notice delivered to the other party and the State Auditor, if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the report in accordance with Paragraph 2 shall constitute a material breach of this Contract.
3. By the Agency pursuant to Paragraph 19, immediately upon written notice to the Contractor and the State Auditor.
4. By the State Auditor, immediately upon written notice to the Contractor and the Agency after determining that the audit has been unduly delayed, or for any other reason.

B. By termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. If the Agency or the State Auditor terminates this Contract, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized to the extent required by Paragraph 3(E). If the Contractor terminates this Contract for any reason other than Agency's breach of this Contract, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.

C. Pursuant to NMAC Section 2.2.2.8, the State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State Auditor on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.

D. THE REMEDIES HEREIN ARE NOT EXCLUSIVE, AND NOTHING IN THIS SECTION 5 WAIVES OTHER LEGAL RIGHTS AND REMEDIES OF THE PARTIES.

6. **STATUS OF CONTRACTOR**

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the Agency. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles or any other benefits afforded to employees of the Agency as a result of this Contract. The Contractor agrees not to purport to bind the State of New Mexico to any obligation not assumed under this Contract unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. **ASSIGNMENT**

The Contractor shall not assign or transfer any interest in this Contract or assign any claims for money due or to become due under this Contract.

8. **SUBCONTRACTING**

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of the

Agency and the State Auditor. An agreement between the Contractor and a subcontractor to subcontract any portion of the services under this Contract shall be completed on a form prescribed by the State Auditor. The agreement shall be an amendment to this Contract and shall specify the portion of the audit services to be performed by the subcontractor, how the responsibility for the audit will be shared between the Contractor and the subcontractor, the party responsible for signing the audit report and the method by which the subcontractor will be paid. Pursuant to NMAC Section 2.2.2.8, the Contractor may subcontract only with independent public accounting firms that are on the State Auditor's List of Approved Firms, and that are not otherwise restricted by the Office from entering into such a contract.

9. RECORDS

The Contractor shall maintain detailed time records that indicate the date, time, and nature of services rendered during the term of this Contract. The Contractor shall retain the records for a period of at least five (5) years after the date of final payment under this contract. The records shall be subject to inspection by the Agency and the State Auditor. The Agency and the State Auditor shall have the right to audit billings both before and after payment. Payment under this Contract shall not foreclose the right of the Agency or the State Auditor on behalf of the Agency to recover excessive or illegal payments.

10. RELEASE

The Contractor, upon receiving final payment of the amounts due under the Contract, releases the State Auditor, the Agency, their respective officers and employees and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Contract. This paragraph does not release the Contractor from any liabilities, claims or obligations whatsoever arising from or under this Contract.

11. CONFIDENTIALITY

All information provided to or developed by the Contractor from any source whatsoever in the performance of this Contract shall be kept confidential and shall not be made available to any individual or organization by the Contractor, except in accordance with this Contract or applicable standards, without the prior written approval of the Agency and the State Auditor.

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. The Agency and the State Auditor may post an audited financial statement on their respective websites once it is publicly released by the State Auditor.

13. CONFLICT OF INTEREST

The Contractor represents and warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. Each of the Contractor and the Agency certifies that it has followed the requirements of the Governmental Conduct Act, Section 10-16-1, et seq., NMSA 1978, regarding contracting with a public officer, state employee or former state employee, as required by the applicable professional standards.

14. INDEPENDENCE

The Contractor represents and warrants its personal, external and organizational independence from the Agency in accordance with the *Government Auditing Standards 2011 Revision*, issued by the Comptroller General of the United States, and NMAC Section 2.2.2.8. The Contractor shall immediately notify the State Auditor and the Agency in writing if any impairment to the Contractor's independence occurs or may occur during the period of this Contract.

15. AMENDMENT

This Contract shall not be altered, changed or amended except by prior written agreement of the parties and with the prior written approval of the State Auditor. Any amendments to this Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978.

16. MERGER

This Contract supersedes all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract. Contractor and Agency shall enter into and execute an engagement letter pursuant to NMAC Section 2.2.2.8, consistent with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS). The engagement letter and any associated documentation included with or referenced in the engagement letter shall not be interpreted to amend this Contract. Conflicts between the engagement letter and this Contract are governed by this Contract, and shall be resolved accordingly.

17. APPLICABLE LAW

The laws of the State of New Mexico shall govern this Contract. By execution of this Contract, Contractor irrevocably consents to the exclusive personal jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising from or related to this Contract.

18. AGENCY BOOKS AND RECORDS

The Agency is responsible for maintaining control of all books and records at all times and the Contractor shall not remove any books and records from the Agency's possession for any reason.

19. APPROPRIATIONS

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the legislature or the Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the legislature or the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A) NMSA 1978.

20. PENALTIES FOR VIOLATION OF LAW

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

21. EQUAL OPPORTUNITY COMPLIANCE

The Contractor shall abide by all federal and state laws, rules and regulations, and executive orders of the Governor of the State of New Mexico pertaining to equal employment opportunity. In accordance with all such laws, rules, regulations and orders, the Contractor assures that no person in the United States shall, on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap or serious medical condition, spousal affiliation, sexual orientation or gender identity be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Contract. If the Contractor is found not to be in compliance with these requirements during the life of this Contract, the Contractor shall take appropriate steps to correct these deficiencies.

22. WORKING PAPERS

- A. The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years after the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor, the Contractor shall deliver the original or clear, legible copies of all working papers to the requesting entity.
- B. The Contractor should follow the guidance of AU-C 210 A.27 to A.31 and AU-C 510 .A3 to .A9 in communications with the predecessor auditor and to obtain information from the predecessor auditor's audit documentation.

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is Sanwar Harshwal. The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

24. INVALID TERM OR CONDITION

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected.

25. OTHER PROVISIONS

SIGNATURE PAGE

This Contract is made effective as of the date of the latest signature.

AGENCY

CONTRACTOR

Cibola County

Harshwal & Company LLP

PRINTED
NAME: _____
SIGNATURE: _____
TITLE: _____
DATE: _____

PRINTED
NAME: _____
SIGNATURE: _____
TITLE: _____
DATE: _____

State Auditor Contract No. 16 - 5033

Cibola County Commission

T. Walter Jaramillo, Chairman
Patrick Simpson, 1st Vice-Chair
Lloyd F. Felipe, 2nd Vice-Chair
Robert Armijo, Commissioner
Jack Moleres, Commissioner

Cibola County

515 West High Street
Grants, New Mexico 87020
Phone (505) 287-9431 – Fax (505) 285-5434



Tony M. Boyd
County Manager

CIBOLA COUNTY
PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT is made and entered into by and between the Board of County Commissioners of Cibola County on behalf of the Cibola County Detention Center, hereinafter referred to as the "COUNTY" and Legal Language Services, hereinafter referred to as "LLS" or the "CONTRACTOR", and is effective as of the date set forth below upon which it is executed by the Authorized Signatories. This Agreement has been procured pursuant to Cibola County Procurement Regulations and NMSA 1978, Section 13-1-125(B), and, includes Attachment A hereto.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work

LLS shall provide language services to the County, including: scheduled and unscheduled telephonic interpretation services for all language pairs involving English and any of the more than 200 languages currently offered. See Attachment A. LLS will correct at no charge any outright mistranslation, omission, typographical error, grammatical mistake or non-adherence to any approved glossary. County agrees that LLS shall have no liability or obligation regarding errors in translations unless LLS receives written notification of the error(s) within fifteen (15) days following delivery of the deliverable to the County. LLS's sole obligation with respect to errors shall be the obligation to correct the deliverable at no cost to the County.

2. Compensation

- a. **Rates.** Charges for services are set forth in Attachment A of this Agreement.
- b. **Payment.** County agrees to pay all properly invoiced charges for any and all services rendered within thirty (30) calendar days of date of invoice. A prompt payment discount will apply if payment is made within thirty (30) calendar days of the date of the invoice, provided that the account is current.

- c. **Usage of Services.** County represents that language services will be used for its own internal purposes. Prohibited uses include: transmission of messages or other material which constitutes an infringement of copyrights or trademarks, unauthorized disclosure of trade secrets, any criminal prohibitions regarding the use of telephones to transmit obscene, threatening, or harassing messages, a libelous or slanderous statement; or, a violation of any applicable statute or state law or regulation.
- d. **Unauthorized Usage.** County agrees to safeguard any access code or other assigned service code against use by unauthorized individuals. County shall be solely responsible for charges resulting from use of its access code, whether or not such use is authorized. LLS will make every reasonable effort to secure the confidentiality of County communications.

3. Term.

- a. The terms for this Agreement shall be one (1) year, automatically renewable for terms of one (1) year unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, Section 13-1-150 NMSA 1978, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.
- b. During the term of this Agreement, the County Detention Center will not contract with, or accept service from, any other individual or entity for telephonic interpreter services provided by LLS and within the scope of this Agreement, unless such service is provided by friends, family, or employees of the County and the County is not charged any fee, or unless County first requests service from LLS, and LLS cannot or does not provide the requested service.

4. Termination.

This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the

Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

- a. The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.
- b. The County agrees not to solicit for employment any of LLS's personnel, or former personnel, within one (1) year from the expiration of this Agreement.

7. Assignment.

This Agreement will be binding on and inured to the benefit of each of the parties, their successors and assigns. It may not be assigned or transferred, in whole or in part, without the written consent of the other party. Any such assignment or transfer without consent will be void. Notwithstanding the foregoing, LLS may assign by providing written notice to: a) any entity which is a successor to LLS either by merger or consolidation, b) a purchaser of all or substantially all of LLS's assets, or c) an entity which shall directly or indirectly control, be under the control of, or be under common control with LLS.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

- a. Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.
- b. LLS agrees to take all appropriate action to ensure the confidentiality and security of County's confidential information and to treat it with the same degree of care that it uses to protect its own confidential information of like kind and value, but in no case less than a reasonable degree of care.
- c. Both parties agree to allow the other the right to use their name and marks in any advertising, press release promotional effort, or publicity announcing this service Agreement, with prior written approval of the other party.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act

- a. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.
- b. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and

that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

- i. in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;
 - ii. this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;
 - iii. in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;
 - iv. in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and
 - v. in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.
- c. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article VII were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies

available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

- d. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the

jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments.

19. Disclaimer/Hold Harmless/Warranty

- a. Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold the Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.
- b. LLS makes no representation, warranty, or guarantee, expressed or implied, about interpretation and translation services, including but not limited to the availability, accuracy, completeness or timeliness of any interpretation or translation. LLS does not warrant the availability of interpreters for all languages at all times, and LLS disclaims any warrant of fitness for a particular purpose. County recognizes that interpretation may not be entirely accurate in all cases.

20. Limitations on Liability

- a. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.
- b. LLS shall be deemed to include LLS, its affiliates and respective successors, and the directors, officers, employees, agents, subcontractors, representatives, suppliers and interpreters and translators, whether employees or independent contractors, of LLS and damages refer collectively to all injury, damage, loss or expense incurred.

- c. The charges for services provided by LLS are established and rely on the exclusive remedy and limitations of liability set forth in this section. County acknowledges that it elects to accept charges calculated on this basis, and agrees that this allocation of risk of liability is fair, reasonable and not unconscionable.
- d. In accordance with the understandings set forth above and notwithstanding anything to the contrary contained herein the parties agree as follow: i) LLS's entire liability for damages caused by defect or failure of interpreter and translation services, or arising from the performance or nonperformance of any services under this Agreement, regardless of the form of action, whether in contract, tort, negligence, strict liability or otherwise, shall be limited to a credit or refund of the charges for the service which gave rise to the claim; and ii) LLS shall not be liable for any indirect, incidental, special or consequential damages, or for lost profits, savings or revenues of any kind, whether or not LLS had knowledge, actual or constructive, that such damages might be incurred. This subsection shall survive failure of an exclusive remedy.
- e. Neither party will seek to hold any natural person associated with either party personally liable for any breach of this Agreement.

21. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

22. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

23. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

24. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence

an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

25. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

26. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

27. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

28. Notice to Proceed.

- a. It is expressly understood that this Agreement is not binding upon the County until it is executed by the Authorized Signator. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

29. Attorney's Fees.

- a. In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of

such action shall NOT be entitled to an award of attorneys' fees and court costs.

30. Cooperation.

- a. All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

31. Order of Precedence.

- a. In the event of any conflict among contract documents, the following order of precedence shall apply:
 - 1. Any contract amendment(s), in reverse chronological order; then
 - 2. this contract itself.

32. Patent, Copyright, Trademark and Trade Secret Indemnification.

- a. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:
 - i. give the contractor prompt written notice of any claim;
 - ii. allow the contractor to control the defense or settlement of the claim; and
 - iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.
- b. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:
 - i. provide a procuring agency of the County the right to continue using the product or service;
 - ii. replace or modify the product or service so that it becomes non-infringing; or

- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

33. Notices.

- a. Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager
515 West High St.
Grants, NM 87020

To the Contractor: Legal Language Services
15 Maiden Lane, Suite 300
New York, NY 10038

34. Certification Regarding Debarment

Contractor, by signing this Agreement, provides certification to the County the Contractor is not debarred, suspended, or proposed for debarment by any Federal or New Mexico State Department or agency.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners or County Manager below.

By: _____ Date: _____
Contractor

Printed Name: _____

Address: _____

Attachment One

Scope of Work



NWNMCOG

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

106 West Aztec Avenue
Gallup, NM 87301

phone: [505] 722-4327

fax: [505] 722-9211

www.nwnmcog.com
Executive Director | Jeff Kiely

June 17, 2016

Tony Boyd, County Manager
Cibola County
515 West High St.
Grants, NM 87020

RE: COG Membership Agreement for FY 2017

Dear Tony,

In support of the County's continued membership in Northwest New Mexico Council of Governments and the renewal of our work on the County's behalf, I am attaching a Membership Agreement for Fiscal Year 2017, for consideration by County Manager and Commission.

I'm also enclosing a 1-page Board Appointment Form, which you can use to re-affirm (or change) the County's representation on the COG Board.

As always, we look forward to our continued partnership in service to the people of Cibola County and the Northwestern Region of our State. Please let us know when you would like us to meet with Commission and/or with the administration on the details going forward.

Sincerely,



Jeff Kiely
Executive Director

xc: Contract File 110 – Cibola County

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MEMBERSHIP AGREEMENT

with

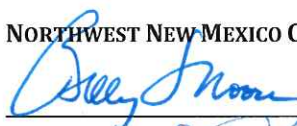
CIBOLA COUNTY

Fiscal Year 2017

This Agreement is entered into by and between Northwest New Mexico Council of Governments (hereinafter "COG") and Cibola County (hereinafter "MEMBER"), pursuant to the following conditions and terms:

1. COG agrees to provide for the following:
 - a. Performance of professional work in service to the MEMBER, including specific assignments as requested and mutually concurred by the MEMBER and COG throughout the course of this Agreement, drawn from the COG's Menu of Services (attached hereto); such service to include assignment of professional staff to direct Member Services, in alignment with the Member Dues & Services policy adopted by the COG Board of Directors (attached hereto).
 - b. Continued leadership and performance in local and regional development activities, as supported by local, state, federal and philanthropic grants and contracts.
 - c. Competent management and stewardship of the COG's resources and responsibilities, on behalf of its Members.
2. MEMBER agrees to provide for the following:
 - a. To remain a voting member on the COG's Board of Directors, to consist of up to two (2) representatives to the Board and up to two (2) alternates, and to participate in the COG's governance, policy development and administrative oversight.
 - b. To pay annual dues into the treasury of the COG in the amount of **\$25,000** per annum, such payment to be rendered in quarterly increments for the annual period July 1, 2015 through June 30, 2016.
3. It is mutually understood and agreed that:
 - a. A portion of the Membership dues shall be committed to the support of the COG organization as a whole and to its general operating and overhead expenses, including matching funds as required for certain state and federal grants;
 - b. A portion of the dues shall be available for direct communications with and services to the MEMBER, including specific assignments as requested and mutually concurred by the MEMBER and the COG; and
 - c. For significant tasks and assignments requiring staffing above and beyond the levels specified herein, the COG may negotiate for and/or assist in securing additional funds to supplement this agreement.

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS



Date: 6-13-16

Billy Moore, Board Chairman

ATTEST:


Jeff Kiely, Executive Director

CIBOLA COUNTY

Date: _____
Walter Jaramillo, Commission Chair

ATTEST:

Elisa Bro, County Clerk

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

Board of Directors Appointment Form/FY 2017

Member Government: Cibola County Date: _____

1. The governing body of Cibola County (hereinafter Member) has designated

_____ and _____

as its official Representatives to the Board of Directors of the Northwest New Mexico Council of Governments (NWNMCOG), the organization established by State Statute as New Mexico Planning & Development District I and by the US Department of Commerce as Economic Development District 1.

2. It is understood that the responsibilities of Board representatives include, but are not necessarily limited to:

- Attendance at four (4) quarterly meetings of the Board of Directors as scheduled and, as needed and feasible, such special meetings as may be called by the Board Chair. Generally, regular meetings are held within the NWNMCOG planning district, rotated county-to-county among Cibola, McKinley and San Juan Counties [one (1) of which is the annual meeting];

[NOTE: Per the NWNMCOG Articles of Agreement: "Should the representative and/or alternate miss three (3) consecutive meetings, the governing body of the respective member shall be asked to appoint another representative to the Board."]

- Voting on Board motions and resolutions;
- Serving on and meeting with such committees or task forces as appointed by the Chairman of the Board and/or as volunteered;
- Serving as Board officer as nominated and elected;
- Representing issues, needs and perspectives of the Member within the Council of Governments forum as applicable and appropriate;
- Staying up-to-date on NWNMCOG issues, primarily (a) as represented in the packet of informational materials prepared by staff for each Board agenda and (b) with respect to direct services performed for the Member;
- Communicating with and reporting to the governing body of the Member regarding NWNMCOG issues, priorities and activities; and
- Assisting in advocating for local and regional issues and projects throughout the year.

3. The governing body has also designated _____ and _____ as Board Alternates, whose responsibilities are to assume the duties and authorities of either Representative, including voting on Board motions and resolutions, in the absence of and as delegated by the Representative.

SIGNED: _____

DATE: _____

NAME: _____

TITLE: _____

PROFESSIONAL SERVICES CONTRACT

CIBOLA COUNTY

THIS AGREEMENT is made and entered into by and between the County of Cibola, hereinafter referred to as the "County" and REDW, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Purchasing Agent and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. Compensation.

A. The County shall pay to the Contractor for services satisfactorily performed an amount not to exceed \$55,620.00 to be invoiced after performance of the services, in accordance with the fee schedule attached hereto. The New Mexico gross receipts tax levied on the amounts payable under this Agreement at the rate of 7.875% shall be paid by the County to the Contractor. The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$60,000.00. In no event will the Contractor be paid any amount in excess of the specified total amount payable without this Agreement being amended in writing.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices MUST BE received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Contractor's sole responsibility and shall be reported under the Contractor's Federal and State tax identification number(s).

3. Term.

This Agreement is for one (1) year from the date of approval by the Cibola County Board of County Commissioners.

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the County is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the County upon termination and shall be submitted to the County as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Contractor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the County and are not employees of the County of Cibola. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Cibola as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the County of Cibola unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the contractor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Cibola from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the County of Cibola and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Contractor is not a public officer or employee of the County; (ii) the Contractor is not a member of the family of a public officer or employee of the County; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the

County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or

participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Thirteenth Judicial District Court in Cibola County. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Cibola County shall not be liable to the Contractor, or the Contractor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Contractor's person or property, occurring in connection with Contractor's performance of Contractor's duties according to this Agreement. Contractor shall hold Cibola County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Cibola County in connection with the performance by Contractor of Contractor's duties according to this Agreement.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the County of Cibola from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the County of Cibola and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the CONTRACTOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

26. Approval of Contractor Personnel.

Personnel proposed in the Contractor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Contractor without prior written consent of the procuring agency of the County. Replacement of any Contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Contractor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Contractor's personnel at any time.

27. Survival.

The agreement paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification" and "Indemnification" shall survive the expiration of this agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

28. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

29. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance,

epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

30. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

31. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting or unless it is executed by the Cibola County Manager, pursuant to the Manager's delegated authority. Further, the Contractor is not to proceed with its obligations under the Agreement until the Contractor has received a fully signed copy of the Agreement.

32. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

33. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

34. Incorporation and Order of Precedence.

In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
2. this contract itself; then
3. the Request for Proposals; then
4. the Contractors Best and Final Offer(s), in reverse chronological order; then
5. the contractor's proposal; then
6. the contractor's standard agreement terms and conditions (which may or may not have been submitted as part of the contractor's proposal).

35. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The contractor shall defend, at its own expense, the County of Cibola against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Cibola based upon the contractor's trade secret infringement relating to any product or service provided under this agreement, the contractor agrees to reimburse the County of Cibola for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Cibola shall:

- i. give the contractor prompt written notice of any claim;
- ii. allow the contractor to control the defense or settlement of the claim; and
- iii. cooperate with the contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the contractor's opinion is likely to become the subject of a claim of infringement, the contractor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
- ii. replace or modify the product or service so that it becomes non-infringing; or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the contractor. The contractor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

36. Professional Liability Insurance.

Contractor agrees to maintain in full force throughout the duration of the Agreement a professional liability insurance policy with a minimum coverage of \$1,000,000.00 per occurrence/\$2,000,000.00 aggregate.

37. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the County: Tony Boyd, County Manager // 515 West High Street // Grants, NM 87020

To the Contractor: REDW //7425 Jefferson St NE //Albuquerque, NM 87109

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Board of County Commissioners below.

By: _____ Date: _____
Contractor

Printed Name: Thomas L Friend, CPA
Address: 7425 Jefferson St NE//Albuquerque, NM 87109

By: _____ Date: _____
Cibola County Manager

Printed Name: Tony Boyd

Address: 515 West High Street
Grants, NM 87020

By: _____ Date: _____
Cibola County Purchasing Agent

Printed Name: Frances Medina

Address: 515 West High Street
Grants, NM 87020

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this _____ day of _____, 2016.

Robert Armijo
Commissioner, District I

T. Walter Jaramillo
Commissioner, District II

Jack Moleres
Commissioner, District III

Pat Simpson
Commissioner, District IV

Lloyd Felipe
Commissioner, District V

Attest:

Lisa Bro
Cibola County Clerk

Attachment 1

Scope of Work

Contractor will perform the following audit preparation related accounting services:

- Obtain the County's existing general ledger account reconciliations and compare them to the general ledger trial balance to determine which general ledger accounts need to be reconciled and adjusted.
- Meet with the County's finance personnel and agree on which general ledger accounts the County would like for Contractor to reconcile. The accounts that will possibly need to be reconciled include, but are not limited to, the following:
 - Reconciliation and adjustment of general ledger account balances for cash to the related bank balances, including the recording of revenues and expenses based on the bank transaction activity
 - Reconciliation and adjustment of the capital asset subsidiary ledgers to the related general ledger account balances
 - Reconciliation and adjustment of the property tax and gross receipts tax receivables
 - Reconciliation and adjustment of the accounts payable and accrued liabilities
 - Agreement of general ledger long-term liability balances to the actual year-end liability balances, which should be supported by debt payment schedules and/or third-party statements
 - Reconciliation and adjustment of fund balance and net position account balances to the corresponding amounts reported in the June 30, 2014, audited financial statements
 - Reconciliation and adjustment of Interfund payable and receivable general ledger balances. Provide assistance with the items listed above and, as directed by the County, other general ledger account balances that are not in agreement with supporting schedules maintained in the County's accounting system.

Contractor may assist with gathering and preparing schedules, analysis and other information requested by the County's independent auditors, and with other accounting and financial reporting matters as requested.



CPAs | Business & Financial Advisors

redw.com

Terms and Conditions of Engagement

It is our policy to set forth the terms and conditions under which REDW_{LLC}, and its affiliates (collectively, “REDW” and sometimes we, us, our), will provide the professional and related services (Services) to Cibola County (sometimes you, your) as set forth in the accompanying engagement letter.

By signing the engagement letter, you have agreed to all of the terms and conditions in this Attachment. In the event that there is a conflict between this Attachment and the engagement letter, including any Statements of Work or attachments (Agreement), the terms of the Agreement shall control. Any capitalized terms in this Attachment that are not defined shall have the meanings in the engagement letter. Please review these terms carefully and contact us immediately with any questions or concerns.

Recognizing that at times REDW’s work may pertain not only to you but also to various subsidiaries, affiliates, advisors and contractors, partnerships, companies, heirs, estates, trusts or foundations, you agree, as may be requested by REDW from time to time (including subsequent to completion of the Services), to obtain written consent/acceptance of their agreement to the terms of this Agreement. Furthermore, you represent and warrant that this Agreement shall be binding on each party hereto and on each of our respective subsidiaries, successors, assigns and legal representatives.

SCOPE OF WORK

It is our practice to confirm the scope and nature of our services, which are described in the accompanying engagement letter. If the scope of work changes in a material way from the description in the engagement letter, we will generally send you a new or modified engagement letter. There may be situations where we do not send a new or modified engagement letter when the scope of work changes, however, you agree to the modified scope of work unless you direct us in writing not to pursue the modified scope of work.

FEE SCHEDULE

The fees for the services to be performed by REDW are specified in the engagement letter or an attachment thereto. REDW will timely notify Cibola County if there are changes in the applicable fee schedule. In the absence of a formal engagement letter for a particular matter, the fees for services will be charged based on REDW’s standard hourly rates for its employees and contractors. For engagements involving fees based on hourly rates, REDW’s hourly rates are periodically adjusted based on experience and market factors.

REDW has the right to bill or automatically charge for services. Cibola County shall promptly pay upon receipt of the invoice. Invoices for REDW's fees will be rendered periodically (typically monthly and/or upon completion of major milestones) on open account as work progresses and are payable on presentation. As set forth in the engagement letter, outstanding account balances may be charged a late fee. Cibola County agrees that our fees and expenses are not contingent on the type of result reached by us, or the ultimate outcome of matters in which our engagement may be used.

In accordance with REDW policy, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

CIBOLA COUNTY RESPONSIBILITIES

With regard to each professional engagement by us, there are responsibilities of Cibola County which enable us to properly provide the services requested by Cibola County. These may be further listed in the text of the engagement letter. The responsibilities are important for REDW to be able to provide its requested services and if Cibola County fails to meet its responsibilities, REDW will either be excused from performance or its performance may be delayed and/or compromised.

In certain engagements, a third party (such as Cibola County's attorneys) will have some responsibilities in connection with the engagement. In such events the engagement letter will specify those responsibilities. Cibola County shall ensure that the third party responsibilities are timely completed.

To the extent that Cibola County provides REDW information as part of its responsibilities, you warrant that information supplied or to be supplied to REDW by you and/or your representatives is complete, accurate and authentic to the best of your knowledge. Our personnel assigned to any work hereunder will not be assumed or deemed to have knowledge of information provided to others, whether external to REDW or in connection with other REDW engagements.

DOCUMENTATION

Our professional standards require us to maintain sufficient documentation to support our work. REDW will maintain this documentation in accordance with our document retention policies, which may be amended from time to time. Documents and information supplied to us will be presumed to be copies of original documents and may be retained by REDW as part of our work documentation. As part of our regular procedures, documents and information supplied to REDW may be saved in electronic format and the physical copies destroyed. REDW will not be responsible for the safekeeping of documents and will not be responsible for documents and information that may be lost, damaged or destroyed. To the extent that we have copies of your information, we will protect and safeguard your information from unauthorized disclosure. Should you request copies of documents and information previously supplied to us, we will

make best efforts to comply with the request, and may bill you at standard rates for time and copy charges.

Research, analysis and other work documentation created by REDW for each engagement are the property of REDW and may include proprietary and confidential information. REDW shall be under no obligation to provide Cibola County with any work documentation, working drafts or work products other than the completed final work product(s) (including completed preliminary drafts thereof) agreed to and contemplated by the scope of each engagement. With prior arrangements, our work documentation will be available to Cibola County and/or your representatives for supervised inspection at REDW's offices. If access to any of the materials in REDW's possession relating to an engagement is sought by a third party through a subpoena or other legal process, we will notify Cibola County of such action and cooperate with Cibola County concerning our response thereto. In the event that REDW and/or its representatives are subpoenaed as a result of any work performed in connection with an engagement, Cibola County agrees to compensate us for our time involved in responding to such subpoena(s).

DELIVERABLES

The Cibola County's use of REDW's Services or deliverables (except for copies of filed tax returns) shall in any event be limited to the item's stated purpose (if any) and is not to be relied upon by third parties for any other purposes.

BASIS FOR OUR CONCLUSIONS

Our conclusions provided as part of our Services are limited solely to the matters for which we were engaged. No conclusions should be inferred as to any matters not specifically covered in the Agreement. Further, the conclusions are based upon the facts and information presented by you and may be inapplicable if the actual facts differ from those presented in any respect.

You should understand that the technical issues REDW will address are not free from doubt. Another party, such as a judicial authority or a governmental agency, might reach different conclusions.

ELECTRONIC COMMUNICATIONS

The parties agree to the use of email and other electronic methods to transmit and receive information, including confidential information, between the parties and between REDW and outside specialists or other entities engaged by either us or you. We may use secured portals, share files, and/or a secure cloud based document sharing site (collectively referred to as "secured systems") to provide for the secure transfer of and access to information that we request from you in connection with our work (commonly referred to as PBC's or Prepared By Cibola County schedules), and you agree to comply with the terms and conditions of using such systems.

These secured systems allow us to more efficiently interact with you as we perform our work for you, and access to stored documents and data will be available to you and to us through these means. Documents and data that are delivered and stored through these secured systems are protected and reasonable steps are taken to ensure that your documents and data are safe but, as

with any data storage and transfer, there are risks of breach. You are responsible for properly controlling access to and proper use of the secured systems by your personnel. In the event you do not consent to the use of the secured systems, you will need to notify us in writing and as a result, the cost of our services may increase and the length of time to complete our engagement may also increase.

EXCLUSIONS

Unless expressly provided for, our services do not include giving testimony or appearing or participating in discovery proceedings, in administrative hearings, in court, or in other legal or regulatory inquiries or proceedings. Moreover, our costs, expenses and time spent in legal and regulatory matters or proceedings to which we are not a party and the services are not at issue, such as subpoenas, testimony, bankruptcy filings or proceedings, consultation involving private litigation, arbitration, government or industry regulation inquiries, whether made at your request, the request of a third party or by subpoena or equivalent, will be billed to you separately at our then current rates. The terms of this paragraph shall apply to any third party proceedings that arise after the termination of this Agreement.

Except as set forth in our engagement letter, our services are not designed to detect fraud, irregularities or misrepresentations in accounting, investment or other materials provided to us or to Cibola County and used in connection with the performance of our services. Our responsibility is limited to the period(s) covered by the services that we provide and does not extend to any earlier or later periods. Should information become known that would make our continued involvement in any engagement inappropriate, we reserve the right to withdraw from the engagement.

