



NOTICE OF OBLIGATION (NOO) PROCEDURES

The New Mexico Higher Education Department, being the named intermediate agency of certain capital outlay appropriations, is responsible for the reimbursement of allowable expenditures. The following procedures outline the process for Higher Education Institutions (HEI) to follow when submitting a NOO request to the Department:

1. A fully executed grant agreement between NMHED and the HEI is required before NOO requests will be accepted.
2. Projects requiring formal approval in accordance with NMAC 5.3.10 CAPITAL PROJECTS APPROVAL BY THE NEW MEXICO HIGHER EDUCATION DEPARTMENT must be approved prior to requesting a NOO.
3. NOO requests must be prepared and submitted in accordance with **ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE** of the executed grant agreement.
4. The NMHED must receive a completed Notice of Obligation Form that includes the name of each vendor, the total amount of the third-party agreement, and the total amount of encumbrance being requested. An HEI may encumber funds for multiple vendors however the NMHED will only encumber up to the appropriation amount. Any additional costs will be the responsibility of the HEI.
5. The following sections outline the specific documents that must be submitted to the NMHED when requesting a NOO:
 - A. Request for Proposals (RFP) or Invitation for Bids (IFB)
 - I. Copy of contract, as soon as possible *after execution by Third Party* but *prior to execution by the HEI*. Contract must, at a minimum, include the following:
 - Reference to project appropriation number or appropriation description
 - Detailed statement of work;
 - Contract Amount;
 - Contract completion date;
 - Article XV. - Required Non-Appropriations Clause from grant agreement; and,
 - Article XVI. - Required Termination Clause from grant agreement
 - B. Request for Quote (RFQ) using existing SPA, GSA or CES Contract
 - I. Construction Services Agreement;
 - II. Reference to project appropriation number or appropriation description;
 - III. Detailed statement of work;
 - IV. Contract Amount;
 - V. Contract completion date;
 - VI. Article XV. - Required Non-Appropriations Clause from grant agreement; and,
 - VII. Article XVI. - Required Termination Clause from grant agreement



C. If purchasing equipment or materials only, and a contract is not required, submit a cost proposal or quote. Cost proposals or quotes must, at a minimum, include the following:

- I. Reference to project appropriation number or appropriation description;
- II. Valid period of cost proposal/quote;
- III. Detailed statement of work;
- IV. Itemized description of deliverables and cost;
- V. Shipping/Freight/Delivery costs, if applicable; and,
- VI. GRT amount if not included in proposal/quote

D. NOO Modification Requests

I. Copy of change order, as soon as possible *after execution by Third Party* but *prior to execution by the HEI*. Change order must, at a minimum, include the following:

- Reference to project appropriation number or appropriation description;
- Detailed description of change; and,
- Change order amount

II. For non-change order modifications, such as reducing an encumbrance, provide the following:

- Justification from HEI on why the change is being requested

6. Submit all NOO requests with required supporting documentation to the following email address: Gerald.Hoehne@state.nm.us
7. The NMHED reviews the documentation, issues the NOO to the HEI, and encumbers the funds.
8. Once the HEI receives the signed NOO, they can execute the third-party agreement, create a purchase order, and proceed with the project.
9. Provide a copy of the executed third-party agreement and purchase order to NMHED.

IMPORTANT: The NMHED will only reimburse expenditures related to the statement of work or itemized description of materials that supported the issuance of the signed NOO.

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