FELTON FIRE PROTECTION DISTRICT

STANDARD OPERATING PROCEDURES

ARTICLE: 1 SOP: 1200

SECTION: 1200 Finance

SUBJECT: Purchasing Policies and Procedures

Purpose: Fire District funds may be expended for purchases of supplies, services, materials and fixed assets in conformance with the following purchasing procedures. All personnel shall comply with these procedures. Violation of these procedures may subject those responsible to disciplinary action.

Compliance with this policy will secure for the fire district taxpayers the advantages and economies which will result from centralized control over the expenditures of district funds for supplies, materials, equipment and contractual services.

1. The California Government Code Section 935.4 permits the Board of Directors to review and verify claims for the allowance, compromise and settlement of claims to an employee (employees) provided the claim does not exceed fifty thousand dollars ($50,000). For fiscal accountability reasons, a member of Board of Directors will review and verify any claim greater than ten thousand dollars ($10,000).
2. This policy authorizes the fire chief and district secretary of the Felton Fire Protection District to review and verify claims made against the fire district which do not exceed ten thousand dollars ($10,000), and thereafter to transmit them to the County of Santa Cruz Auditor-Controller, with the appropriate transmittal documents, showing them to be verified as proper claims against the fire district, and authorizing payment of such claims forwarded and take action to officially authorize their payment.
3. Claim in excess of $10,000 shall be authorized by the Board of Directors prior to payment.

Fixed Assets

1. Budgeting, purchasing, and capitalization of fixed assets shall be according to the following specifications:
   * Fixed assets (other than land), which are expected to be useful for at least three years.
   * Cost at least $3,000, if structures, or
   * Cost at least $300, if equipment.
2. Improvements to fixed assets which are to be capitalized are those which significantly extend its life and have the following cost limitations:
   * Cost the lesser of $5,000 or 20% of the existing asset, if for a structure, or
   * Cost at least $300, if for equipment.

Definitions

1. *Supplies and Equipment* means any and all articles or services and supplies which shall be furnished to or used by the fire district.
2. *Contractual Services*means any and all services which a contractor provides which are required by the fire district, but are not furnished by its own employees.
3. *Responsible Bid*means an offer, submitted by a responsible bidder in ink or typewritten form, to furnish supplies, equipment, or contractual services in conformity with the specifications, delivery terms and conditions, and other requirements included in the invitation for bids.
4. *Responsible Bidder*means a bidder who submits a responsible bid, who has furnished, when requested, information and data to prove that his financial resources, production or service facilities, service reputation and experience are adequate to make satisfactory delivery of the supplies, materials, equipment, or contractual service on which he/she bids, and who has not violated, attempted to violate any provision of these requirements.
5. *Bidder’s List*means a current file of sources of supply of articles purchased for fire district use.

Formal, Competitive Bids

* 1. *Purchases to be made on competitive bids –* All purchases of and contracts for supplies, equipment and contractual services in excess of $10,000 shall be based on competitive bids.
  2. *Competitive bids to be solicited by public notice –* If the amount of the purchase is estimated to exceed $10,000, contract bids shall be solicited by public notice and written contracts.
  3. *Method and extent of notice –* The method and extent of public notice soliciting contract bids shall be as prescribed by the Board of Directors. Said notice shall set forth the deadline for submission of bids to the Fire Chief or District Secretary and the terms, conditions, and specifications of the proposed purchase.
  4. *Posting on bulletin board –* Competitive bid purchases shall, in all cases, be advertised by posting a copy of the invitation for bids on a public bulletin board at the fire station.
  5. *Solicitation of bidders on bidders’ list –* The fire chief or his/her designee shall, in addition, solicit bids for prospective bidders on nay pertinent district bidder’s list by sending them copies of the invitation to bid.
  6. *Surety –* If required by the Board of Directors, each bid shall be accompanied by surety in the form of a certified cashier’s check or bid bond in such amount as shall be prescribed in the public notice inviting bids.
  7. *Bid opening –* The fire chief or district secretary shall open all bids in the presence of any interested parties immediately after the deadline set for submission. A tabulation of all bids received, whether accepted or rejected, shall be made by the district secretary and shall be open for public inspection during regular business hours for a period of 30 calendar days after the bid opening.
  8. *Rejection of bid –* The Board of Directors may reject any and all bids and may re-advertise for bids when it determines the public interest will be served thereby.
  9. *Award of contract for purchases* – The contract shall be awarded by the Board of Directors to the lowest responsible bidder whose bid conforms to the invitation for bids.
  10. *Tie bids –* In the case of a tie for lowest responsible bid, and if the public interest will not permit the delay of re-advertising for bids, the Board of Directors will award the contract to one of the bidders by drawing lots in public, or may make the purchase in open market, provided the price paid in the open market shall not exceed the lowest contract bid price submitted.
  11. *Determining lowest responsible bidder –* In determining the lowest responsible bidder, the Board of Directors shall take into consideration the quality offered and its conformity with the specifications, and the delivery and discount terms and conditions of the bid, the service reputation of the bidder and other information and data required to prove his/her responsibility.
  12. *Failure of successful bidder to enter contract –* If the successful bidder does not enter into a contract within ten (10) days after mailing or personal delivery of notice of award of contract, shall forfeit in cash the amount equal to the amount of surety which accompanied the bond, unless the fire district is responsible for the delay. The bidder shall also be liable for any cost in excess of his bid price which the fire district incurs in purchasing the commodities or services elsewhere.
  13. *Faithful performance bond –* If the Board of Directors so requires, the successful bidder shall furnish surety in the form of a certified or cashier’s check or bond for the faithful performance of the contract in the amount specified.
  14. *Approval, execution, and filing of contracts –* All contract bid forms and all contracts shall be approved by the Board of Directors. As necessary, the Board of Directors may elect to have legal counsel review the contract as to form and legality. After approval and signature, the contract shall be filed in the fire district’s records.

Open Market Purchasing, Informal Bidding

1. *When open market or informal bidding purchases are authorized –* If the amount of the purchase is estimated to be $10,000 or less, it shall be an open market purchase and shall not be subject to the formal competitive bidding requirements.

An open market purchase, wherever possible, will be based on at least three quotations, except for an open market purchase for less than $5,000.

1. *Soliciting bids of open market purchases –* The fire chief shall solicit quotations by contacting parties on the pertinent bidder’s list by posting a copy of an invitation for quotations on a public bulletin board in the fire station. The fire chief shall also contact others who, in his/her judgment, would be responsible suppliers.
2. *Submission, opening, tabulation –* Quotations shall be submitted to the fire chief. The fire chief will record the written and verbal quotations and such record shall be open to public inspection for 30 days after the award of the contract.
3. *Award to open market bidder* – All open market purchases shall be awarded to the party making the lowest responsible quotation. However, price and quality being equal, preference may be given to responsible local bidders.

Sole/Single Source Purchases

1. *When sole/single source purchases are authorized –* Sole/single source purchases are authorized when requirements are of such a unique or specialized use or design that they are available only from a sole/single source provider, or when for the purposes of standardization it is advantageous to the fire district to purchase from a sole/single source provider. Such procurement must have fire chief approval prior to purchase.
2. *Joint purchases –* Sole/single source purchases are authorized in instances, in which the fire district is purchasing items cooperatively with other governmental agencies for the purposes of cost reduction or operational efficiencies, provided a cooperative agreement is established following a competitive bid process. Purchases of items from a vendor on the basis of current Federal GSA or State CMAS pricing are deemed to comply with this section.

Use of Fire District Credit Cards

1. The fire district has credit cards, commercial supply accounts and a CAL Card credit card. Use of such credit cards and accounts are subject to the purchasing requirements stated in this policy.
2. Any use of these credit cards and accounts that are not in accordance with this policy is grounds for disciplinary action.
3. Credit card uses for travel are subject to procedures detailed in the fire district policy for travel reimbursement.

Suspension of Regulations

1. These regulations may be suspended by a vote of four/fifths (4/5) of the Board of Directors upon the finding, recorded in its minutes, that competitive bidding or quotations would not be in the public interest.
2. In the case of an emergency, the district board may adopt a resolution by a four/fifths (4/5) vote of all the members declaring that the public interest and necessity demand immediate expenditure of public money to safeguard life, health and property. The district board may expend any sum required in the emergency without submitting such expenditure to bid.

Miscellaneous

1. *Unlawful purchases* – If an employee contracts for any supplies, materials, equipment or contractual services contrary to the purchasing policy, such purchases or contract shall be void and of no effect and the cost shall not constitute a legal charge against the district.
2. *Return of merchandise* – No supplies, materials or equipment shall be returned to the vendor for trade, credit, repair, or for any other reason without the approval of the fire chief or his/her designee.
3. *Budgeted items –* All line items that have been approved in the current budgets shall be deemed to have prior board approval for purchase. Items needed to be returned to the board for action shall appear on the agenda for action.
4. *Non-budgeted items –* Non-budgeted items for services, supplies and repairs where bids and analysis have been completed shall come before the board at a regular meeting for action.

Exemptions

This policy shall not apply to purchases of:

* Legal advertising
* Professional services
* Medical services, supplies and equipment
* Insurance claims and premiums
* Public utility services
* Payments to other governmental agencies

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