


Purchasing Policy	
	Nederland Fire Protection District Standard Operating Procedures and Guidelines
Title: Purchasing Policy	Section/Topic:
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These SOPs/SOGs are based on FEMA guidelines FA-197	

1.0 Policy Reference

Nederland Fire Protection District By-Laws 2008 or as amended.

2.0 Purpose

In order to show good purchasing accountability of the spending in the department it is necessary to freeze any new purchases and/or apply a purchasing policy to them for the board to understand what is purchased, why it is purchased and how that reconciles against the filed budget.

It is not the purpose of this policy to delay or otherwise impede correct spending. As such this policy may be reviewed and modified by the board at any time by an affirmative vote of the majority of directors per Section 7(b) of the district by-laws.

3.0 Scope

This policy covers all purchasing from the date of implementation for a maximum 6 months or until otherwise modified or replaced by a permanent policy.

Exceptions to Policy

Spending for utility services, insurance, payroll, payroll deductions, bank fees, county fees or healthcare premiums is excluded from this policy.

Emergency spending: Where a purchase must be made in order to maintain operational status or meets the requirements of Section 7(b) of the district by-laws the purchase may be made and passed through the proper channels after purchase. Examples of emergency spending include emergency vehicle repair, emergency vehicle fuel purchase or extended operational food purchases.

4.0 Definitions

Bid: Proof that the required purchase has been researched from multiple suppliers, or State Purchasing Program or GSA to ensure the minimum price available. Proof can be a formal bid or proof of purchase price from the vendor.

Formal Bid: A quote or estimate from a supplier including scope of work and/or clear description of the services or goods being supplied. Attorney authorization for contract.

Purchase signing/authorization: Where authorization requires the president of the board to sign and the president is not available within 24 hours or incapacitated, the order of signing shall be vice-president of the board, treasurer of the board, secretary of the board.

Business Case: Objective reasoning for the purchase either verbal or written. May also include arguments for or against a particular provider for the purchase.

5.0 Procedures/Guidelines & Information

Purchases of following amounts will be covered by this policy.

< \$1000: No authorization required. Multiple purchases at the same vendor within 7 days will count as a single purchase towards this amount.

\$1000 - \$5000: 3 bids or verbal business case required. Verbal authorization from the president of the board of directors. Purchase order signed by the purchaser to be reconciled with the purchase receipt or invoice, and budget.

\$5000 - \$10000: 3 bids required or verbal business case required. Signed purchase order from the president board of directors to be reconciled with the purchase receipt or invoice, and budget.

\$10000 - \$25000: 3 bids required. Written business case for the purchase. Signed purchase order from the board to be reconciled with the purchase receipt or invoice, and budget.

\$25000+: 3 formal bids required or board approval or comparative cost analysis. Written business case for the purchase. Board resolution for spending. Public notice for bid published. Purchase order to be reconciled with the purchase receipt or invoice, and budget. Consistent with Section 14 of the Nederland Fire Protection District By-Laws 2008 or as amended.

Purchasing of Used Goods or Parts

In order to maintain the highest level of standards within the department the purchase of used goods or parts is prohibited unless authorized by the president of the board.

6.0 References

Nederland Fire Protection District by-Laws 2008 or as amended

Section 7(b)

Vote Requirements. Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, agents and contractors. Such actions shall later be ratified by the board.

Section 14

Bidding and Contracting Procedures Except in cases in which the District will receive aid from a government agency, or purchase through the State purchasing program a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$25000 or more of District funds. The board may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.