
Purchasing Policy and Procedures

212.1 SCOPE AND PURPOSE

This policy establishes guidelines whereby the District will obtain supplies, equipment, and services with prudent and economical use of public funds in the best interests of its taxpayers. Furthermore all purchases are governed by the District's commitment to quality, cost-effectiveness, efficiency, and fairness in a competitive arena as well as adherence to applicable statutes, rules, and regulations governing public purchasing practices.

212.1.1 DEFINITIONS

The following information is contained within the Purchasing Policy:

Formal Bid - A bid that must be submitted in a sealed envelope and in conformance with a prescribed format, to be opened and announced at a specified time at a public opening.

Informal Bid – A written quotations for supplies, equipment, and services that, pursuant to this policy, are not required to meet the formal bidding requirements.

Open Market Purchase - Purchase of goods or services, usually in smaller quantities or in an emergency, without contract or negotiations.

Responsive Bid - An offer, submitted by a responsible bidder 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.

Responsible Bidder - A bidder who has furnished, when requested, information and data to prove that financial resources, production or service facilities, service reputation, and experience are adequate to make satisfactory delivery of the supplies, services, materials, equipment or contractual service on which bids are made; who has not violated, or attempted to violate, any provisions of these regulations; and operates in a manner consistent with State or Federal law.

Prevailing Wages –The per diem wage (basic hourly rate, overtime, holiday pay rates, and employer payments) paid on public works projects to a majority of workers engaged in a particular craft, classification, or type of work. Prevailing wages must be paid to all workers employed on the public works project if the project is over \$1,000.

Public Works – Per the California Labor Code Section 1720 public works refer to the construction, alteration, demolition, installation or repair work (including maintenance) done under contract and paid for in whole or in part out of public funds. Public works projects do not include those done by a public agency with its own employees.

Request for Proposal (RFP) – a formal process to solicit proposals from qualified vendors and identify which vendor might be the best-qualified to complete a project (other than public works). RFP is the preferred option for a *project-based procurement* where the specific scope of services are known in advance and one of the primary criteria will be the best *lump sum price* for providing the specified services.

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Request for Qualification (RFQ)- a formal process to solicit qualifications from vendors to identify which vendor might be the best-qualified to provide a desired service. RFQ is the preferred option for *ongoing or on-call* professional or consulting services, e.g. legal or financial services, where there is no single, defined project and the qualifications and experience of the consultant are the primary criteria.

212.2 POLICY

It is the policy of the District that all personnel authorized to make purchases on behalf of the District adhere to all procedures and processes identified in this document.

212.3 PURCHASE AUTHORITY AND RESPONSIBILITY

Purchasing Authorities and Responsibilities are as follows:

212.3.1 PURCHASE AUTHORIZATION

Any purchase without prior consent by the appropriate approver will be the sole responsibility of the person making the unauthorized purchase. Such purchases shall be void and not considered an obligation of the District. The unauthorized purchaser may be held personally liable for the cost of the purchase and depending on the circumstances, may be subject to disciplinary action.

212.3.2 AUTHORIZATION LEVELS

Payment for purchases will only be made upon authorization by the appropriate approver based on the total transaction amount. Purchases shall not be "split" for an item or related items to avoid the dollar limit requiring approvals as stated below.

1. **Budgeted Items** - Purchase of any item included in the budget requires the following approvals:

Transaction	Approver
Up to \$499.99.....	Captain or Acting/Temporary Captain, Program Manager or other member with Fire Chief approval
\$500 to \$4,999.99.....	Battalion Chief, Program Leads
\$5,000 to \$14,999.99.....	Division Chief, Finance Director
\$15,000 to \$49,999.99.....	Fire Chief, Assistant Fire Chief
\$50,000 and over.....	Agendized for Board Motion & Signature*

**(The only exception is monthly CalPERS health insurance which will not require placement on agenda and will be approved by Human Resources Director after all internal protocols are followed.)*

2. **Non-Budgeted Items** - Purchase of any item not included in the budget requires the following approvals:

Transaction	Approver
Up to \$15,000.....	Fire Chief, Assistant Fire Chief

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Over \$15,000.....Agendized for Board Motion & Signature

212.3.3 PURCHASE AUTHORIZATION DOCUMENTATION

1. Purchases for budgeted items of five thousand dollars (\$5,000) or less do not require a completed "Purchase Requisition" form. The sales receipt, invoice or charge slip should be signed by appropriate approver and then submitted for payment.
2. Purchases for budgeted items in excess of five thousand dollars (\$5,000) will require a completed "Purchase Requisition" form signed by appropriate approver and then submitted along with proper documentation for payment.
3. Non-budgeted items will require a "Purchase Requisition" form to be submitted along with proper documentation for approval.
4. The "Purchase Requisition" form may be substituted by email correspondence if time constraints are required. All of the information required on the form will be included in the email. The email granting approval should be printed and submitted along with proper documentation for payment.

212.3.4 RESPONSIBILITY

Individuals involved in the purchasing process take full responsibility for understanding the policies and procedures. Each should determine the source and availability of funds prior to initiating or submitting a purchase request. All purchases of goods and services, including contracted services, must be authorized and signed by the appropriate approver, prior to delivery of goods and services.

212.4 PURCHASING PROCEDURES

Purchasing procedures are as follows:

212.4.1 OPEN MARKET PURCHASE

If the amount of the purchase is estimated to be five thousand dollars (\$5,000) or less, it may be an open market purchase and shall not be subject to the competitive bidding requirements. However, all purchases shall, whenever reasonably possible, be based on competitive price quotations.

212.4.2 INFORMAL BIDDING

1. Purchases to be on Informal Bids - All purchases including contracts for supplies, services, or fixed assets in excess of five thousand dollars (\$5,000) and less than fifty thousand dollars (\$50,000) shall be based on this informal bid procedure.
2. Informal Bids to be Solicited – Informal bidding requires at least three competitive bids be solicited. Quotes may be obtained from a variety of sources, e.g. internet search, vendor price listing, documented verbal quotes or written quotes. When only one source is solicited, a brief notation explaining absence of competition will be included with proper documentation. Approval may still be obtained when less than three bids are provided based on Fire Chief approval.
3. Submission of Bids - Bids shall be attached to invoice or included on the purchase requisition form for approval and purchase order processing.

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4. Award of Purchase – All bids shall be awarded to the lowest responsible quotation that meets the needs of the District. If lowest quotation not chosen, then submit a brief notation explaining why, which will require the Fire Chief's approval.

212.4.3 FORMAL BIDDING

1. Purchases to be on Formal Bids - All purchases including contracts for supplies, services, or fixed assets in excess of fifty thousand dollars (\$50,000) shall be based on a competitive bid process and shall be awarded in accordance with this policy. Public works projects shall be based on a public bidding process conducted through formal advertising. Public works shall be awarded only upon compliance with the District's Public Works ordinance.
2. Competitive Bids to be solicited by Public Notice – Formal bids shall be solicited by published public notice and written contracts.
3. Method and Extent of Notice – The public notice shall be published in the newspaper or elsewhere and may be sent directly to potential bidders notifying them that the District is accepting bids for a specific purpose. Soliciting bids shall be advertised in the local newspaper not less than once a week for two consecutive weeks.
4. Submission of Bids - All bids shall be in writing and shall be submitted sealed to the Fire Chief or his/her designee on or before the deadline therefore.
5. Bid Opening – The Fire Chief or his/her designee shall open all bids in the presence of the Finance Director. In the absence of the Finance Director, at least one other District employee and other interested parties within 48 hours after the deadline set for submission thereof. A tabulation of all bids received, whether accepted or rejected shall be made, and shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.
6. Rejection of Bid - The Fire Chief with approval from the Board of Directors may reject any and all bids and may re-advertise for bids when he/she determines the public interest will be served thereby.
7. Award of Contract for Purchases - For items/services already authorized for purchase as approved by the Board of Directors and established in the District Budget, the Fire Chief shall have the authority to award the contract to the lowest responsible bidder whose bid conforms to the Invitation for Bids as long as the bid amount does not exceed the limits as provided for in the approved budget account. For those contract proposals that exceed the approved budgeted amount, the Board of Directors shall be responsible for awarding the contract.
8. Where 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 the open market, provided the price paid in the open market shall not exceed the lowest contract bid price submitted.
9. Effect of 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, the bidder shall forfeit in cash an amount equal to the amount of

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any surety which accompanied the bidder's bond, unless the District is responsible for the delay. The bidder shall also be liable for any cost in excess of his bid price which the District incurs in purchasing the supplies, services, or equipment elsewhere.

10. **Determining Lowest Responsible Bidder** - In determining the lowest responsible bidder, the Fire Chief, or where appropriate, the Board of Directors shall take into consideration the quality offered and its conformity with the specifications 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.
11. **Faithful Performance Bond** - If the Finance Director so requires, the successful bidder shall furnish surety in the form of a certified cashier's check or bond for the faithful performance of the contract in the amount specified.
12. **Approval, Execution and Filing of Contracts** - All contract bid forms and all contracts shall be approved by the District Counsel as to form and legality. Following such approval, all contracts shall be signed on behalf of the District by the Fire Chief or his/her designee. A copy of each signed contract shall be retained in District records by the Finance Division.

212.4.4 EXCEPTIONS TO THE REQUIREMENT OF COMPETITION

1. **Sole Source Purchases** - Sole 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 is advantageous to the District to purchase from a sole/single-source provider. Such procurement must have Fire Chief approval prior to purchase.
2. **Joint Purchases** - Purchases authorized in instances in which the District is purchasing items cooperatively with other governmental agencies for the purposes of cost reduction or operational efficiencies, provided the cooperative agreement is established following a competitive bid process. Purchases of items from a vendor on the basis of current federal General Services Administration (GSA) or state California Multiple Award Schedules (CMAS) pricing are deemed to comply with this section.
3. **Preferred Vendors** - A "preferred vendor" is one with whom the District has a negotiated agreement which could include price discounts, delivery arrangements, or customer service requirements. These suppliers will participate in a competitive bid and negotiation process and will be selected based on the "best value" in providing products, services, delivery, and customer service. The preferred vendor list will be maintained by the finance staff. Any changes or additions to the preferred vendor list will be approved by the Fire Chief. This list will be reviewed once every three years to ensure the District is receiving the best value in their services.
4. **Multi-Year Agreements** - Certain agreements for professional services that typically span multiple years such as legal, audit, consultants, insurance providers, and all other professional services do not need to be re-competed on a recurring basis. These arrangements are, however, still subject to periodic review and competition where and when appropriate, and shall be reviewed at least once every 3 years.

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212.4.5 EXEMPTIONS - THE INFORMAL AND FORMAL BIDDING PROCEDURES SHALL NOT APPLY TO THE PURCHASE OF:

- Attorney Services
- Consultant Services
- Insurance Claims and Premiums
- Medical Payments (Physicians, lab, etc.)
- Payments to Other Governmental Units
- Ordinary Travel Expenses
- Property rentals
- Real property acquisition
- Utility payments
- Emergency repair and maintenance of equipment and facilities
- Emergency supplies needed during natural or catastrophic disasters

212.5 TRANSACTION LEVELS AND AUTHORITY GRIDS

The various types of transactions and who is authorized to complete these transactions are listed in the Transaction and authority Grids found in this section.

212.5.1 PROCUREMENT OF EQUIPMENT, MATERIALS, SUPPLIES, AND NON-PROFESSIONAL SERVICES

Purchase of equipment, materials, supplies, and service contracts deemed important to the continuation of District business and its operations. This includes purchases and/or maintenance of equipment and facilities. Program management purchases would fall under this category.

Transaction level and authority Grid [See attachment: Procurement of equipment materials supplies and non-professional services \(rev 2022\).pdf](#)

212.5.2 PROCUREMENT OF PUBLIC WORKS PROJECTS

Public works shall comply with the District's Public Works ordinance.

212.5.3 PROCUREMENT OF PROFESSIONAL SERVICES

Procurement of non-exempt professional services shall comply with the Transaction and Authority grid.

Transaction and Authority Grid [See attachment: Procurement of Professional Services \(rev 2023\).pdf](#)

212.6 RECONCILIATION OF PURCHASES

It is the responsibility of the purchaser to provide confirmation that goods/services have been received. Goods should be inspected upon delivery and packing slips should be submitted with

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proper documentation for payment. In absence of packing slip, a verbal or written correspondence via email will suffice as confirmation.

212.7 FIXED ASSETS AND INVENTORY CONTROL

1. A fixed asset is any asset valued over \$5,000 (includes sales tax, shipping, all other related costs per unit) that is held for a long period of time and generally resides on the capital replacement schedules.
2. The District shall be responsible for all inventory control of fixed asset items. This shall include the assignment and reassignment of inventory tags for all equipment and vehicles.
3. Declaring surplus property will be as follows:
 - Surplus items of less than \$15,000 estimated value may be disposed of by the Fire Chief with consideration of the best interest of the Fire District.
 - Surplus items of greater than \$15,000 estimated value shall be approved by the Board of Directors upon recommendation of the Fire Chief.

212.8 FORMS

1. Purchase Requisition Form – For internal use, a multi-purpose form that may be utilized for purchasing approval, preparing a PO, and requesting approval for non-budgeted items. Completed forms should be forwarded to Finance staff for payment processing along with any supporting materials or documentation.
2. Purchase Order- External use, purchase order forms may be used for the purchase of supplies, equipment, services, and exempt items or when requested by a supplier. POs will only be issued by the Finance staff upon request. POs will be approved by the Fire Chief or his/her designee.

Purchase Documents and Use Grid [See attachment: Purchase Documents and Use Grid.pdf](#)

Attachments

Procurement of equipment materials supplies and non-professional services (rev 2022).pdf

Procurement of Equipment, Materials, Supplies and Non-Professional Services

Type of Purchase	Total Purchase Amount	Quotes of Solicitation/ Requirement	Authorization Document	Approver
Minor purchases for equipment, materials, supplies and non-consulting services	Up to \$499.99	Open Market Quotes Recommended	None	Captain Program Manager
	\$500.00 - \$4,999.99	Open Market Quotes Recommended	None	Battalion Chief Program Leads
Purchases for equipment, materials, supplies and non-consulting services	\$5,000.00 - \$14,999.99	Informal Bidding Three (3) or more written quotes or proposals	Purchase Requisition PO (Fixed Asset)	Division Chief Finance Director
	\$15,000.00 - \$49,999.99	Informal Bidding Three (3) or more written quotes or proposals	Purchase Requisition PO (Fixed Asset)	Fire Chief Assistant Fire Chief
Major purchases for equipment, materials, supplies and non-consulting services	\$50,000.00 and over	Formal Bidding Competitive Bid or RFP conducted	Contract Issued PO (Fixed Asset)	Board of Directors

Procurement of Equipment, Materials, Supplies and Non-Professional Services

Purchase of equipment, materials, supplies and service contracts deemed important to the continuation of District business and its operations. This includes purchase and/or maintenance of equipment and facilities. Program management purchases would fall under this category.

Procurement of Professional Services (rev 2023).pdf

Procurement of Professional Services

Type of Purchase	Total Purchase Amount	RFQ or RFP Requirement	Authorization Document	Approver
Professional Services ¹	Up to \$49,999.99	None, but it is preferable to issue an RFP if the project is defined and an RFP if services are expected to continue but the scope of the project is unknown	Professional Services	Fire Chief or Assistant Fire Chief
	\$50,000.00 and over	Either an RFP or an RFQ is required depending on circumstances	Professional Services contract	Board of Directors

Procurement of Professional Services

¹ Includes any type of special service (excluding the trades) , typically some form of consulting in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained, experienced and competent to perform the special services required and for which the District does not have the expertise or the resources..

Purchase Documents and Use Grid.pdf

Purchase Documents and Use Grid

Authorization Document	When to Use
Purchase Requisition Form	-Budgeted Purchases over \$5,000 -Non-Budgeted Purchase Request -Request for a PO
Purchase Order (issued only by Finance)	-Fixed assets over \$5,000 -Vendors requiring a PO for purchase