


Purchasing Policy	
	Nederland Fire Protection District Standard Operating Procedures and Guidelines
Title: Purchasing Policy	Section/Topic: Accounting
Number: 7.04	Issue Date: 12/20/2023
Revision Date: 11/14/2023	Revision Number: Policy number changed from 2.3 to 7.4
Prepared By: Sherry Snyder, Charlie Schmidtman, Chief	Approved By:

1.0 Policy Reference

NFPA	
NIMS	
LODD	
NFPD	By-Laws 2008 or as amended

2.0 Purpose

It is necessary to demonstrate purchasing accountability of the spending by the Nederland Fire Protection District. This document outlines the current, best practices for NFPD. It is the responsibility of the purchaser to follow these guidelines and, if abuse of this policy occurs, corrective action may be necessary.

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 of Directors at any time by an affirmative vote of a 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. If spending exceeds the budget by 15% for three consecutive months the Board will review the overspending to ensure that this purchasing policy is being applied appropriately by the department.

This policy does not supersede another other Accounting policy set forth by the District including the Credit Card Use 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: Emergency spending procedures shall be implemented to maintain the operational status or meets 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. The emergency spending amount is capped at \$15,000.

Restricted Spending: The NFPD Board, at its discretion, may implement restricted spending guidelines for the department by majority vote. Examples of events that may trigger the restricted spending guidelines are chronic and willful disregard for the purchasing policies outlined in this document and/or if there is a consistent monthly overspend (15%) of the budget for at least three (3) months.

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, or 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

Amount Guidelines

< \$1,500: No authorization required for Shift Captains, District Administrator or NFPD Chief.

\$1,500 - \$10,000: No authorization required for NFPD Chief. Verbal authorization by NFPD Chief and/or the president of the Board of directors if the Chief is unavailable for Captains and/or District Administrator

\$10,000 - \$25,000: Purchase must be formally presented to the Board during a regular meeting to receive purchase authorization, unless exempted due to circumstance described previously.

\$25,000 - \$50,000: Bids are required, unless exempted due to circumstance described previously. Purchase, including bid(s) and/or pricing must be presented to the Board during a regular meeting to receive purchase authorization.

\$50,000 +: No less than two (2) formal bids are required, unless exempted due to circumstances described previously. Purchase, including bid(s) and/or pricing must be presented to the Board during a

regular meeting to receive purchase authorization. If two vendors are not able to submit bids, the Board may approve purchase from the only available vendor at their discretion.

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 or designee.

Bid Selection

This policy recognizes that the lowest bid may not offer the best value in terms of quality of workmanship, turnaround time, or services offered. Bids may be intentionally underpriced to secure our business, only to see costs increase significantly during the job process.

When selecting the winning bid, the purchaser should take a comprehensive approach and consider all facets of services/materials offered under the bid as well as the quality of the bid. The purchaser should be able to provide documentation supporting the selection of the winning bid when requested by the board or a superior officer.

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 an 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 in a properly posted meeting.

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 \$75000 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.