


NFPD Purchasing Policy	
	Nederland Fire Protection District Standard Operating Procedures and Guidelines
Title: NFPD Purchasing Policy	Section/Topic:
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Prepared By: Iain Irwin-Powell	Approved By:
Revision Date:	Revision Number: 001
Revised By: Jessica McElvain	Revision Approved By:
These SOPs/SOGs are based on FEMA guidelines FA-197	

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1.0 Policy Reference

Nederland Fire Protection District 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 (NFPD, the department). The following document outlines the current best practices for the NFPD. It is the responsibility of the purchaser to follow these guidelines and, if abuse of this policy occurs, it may be necessary to revert to NFPD Interim Purchasing Policy (SOG #2.2) for any new spending to ensure that tax-payer monies are not being abused.

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 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. This policy will be reviewed every six (6) months, beginning at the date of implementation. The board may choose to re-evaluate this policy at any time outside of the 6 (six) month schedule. If spending exceeds the budget by 10% for three (3) consecutive months, the board will review the overspend to ensure that this purchasing policy is being applied appropriately by the department.

Exceptions to Policy

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

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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. **Want to think about this section a little more**

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

Bid Request

Bids must be obtained from vendors qualified to provide the desired service. With the specialized nature of firefighting equipment, there may not be three (3) qualified vendors available. For vehicle repair, travel and towing costs need to be considered by the purchaser. If three (3) qualified mechanics cannot be found within a 75-mile radius of NFPD Station 1, the three (3) bid requirement is waived. When the State Purchasing Program, GSA or other approved group purchasing scheme is used, the three (3) bid requirement is also waived.

Splitting of a purchase so the total amount falls under a cutoff for review is a forbidden practice. Purchases made from the same vendor within fifteen (15) business days are subject to review by the board and may be considered one purchase.

The purchaser must disclose any potential conflict of interest with the supplier providing the bid. Failure to do so may result in the immediate cancellation of the contract and disciplinary action against the purchaser.

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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.

Bid Discrepancies

In the case of three (3) or more bids, if a bid has a difference of at least 15% from the bid average, another bid, providing a qualified vendor is available, must be obtained by the purchaser to identify the outlying price(s).

Credit Cards

See separate Credit Card Policy.

Amount Guidelines

< \$1,500: No authorization required for shift captains or NFPD Chief.

\$1,500 - \$5,000: 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. The signed invoice must be submitted to accounting and reconciled with NFPD budget.

\$5,000 - \$10,000: Two (2) bids required, or verbal business case required. If bids differ by more than 15% an additional two (2) bids must be obtained by the purchaser. Signed purchase order from the NFPD Fire Chief and/or president board of directors to be reconciled with the purchase receipt or invoice, and budget. The purchase must be presented to the NFPD board of directors at the next scheduled meeting.

\$10,000 - \$25,000: Three (3) bids required, unless exempted due to circumstance described previously. Written business case for the purchase and verbally presented at the next NFPD board meeting. Signed purchase order from the board to be reconciled with the purchase receipt or invoice, and budget.

In order to avoid delays, if three (3) bids have not been received by the next scheduled board meeting, the board, at their discretion may pre-approve a maximum spending amount based on the available quotes. The purchaser must submit the outstanding bids as soon as they are received and provide an explanation for why the winning bid was selected.

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\$75,000+: Three (3) formal bids required or board approval or comparative cost analysis. The GSA process supersedes three (3) bids. 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 or designee.

Use of Local Vendors
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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.

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