

---

## Purchasing Policy

### 1203.1 PURPOSE AND SCOPE

The purpose of this policy is to ensure that the Sonoma County Fire District uses ethical, efficient and accountable sourcing and procurement practices that align with governmental accounting best practices. This policy applies to all goods and services purchased by the District.

### 1203.2 POLICY

Depending upon the type of purchase, different procurement methodologies are to be used. These methods are described in the Purchasing Category and Purchasing Methods section.

### 1203.3 PROCEDURE

When called for in the Purchasing Procedure, competitive bids shall be obtained from qualified vendors to meet the needs of the District and to achieve the greatest possible value to support the goals of the District;

Purchases are to be made only by District employees authorized to purchase on behalf of the District. See Chart A for the Approval Authority Schedule;

District officers, employees and agents shall neither solicit nor accept gratuities, favors or anything of monetary value from a vendor, contractor, consultant or potential vendor, contractor or consultant;

Purchases shall not be split in order to avoid compliance with monetary approval thresholds;

Emergency Procurement shall not be subject to the provisions of the Purchasing Policy. Instead, see the District's Emergency Procurement Policy. The Emergency Procurement Policy applies to the following types of emergencies: State of War, State of Emergency, Local Emergency, Hazardous Materials Emergency Response, Sudden and Severe Energy Shortage, Mutual Aid Region, Operational Area;

Refer to the Credit Card Purchases Policy for the use of District credit cards;

Any updates to the Purchasing Policy shall be distributed by the Finance Manager to the Authorized Purchasers at the time the updates occur. A reminder of policies and procedures shall be distributed annually to all Authorized Purchasers.

### 1203.4 ROLES AND RESPONSIBILITIES

District officers and employees are responsible for ensuring that they:

- (a) Abide by and use the correct purchasing category, purchasing methods and complete the required documentation for all goods and services purchased for District business.
- (b) Involve the Finance Department for planning and execution of all purchases over \$5,000 and all professional services contracts regardless of dollar amount. All purchases, commitments of funds and/or expenditures are subject to internal and external audit review.

## *Purchasing Policy*

---

### **1203.5 INTERPRETATION**

The application of this policy is the responsibility of the Finance Manager. The interpretation of this policy is the responsibility of the Fire Chief.

### **1203.6 POLICY REVIEW**

This policy is subject to review at least every three (3) years by the Fire Chief and the Finance Manager.

### **1203.7 DEFINITIONS**

**Approval Authority** - District personnel designated to authorize payments for expenditures or indebtedness for Fire District funds in their given area. Refer to Chart A for Purchaser and Approval Authority. Approval Authority positions may sign contracts as long as the contract dollar amount is within the authorized monetary authority.

See attachment: Chart A.pdf

**Capital Asset** - Significant, tangible property that costs \$5,000 or greater and that is expected to generate value over a long period of time.

**Direct Buy** - Process utilized for purchase <\$500, where purchase can be made by petty cash, credit card, or on vendor account (within established guidelines for each method).

**Finance Division** - District division responsible for controlling District finances, planning, organizing, auditing, financial statements, accounting, purchasing and contracts.

**Finance Manager** - Job position responsible for managing the Finance Department.

**Formal Compensative Bid** - A bid that is administered by the Finance Department and advertised publicly. Sealed bids are received by the District and opened publicly. Bid request methods are either an Invitation for Bid ("IFB") or Request for Proposal ("RFP").

**Goods and Equipment** - Tangible, consumable items such as equipment without a service contract. Examples are the purchase of office supplies or machinery with a warranty, but no service contract.

**Goods and Services** - A combination of tangible, consumable items and intangible items provided by other people. An example is the purchase equipment and a service contract for preventative maintenance and repairs. Software with a renewable support services contract falls under this category.

**Government Bid** - Procurement of an item that has gone through a government bid process to obtain the best price. This includes but is not limited to GSA (Government Services Administration) CMAS (California Multiple Award Schedule) Fire-GPO (Government Purchase Organization). The District may skip the formal competitive bid process and proceed with the purchase as long as the item meets the most favorable prices for the District.

# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

**Informal Competitive Bid** - Process utilized to obtain competitive pricing. At least three (3) written vendor quotes shall be obtained.

**Invitation for Bid (IFB)** - An IFB is a formal competitive bid and award process and should be used when the "what" and "how" is known, but if the "how" is not known or the "how" varies from one vendor to another, then a Request for Proposal ("RFP") should be used. See definition for RFP. An IFB is used when the statement of work ("SOW") is clearly stated and bidders are generally told what, how, when and where work and services are to be done. The contract need not be awarded to the lowest bidder. The District must, however, justify any award to other than the lowest bidder.

**Invoice** - Legible, vendor generated, written detail of the purpose and cost of a purchase. Must include business name, address and contact information.

**Original Receipt** - Legible, vendor generated, written detail of the purpose and cost of a purchase. Must include business name, address and contact information.

**Piggyback Bid Contract** - Procurement of an item that has gone through the formal bidding process by another government agency. The District and vendor may make changes to the specifications to the contract and still receive the preponderance of the other government agency's price.

**Prevailing Wages** - Per the California Division of Labor Standards Enforcement (DLSE): "The general prevailing rate of per diem wages (basic hourly wage rate, overtime, holiday pay rates and employer payments) for a particular craft, classification, or type of worker."

**Prevailing Wages Threshold** - The DIR small project exemption applies for all public works projects that do not exceed \$15,000 for maintenance and \$25,000 for new construction, alteration, installation, demolition or repairs.

**Professional Services** - Services provided by a person or organization trained and/or licensed or certified in their profession. These services cannot be performed by a District employee.

**Public Works** - Per the DIR "Public Works" refers to the construction, alteration, demolition, installation, or repair work (including maintenance) done under contract and paid by public funds. Public works projects do not include those done by a public agency with its own employees".

**PWC-100** - The DIR's online registration form which is required to be completed and submitted for every public works project which has been awarded a contract.

**Real Property** - Fixed property as opposed to personal property. Principally land and buildings.

**Request for Proposal (RFP)** - An RFP is a formal competitive bid and award process and should be used when the "what" is unknown, but not the "how" or the "how" may vary from one vendor to another. There are two types of RFP's: 1). Primary RFP: Used when certain standards are required. The proposal that both meets those standards and has the lowest cost could be awarded the contract. 2). Secondary RFP: Used when seeking a unique solution to a problem or situation that cannot be resolved by the lowest bidder. Unique methods, approaches and procedures used in performing the work are of primary importance. Only the goals and objectives are stated in

# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

the RFP, and bidders offer detailed work plans, approaches and methods. The contract need not be awarded to the lowest bidder. The District must, however, justify any award to other than the lowest bidder.

**SB 854** - The California Senate Bill (No. 854) containing the language which defines the new and/or revised statutory obligations for awarding bodies regarding monitoring and compliance with the prevailing wages law and the registration of contractors/subcontractors.

**Sole or Single Source** - "Sole Source" means only one individual/company can provide the goods and/or equipment needed, and that any attempt to obtain bids would only result in the same individual/company being available to meet the need. "Single Source" means the District actively selects one supplier although others are available and is used when there is a strong justification for the unique qualities of one supplier as opposed to the other suppliers.

**Small Purchase Informal Bid** - Process utilized to obtain competitive pricing. At least two (2) written vendor quotes shall be obtained.

#### **1203.8 PURCHASING PROCEDURE**

This procedure describes how to purchase goods and/or services on behalf of the District. The District has specific policies and procedures in place to ensure that the District abides by the state of California's Public Contract Code, whose objective is "to ensure compliance with the competitive bidding statutes as a means of protecting the public from misuse of public funds, to provide all qualified bidders with a fair opportunity to enter the bidding process" and "to eliminate favoritism, fraud and corruption in the awarding of public contracts." The District's Purchasing Policy emphasizes the importance of sound management of public funds through competitive bids and transactions that are fair, open and transparent.

#### **1203.9 PURCHASING CATEGORIES AND PURCHASING METHODS**

Identify the category of procurement and the purchasing method to be used. Follow the steps identified in the appropriate Purchasing Methods unless Procurement Exceptions or a Sole Source Exemption is identified.

#### **1203.10 CATEGORY - GOODS AND EQUIPMENT (G&E)**

G&E are tangible, consumable items such as equipment without a service contract.

G&E Purchases \$0 - \$500	Method: Direct Buy
G&E Purchases \$501 - \$5,000	Small Purchase Informal Bid (Min. 2 Quotes)
G&E Purchases \$5,001 - \$35,000	Informal Competitive Bid (Min. 3 Quotes)
G&E Purchases \$35,001 - \$50,000	Formal Competitive Bid
G&E Purchases > \$50,001	Formal Competitive Bid and Board Approval

# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

#### **1203.11 CATEGORY - GOOD AND SERVICES (G&S)**

G&S are a combination of tangible, consumable items and a professional service. An example is a piece of equipment with a service contract for preventative maintenance. Software with a renewable support services contract falls under this category.

G&S Purchases \$0 - \$500	Method: Direct Buy
G&S Purchases \$501 - \$5,000	Small Purchase Informal Bid (Min. 2 Quotes)
G&S Purchases \$5,001 - \$35,000	Informal Competitive Bid (Min. 3 Quotes)
G&S Purchases \$35,001 - \$50,000	Formal Competitive Bid
G&S Purchases > \$50,001	Formal Competitive Bid and Board Approval

#### **1203.12 PROFESSIONAL SERVICES (PS)**

Contracts associated with the procurement of professional services.

PS Contract \$0 - \$500	Method: Direct Buy and Insurance Requirements
PS Contract \$501 - \$5,000	Small Purchase Informal Bid (Min. 2 Quotes) and Insurance Requirements
PS Contract \$5,001 - \$35,000	Informal Competitive Bid (Min. 3 Quotes) and Insurance Requirements
PS Contract \$35,001 - \$50,000	Formal Competitive Bid and Insurance Requirements
PS Contract > \$50,001	Formal Competitive Bid, Board Approval and Insurance Requirements

##### **1203.12.1 INSURANCE REQUIREMENTS**

Vendor/Contractor shall provide the District with the minimum insurance identified in Attachment A.

See attachment: attachment a.pdf

#### **1203.13 CATEGORY - PUBLIC WORKS (PW)**

Public Works refers to construction, alteration, demolition, installation, or repair work (including maintenance) done under contract and paid by public funds. Public works projects do not include those done by a public agency with its own employees. There are laws identified under Senate Bill 854 that define specific statutory requirements. See California Public Contracts Code 22160 regarding Design-Build contracts.

PW Contracts \$0 - \$5,000	Informal Competitive Bid, PW DIR Requirements* and Insurance Requirements
PW Contracts \$5,001 - \$35,000	Informal Competitive Bid, PW DIR Requirements* and Insurance Requirements
PW Contracts \$35,001 - \$50,000	Formal Competitive Bid, PW DIR Requirements* and Insurance Requirements

# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

PW Contracts > \$50,001	Formal Competitive Bid, PW DIR Requirements* and Insurance Requirements
-------------------------	---

#### 1203.13.1 PUBLIC WORKS - DIR REQUIREMENTS\*

All contractors performing services for the District must be registered with the California Department of Industrial Relations (DIR). All workers employed on public works projects must be paid prevailing wage determined by the Director of the DIR according to the type and location of the project. A PWC-100 form must be filed online with the DIR for all projects unless they are within the small project exemption projects that do not exceed:

- \$25,000 for new construction, alteration, installation, demolition or repair
- \$15,000 for maintenance

#### 1203.13.2 INSURANCE REQUIREMENTS

Vendor/Contractor shall provide the District with the minimum insurance identified in Attachment A.

See attachment: attachment a.pdf

#### **1203.14 PURCHASING METHOD PROCEDURES**

Requirements for each Method detailed below.

##### 1203.14.1 DIRECT BUY

Process:

1. With proper monetary authority (See attachment: Chart A.pdf), purchase goods directly with supplier with cash (refer to Petty Cash Policy), credit card (refer to Credit Card Policy), Purchase Order or on the store/vendor account followed by invoice.
2. For G&S and PS purchases, review contract terms before signing contract.
3. Documentation Requirement: Invoice or receipt or contract for G&S or PS purchase.

##### 1203.14.2 METHOD: SMALL PURCHASE INFORMAL COMPETITIVE BID

Process:

1. Identify funding within the Board approved budget.
2. Obtain a minimum of two (2) informal competitive quotes.
3. Submit bids to Administrative Aide or Finance Manager to create a Purchase Order and have signed by an appropriate approval authority. (See attachment: Chart A.pdf)
4. Documentation requirement: Quotes, Purchase Order and Invoice. For G&S and PS include a fully executed service contract including terms and conditions.

##### 1203.14.3 METHOD: INFORMAL COMPETITIVE BID

Process:

1. Identify funding within the Board approved budget.

# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

2. Obtain a minimum of three (3) informal quotes.
3. Submit quotes to Administrative Aide or Finance Manager to create a Purchase Order and have signed by an appropriate approval authority. (See attachment: Chart A.pdf)
4. If G&S Purchase, request terms and conditions of the services portion of the purchase and submit to the Finance Manager for review. Items over \$10,000 will require Counsel review.
5. Documentation requirement: Quotes, Purchase Order and Invoices; if G&S or PS include a fully executed service contract including terms and conditions, scope of services, pricing schedule, Certificates of Insurance.
6. If purchase includes a Capital Asset valued at over \$5,000 at the time of purchase must be marked with a District inventory tag, and the following information shall be sent to the Finance Manager:
  - (a) Item Description
  - (b) Inventory Tag ID #
  - (c) Purchase Price
  - (d) Expected years of use

#### 1203.14.4 METHOD: FORMAL BID PROCESS

All purchases over \$35,000 require a formal competitive bid. Follow these ten (10) steps prior to engaging a vendor to ensure that ethical, efficient and accountable sourcing and procurement practices are used.

1. Identify funding within the Board approved budget and obtain approval from an Approval Authority (See attachment: Chart A.pdf) in writing. Email is acceptable.
2. Planning is essential to allow for the proper project management of formal competitive bids. Contact the Finance Manager to structure the Invitation for Bid ("IFB" or Request for Proposal ("RFP")).
3. Identify all scope of work requirements or product specifications.
4. Determine if one supplier is to be awarded or if a pool of pre-qualified suppliers is your preferred option. This will ensure the competitive bid provides you with a document that will meet your future requirements.
5. The Finance Manager will work closely with you to create a bid timeline.
6. Releases and advertise the IFB or RFP (Competitive bids are required to be advertised in a newspaper and online).
7. Evaluate submissions and select vendor to recommend.
8. If over \$50,000, complete and submit a Staff Report to the Board of Directors with your recommendation to select the chosen vendor's proposal.
9. The Finance Manager will send a formal notice of award to all bidders.
10. Execute a services agreement and schedule of work. Allow time for this step as terms and conditions will likely need to be negotiated.

## *Purchasing Policy*

---

### **1203.15 EXCEPTIONS TO THE COMPETITIVE BID PROCESS**

Notwithstanding any other provision of law, competitive bidding is not required for the categories listed below:

- (a) Expert and professional services that involve extended analysis, the exercise of discretion and independent judgment in their performance, and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience such as accountants, IT consultants, physicians, social service consultants, labor consultants, investigators, attorneys, architects, landscape architects, surveyors, engineers, construction management services and environmental services (CA Government Code 4526 et seq., 53060).
- (b) Insurance.
- (c) Appraisers services.
- (d) Public utility services including telephone and paging services.
- (e) Ordinary travel expenses.
- (f) Boarding for service animals.
- (g) Books, publications, subscriptions, recordings, films and annual book and periodical contracts.
- (h) Services available from another governmental agency and owned or provided by such other governmental agency.
- (i) Services from another governmental agency that has a contract with a supplier that allows such other governmental agency to acquire such property or services and resell them to other governmental agencies (i.e. cooperative purchasing agreements).
- (j) Where law fixes the price of property or services.
- (k) Automotive and heavy equipment repairs including body shop repairs, lights & siren packages and installation of decals and striping.
- (l) Uniforms.
- (m) Proprietary drugs and pharmaceuticals, medical supplies and equipment.
- (n) Catering for meetings and for fire crews during an active fire. Catering for celebrations is not an exception.
- (o) Pilot or trial to test new equipment or services.
- (p) When the Fire Chief and the Finance Manager (with concurrence of the Board when the amount of the contract exceeds \$50,000), determines that it is in the District's best interests to renew a contract award from the previous contract period, based on satisfactory service and reasonable prices to avoid the interruption of District business and/or based on good business sense if pursuant to the terms and conditions of the contract.



# Sonoma County Fire District

## Policy Manual

### *Purchasing Policy*

---

- (q) When the product/service is needed by the District pending a bid award and until a new contract has been awarded. Such interim period contracts shall not exceed six months.
- (r) A Piggyback Bid Contract or when services from any private supplier that has a contract with another public agency and such private supplier produces satisfactory documentation that:
  - 1. such other contract is currently then in effect, and
  - 2. such contract originated through a competitive bid process, and
  - 3. such items to be acquired by the District are of comparable description and quality as the items described in such other governmental contract, and
  - 4. the prices of such items to be acquired by the District are not greater than that specified in such other governmental contract.
  - 5. A Sole or Single Source Master Contract is in place for services or product.

#### **1203.16 CATEGORY - SOLE OR SINGLE SOURCE**

The District requires detailed and comprehensive documentation to justify Single or Sole Source purchases. The Sole or Single Source Justification Form (Form AD-59a) is used to document justification.

The use of a Sole Source is generally discouraged; however, reasons for the use of a Sole Source contract include:

- 1. Only one individual/company has a product or service that will meet the project's needs; or
- 2. Product standardization, specifications, and/or compatibility with existing equipment; or
- 3. The existence of an unusual and compelling urgency.

#### **1203.17 REFERENCES AND ATTACHMENTS**

See attachment: attachment a.pdf

See attachment: Chart A.pdf