




<b>Scotts Valley Fire Protection District</b>	
<b>POLICY: 1600</b>  <b>DATE APPROVED:</b> 10/13/2021 <b>BOARD PRESIDENT:</b> 	<b>SUBJECT: Purchasing</b>  <b>FIRE CHIEF:</b> 

### **Policy 1600: Purchasing**

The California Government Code Section 935.4 permits the Board of Directors to delegate its authority for the allowance, compromise and settlement of claims provided the claim does not exceed fifty thousand dollars (\$50,000).

This policy authorizes the Chief Officers of the Scotts Valley Fire Protection District (SVFPD) to review, verify and approve claims made against the SVFPD, which do not exceed fifty thousand dollars (\$50,000). The claims are then transmitted to the Santa Cruz County Auditor-Controller authorizing payment from the funds of the SVFPD. At the next regular board meeting, the Board of Directors will review all claims and take action to officially authorize payment.

Claims in excess of \$50,000 shall be authorized by the Board of Directors prior to payment.

#### **1. Fixed Assets**

Budgeting, purchasing, and capitalization of fixed assets shall be according to the following specifications:

- Fixed assets (other than land), which are expected to be useful for at least three years
- Cost at least \$5,000, if structures, or equipment

Improvements to fixed assets which are to be capitalized are those which significantly extend its life, and have the following cost limitations:

- Cost at least \$5,000, if structures, or equipment


#### **2. Supplies, Materials, Equipment, and Contractual Services**

The purpose of this policy is to secure for the SVFPD Taxpayers the advantages and economies which will result from centralized control over the expenditures of SVFPD funds for supplies, materials, equipment and contractual services.

##### **A. Definitions**

***Supplies and Equipment*** - Any and all articles or services and supplies which shall be furnished to or used by the SVFPD.

***Contractual Services*** - Any and all services which a contractor provides which are required by the SVFPD, but are not furnished by its own employees.

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**Responsible Bid** - An offer, submitted by a responsible bidder in ink or typewritten form, 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 submits a responsible bid; who has furnished, when requested, information and data to prove that the financial resources, production or service facilities, service reputation and experience are adequate to make satisfactory delivery of the supplies, materials, equipment, or contractual service based on the bid; and who has not violated, attempted to violate, any provisions of these regulations.

**Bidders' List** - A current file of sources of supply of articles purchased for SVFPD use.

#### B. Competitive Bids

**Purchases to be made on competitive bids** - All purchases of and contracts for supplies, equipment, and contractual services in excess of \$10,000 shall be based on competitive bids.

**Competitive bids to be solicited by public notice** - If the amount of the purchase is estimated to exceed \$10,000, contract bids shall be solicited by public notice and written contracts.


**Method and extent of notice** - The method and extent of public notice soliciting contract bids shall be as prescribed by the Board of Directors. Said notice shall set forth the deadline for submission of bids to the SVFPD and the terms, conditions, and specifications of the proposed purchase.

**Posting on bulletin board** - Competitive bid purchases shall, in all cases, be advertised by posting a copy of the invitation for bids on a public bulletin board in or adjacent to the SVFPD Administrative Office.

**Solicitation of bidders on bidders' list** - The Fire Chief or their designee shall, in addition, solicit bids from prospective bidders on any pertinent District bidders' list by sending them copies of the invitation for bids.

**Submission of bids** - All bids shall be sealed and submitted to the SVFPD on or before the deadline therefore.

**Surety** - If required by the Board of Directors, each bid shall be accompanied by surety in the form of a certified cashier's check or bid bond in such amount as shall be prescribed in the public notice inviting bids.

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*Bid opening* - The Fire Chief or their designee shall open all bids in the presence of a SVFPD Battalion Chief or Confidential Employee and other interested parties immediately after the deadline set for submission thereof. A tabulation of all bids received, whether accepted or rejected, shall be made by the SVFPD 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.

*Rejection of bid* - The Board of Directors may reject any and all bids and may re-advertise for bids when it determines the public interest will be served thereby.

*Award of contract for purchases* - The contract shall be awarded by the Board of Directors to the lowest responsible bidder whose bid conforms to the invitation for bids.

*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.


*Determining lowest responsible bidder* - In determining the lowest responsible bidder, 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 responsibility.

*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 any surety which accompanied the bond, unless the SVFPD is responsible for the delay. The bidder shall also be liable for any cost in excess of the bid price which the SVFPD incurs in purchasing the commodities or services elsewhere.

*Faithful performance bond* - If the Board of Directors so requires, the successful bidder shall furnish surety in the form of a certified or cashier's check or bond for the faithful performance of the contract in the amount specified.

*Approval, execution, and filing of contracts* - All contract bid forms and all contracts shall be approved by the SVFPD counsel as to form and legality. Following such approval, all contracts shall be signed on behalf of the SVFPD by the President of the Board of Directors.

### 3. Open Market Purchases

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- A. *When open market purchases are authorized* - If the amount of the purchase is estimated to be \$10,000 or less, it shall be an open market purchase and shall not be subject to the competitive bidding requirements.

An open market purchase shall, wherever possible, be based on at least three price quotations, except for an open market purchase for less than \$5,000.


- B. *Soliciting bids for open market purchases* - The Fire Chief shall solicit quotations by contacting parties on the pertinent bidders' list by posting a copy of an invitation for quotations on a public bulletin board in or adjacent to the SVFPD Administrative Office. The Fire Chief shall also contact others who, in their judgment, would be responsible suppliers.
- C. *Submission, opening, tabulation* - Quotations shall be submitted to the Fire Chief. The SVFPD shall make a record of all written and telephoned quotations and such record shall be open to public inspection during regular business hours at least thirty (30) days after the date of the award of the contract.
- D. *Award to open market bidder* - All open market purchases shall be awarded to the party making the lowest responsible quotation. However, price and quality being equal, preference may be given to responsible local bidders.

#### 4. Suspension of Regulations

- A. These regulations may be suspended by vote of four/fifths (4/5) of the Board of Directors upon the finding recorded in its minutes that competitive bidding or quotations would not be in the public interest.
- B. In the case of an emergency, the Board of Directors may adopt a resolution by a four/fifths (4/5) vote of all the members declaring that the public interest and necessity demand immediate expenditure of public money to safeguard life, health, or property. The Board of Directors may expend any sum required in the emergency without submitting such expenditure to bid.

#### 5. Purchasing Policy - Miscellaneous

- A. *Unlawful purchases* - If an employee contracts for any supplies, materials, equipment or contractual services contrary to the purchasing policy, such purchases or contract shall be void and of no effect, and the cost shall not constitute a legal charge against the SVFPD.
- B. *Return of merchandise* - No supplies, materials or equipment shall be returned to the vendor for trade, credit, repair, or for any other reason without approval of the Fire Chief or their designee.

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- C. *Budgeted items* - All line items that have been approved in the current budgets shall be deemed to have prior board approval for purchase. Items that need to be returned to the Board of Directors for action shall be agendaized.
- D. *Non-budgeted items* - Non-budget services and repairs where bids and analysis have been completed that require Board action, shall be agendaized.

6. Exemptions

This policy shall not apply to purchases of:

- Legal Advertising
- Medical Equipment or Supplies
- Professional Services
- Insurance
- Public Utility Services
- Ordinary Travel Expenses