

# CHAMPIONS EMERGENCY SERVICES DISTRICT

District Policies

DP-011

## Purchasing Policy

### 1.0 PURPOSE

- 1.1 To secure the best price for any goods and services to be purchased by the District, in conformity with this policy and applicable statutes.
- 1.2 To effectively track and manage purchases, payments, invoices, and items received

### 2.0 SCOPE

- 2.1 This guideline applies to all CESD staff, which includes commissioners, career staff, volunteer staff. These personnel will be referred to as Employees.

### 3.0 PURCHASE REQUISITIONS

- 3.1 It is the policy of the District that with limited exceptions, all expenditures of the District over \$2,000 will be covered by a Purchase Order. To that end, the following procedures will be adhered to by the District's Board members and Employees:
  - A. Purchase orders will be distributed as follows:
    1. Original (with approving signature) to the vendor by facsimile or e-mail.
    2. One copy held in suspense awaiting delivery of goods and/or services.
  - B. Purchase requisitions with an estimated value of \$2,000 or less:
    1. The purchase requisition and all supporting documentation must be presented to one of the following individuals for his/her approval as may be appropriate:
      - a) The Board President, Vice-President, or Treasurer; or
      - b) The Fire Chief or Assistant Fire Chief in the Fire Chief's absence.
  - C. Purchase requisitions with an estimated value of \$2,000.01 to \$ 49,999.99:
    1. The purchase requisition and all supporting documentation must be presented to the Fire Chief for approval and approved by the Board.
    2. The Fire Chief may authorize emergency repair purchases prior to Board approval for any amount under \$25,000. The President or Vice President and the Treasurer or Secretary shall be notified as soon as possible when emergency repair purchases are needed.
  - D. Purchase requisitions with an estimated value of \$50,000.00 or more:
    1. The purchase requisition and all supporting documentation must be brought to the Board for preliminary approval of the concept and necessity of the expenditure.

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2. The purchase requisition and all supporting documentation must be brought to the Board for final approval after the receipt of all bidding items and approval thereof.

### 4.0 COMPETITIVE BIDS

#### 4.1 Purchases (including leases and services) exceeding \$50,000:

- A. The District shall solicit competitive bids. Unless a District purchasing agent is named, the Board may designate the Fire Chief or other District Employee to prepare and submit the solicitation. The format of the solicitation shall adhere generally to Section 775.084 of the H&S Code and more particularly as set forth in this policy. **Under no circumstances shall this Policy be construed as superseding Section 775.084 of the H&S Code or any other applicable statute and any conflict shall always be resolved in favor of the controlling statute.** Absent certification by the Board that a good or service is either a sole source item (with confirmation thereof by the District's Counsel), or that there are fewer than three vendors available for a particular good or service, three bidders shall be the minimum number solicited. Solicitation shall be by written notice by regular mail. If the Board elects to advertise for bids, the advertisement shall be published in accordance with Section 262.025(a), Local Government Code. However, if fewer than three bids in response to a published advertisement, written notice directly to at least three suppliers, vendors, or providers of the intended purchase shall be given, unless advertisement and direct written notice is used together
  1. Any approved newspaper will be used for all official bid notices and advertisements.
  2. Purchases made through an authorized cooperative purchasing agency, such as Houston-Galveston Area Council, Buy-Board (Texas Association of School Boards) or a state contract or other local government (such as a county, city) shall satisfy competitive bidding or may serve as a component of a bid solicitation.
- B. A newspaper advertisement or notice for competitive bidding shall describe the work to be performed or the item to be purchased or leased; state the location at which the bidding documents, plans, specifications, or other data may be examined; and state the time and place for submitting bids and the time and place that bids will be opened.
- C. In all instances, the Board reserves the right to reject any and all bids, cancel a solicitation and to waive informalities in the bidding process.

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- D. Only the Board may award a contract to bidders.
- E. For reference, this Policy recognizes the exception - at the option of the Board - under Section 775.084, H&S Code to competitive bidding for the following:
  - 1. the purchase or lease of real property;
  - 2. an item or service that the Board determines can be obtained from only one source;
  - 3. an emergency expenditure;
  - 4. the purchase of vehicle fuel;
  - 5. the purchase of firefighter Personal Protective Equipment (PPE);
  - 6. the purchase of insurance coverage; or
  - 7. repairs funded by a payment made under an insurance claim.

### 4.2 Purchases (including leases and services) less than \$50,000:

- A. At the Board's election, bidding of purchases under this section may follow formal competitive bidding for items exceeding \$2,000.00.
- B. Unless a District purchasing agent is named, the Board may designate the Fire Chief or other District Employee to prepare and submit informal bid solicitations.
  - 1. Informal bids under this section means unsealed proposals requested via Email, telephone or fax and received in the same or similar fashion.
- C. The Board may designate the awarding of a contract following informal bidding to the District purchasing agent, if any, or the Board may designate the Fire Chief or other District Employee.

## 5.0 POTENTIAL CONFLICT OF INTEREST

- 5.1 For all proposed purchases or contracts, the Fire Chief shall disclose in writing to the Board prior to the award of any contract to purchase goods or services in the case where the Fire Chief has been advised or the Fire Chief or Board has actual knowledge or information prior to purchasing or contracting that such purchase or contract is with a person who or an entity which would fall under the restrictions in Texas Local Government Code Section 176.001, et. Seq.

## 6.0 RECEIVING

- 6.1 As goods are received, the receiving individual will:
  - A. Pull a copy of the purchase order from the open purchase order file when the goods arrive.

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- B. Check the goods for condition and quantity.
- C. Compare the goods to the purchase order.
- D. If there are any problems with the shipment, contact the purchasing agent who will resolve the problems with the vendor.

### 7.0 DEBIT AND PETTY CASH ACCOUNTS

7.1 The District will maintain a checking account for incidental administrative purchases not practical for the purchase order system.

- A. The account may be accessed through use of a check card issued by the District, and all transactions will be recorded and records maintained.
- B. Check cards may be issued to the Fire Chief, Assistant Fire Chief, Deputy Fire Chiefs, Office Manager, and Maintenance Coordinator.
- C. The Fire Chief will be responsible for maintaining account balances to a level sufficient for the needs of the District.
- D. Upon usage of the account for a qualified purchase, an electronic entry will be entered into the account registry indicating the date, amount, budget code, budget category, description of goods or services, and the name of the purchaser. In addition, the Office Manager will maintain a hard copy of the receipt in the Check card folder. Both the electronic register and the hard copies of receipts will be made available to the District bookkeeper upon request for reconciling account transactions.

7.2 The District will maintain a secure petty cash account for incidental purchases that are not practical for the purchase order system, and that are necessary in the absence of qualified check cardholders.

- A. The cashbox will be kept locked at all times in a secure location, accessible by the Command staff and the Office Manager.
- B. The Office Manager will be responsible for maintaining the contents of the cash box.
- C. When available cash drops below \$25, the Office Manager will request a check or cash disbursement from the District Treasurer in the amount of \$100, which may be cashed and placed into the cash box. Available cash in the cash box should not exceed \$125.
- D. Upon usage of petty cash for a qualified purchase, an electronic entry will be entered into the account registry indicating the date, amount used, budget code, budget category, description of goods or services, and the name of the purchaser. In addition a hard copy of the receipt will be placed in the cash box.

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Both the electronic register and the hard copies of receipts will be made available to the District bookkeeper upon request for reconciling account transactions.