

PURCHASING AND PURCHASE ORDER SYSTEM

Policy: It is the policy of the Tubac Fire District to conduct its purchasing transactions in a manner consistent with obtaining the best price and quality possible. Purchases of equipment, materials, supplies, and services for the District are made competitively where practicable. Performance, quality, suitability, delivery, and service are factors considered in buying. It is further the policy of the District to utilize a purchase order and requisition system for purchases exceeding the threshold outlined.

[Procurements shall comply with the Department's Procurement Purchasing Policy and conform, when applicable, to 2 CFR Part 200 - Uniform administrative requirements, cost principles, and audit requirements for Federal awards – along with applicable State, local, and tribal laws and regulations.](#)

Purpose: To outline the actions to be taken for 1) the procurement of all inventory, supplies and capital equipment; 2) the continuous analysis of inventory usage and balances to minimize the investment level; and 3) the completion of related documents.

Scope: This policy applies to the purchase of all equipment, materials, supplies and services for all departments within the Tubac Fire District.

Responsibilities:

The Board of Directors is responsible for setting budgetary targets regarding necessary purchases and replacements. They are also responsible for reviewing all unbudgeted purchases that surpass the Fire Chief's spending authority.

The Fire Chief is responsible for determining and presenting budgetary purchasing and replacement targets as well as requesting authorization for unbudgeted purchases that surpass his spending authority. The Chief is further responsible for the frequent review of purchased items and communicating with the Finance Department if targets need to be changed.

The Finance Director is responsible for reviewing and ensuring that all purchases are documented appropriately in the District's Accounting System.

Policy Statements

All invoices are to be date stamped on receipt. Then, the invoices need to be reconciled to the purchase orders and/or receiving documents for accuracy. Once the invoices are ready to be paid, the following steps need to be done before the payment is approved.

1. Purchase order/approval/request (if applicable), receiving documents, and invoices should be attached together.
2. Verify the budget category and account are correct
3. Review board minutes for expenditure approvals
4. Copy invoices as required for the Fire Chief, BC's, uniform file, audit file, employee files, etc.

All invoices, receipts and expense reimbursements are reviewed and approved by the Fire Chief or in his absence by the Assistant Fire Chief before checks are presented to the board to sign. All checks greater than or equal to \$2,500 require a board member's signature.

1. Purchases for services, projects, and commodities require a typed purchase order (PO) in advance of the purchase and must have written approval by the appropriate party, with the following *exceptions*:
 - i. Purchases made in person from a vendor using an established Fire District account, supplying a receipt or invoice and not in excess of \$500. The receipt/invoice must be coded with the proper account number, shop or station number and turned into Finance within 72 hours of purchase. Purchases must have prior approval by a Chief Officer.
 - ii. Standard monthly services (i.e. utilities, janitorial services, exterminator, etc.)
 - iii. Phone orders, credit card charges and internet charges must have prior approval by a Chief Officer. Orders can only be placed in amounts up to credit/policy authorization. Phone, credit and internet charges must be documented using the proper form.
 - iv. Sole-source Service/[Cooperative Purchasing Contracts](#) - When there is only one firm, company or individual capable of providing a service or commodity, purchase may be made without going through a bidding process. [Additionally, purchases made through cooperative purchasing contracts have already been through the competitive bidding process and do not require additional bids.](#) Sole-source/[cooperative purchasing contracts](#) may also be employed to maintain continuity (i.e. portable radios for the purpose of battery and accessory interchangeability, rescue tools, training needs, and service requirements). Final decision for this exclusion rests with the Fire Chief.
 - v. Emergency Purchases - When an emergency requires immediate purchase of supplies or services, this section supersedes all other provisions of this policy. An emergency exists when there is a threat to public health, welfare, safety, or when compliance with other provisions of this policy is impractical or contrary to public interest. The Fire Chief shall be empowered to authorize emergency purchases on or for an emergency incident; only the Fire Chief

shall authorize purchases for a non-incident emergency. All applicable forms (i.e. Purchase orders), accompanied by a written report of the circumstances, shall be completed within two working days of the emergency by the officer authorizing the purchase. The Fire Chief will notify the Board Chair of the purchases over \$5,000 within 72 hours.

- vi. Professional/Legal Services - Bidding and other requirements of this policy shall not apply to professional services, unless directed by the Fire Board. Such services include, but are not limited to, attorneys, accountants, auditors, architects, consultants, physicians, janitorial services, engineers, ladder testing services, etc.
2. Purchase orders must be completed and approved before the order is placed. If a PO is voided, the original copy is noted as void and given back to Finance.
 3. Purchase orders are to be done in QuickBooks by the Fire Chief, Assistant Chief, or administrative support staff and printed. All copies need to be accompanied by the requisition and approval.
 4. When the merchandise is received or the service is completed packing slips or receipts are forwarded to Finance. If there are problems with the merchandise or quantity, the vendor should be notified immediately, and the problem resolved by the appropriate Chief Officer, including the return of merchandise if necessary.
 5. Minor corrections to POs are acceptable if they do not affect the signature or bidding levels. If in question, Finance should be contacted.
 6. When partial orders are received, notify Finance with an expected due date for the remaining items.
 7. Purchases will not be made by another individual out of any Chief Officer's budget without their prior approval or by approval from the Fire Chief. Emergencies requests should be forwarded to Finance.
 8. Fiscal year-end POs should be completed by June 1st. Extension of this deadline will be at the discretion of the Fire Chief.
 9. Purchase Order Authorization Amounts - In determining the method of acquisition of material, contract of services or construction, a good faith effort will be made to estimate the complete and final cost of the item including, but not limited to, shipping, handling, taxes, delivery and installation.
 10. Any purchase over the \$500 threshold requires a purchase order (other than the exceptions noted above). The requestor should email their request to PO@tubacfire.org, this request should include the vendor, item, description, amount, and any vendor quote available. All purchases must have supervisor approval have an allocated budget code and returned to Finance to process the

purchase order. The following list shows methods of purchasing goods and services and the competition required at various procurement levels. No purchase of similar items may be divided to make the amount less than the following dollar limitations:

- i. Purchases of \$500 to \$1,499 – No quotation - best price for the money, verbal.
- ii. Purchases of \$1,500 - \$14,999 - 1 quote required, 3 quotes where possible, document on PO
- iii. Purchases of \$15,000 - \$49,999 – 3 written quotes
- iv. Purchases of \$50,000 and up – A minimum of 3 written quotes, board approval
 - i. If lowest bid is not taken, must justify best value and document on PO
 - ii. The following purchasing authority and signing approval levels is allocated to members of the Tubac Fire District's administration.
 - i. Assistant Chief - \$2,500
 - ii. Fire Chief - \$5,000