

Thurston County Fire Protection District 8

DISTRICT PROCEDURE MANUAL



PROCEDURE TITLE:	Procurement & Payment General Guidelines
PROCEDURE NUMBER:	1-03-PR-01
REVISION:	6
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FIRE CHIEF APPROVAL:	

I. Procurement: Generally, the District has two types of procurement methods: a) specifying, ordering, receiving and paying for new goods, services & public works projects and b) continuing authority for ongoing goods & services (e.g. payroll & labor costs, utility costs, fuel, ongoing approved contract services). In procuring new goods, services & public works projects, the following considerations shall be made for any prospective purchase:

- 1) Has the good/service been budgeted for?
 - a) Will the purchase require a budget extension?
- 2) What will the cost for the good/service/project be?
 - a) Refer to *Fire District 8 Procurement Matrix*.
- 3) What is the urgency for the good/service (emergency/urgent/routine)?
- 4) What level of authorization is required for the purchase?
 - a) The Fire Chief may delegate levels of authority as detailed in Section II below.
- 5) What technical specifications must be reviewed and approved?
 - a) Is the product/service/project only available from a sole-source vendor?
 - b) Does the product meet current legal requirements and performance standards?

II. Delegated Authority: The Fire Chief may delegate procurement and invoice approval as provided for by Policy. In the absence of the Fire Chief, the Assistant Fire Chief may act in their capacity. Furthermore, the Fire Chief provides the following delegated authorities:

- 1) For goods & services, including public works, for facilities, apparatus and equipment item up to \$7,500: the Battalion Chief, or designee, responsible for Facilities & Equipment;
- 2) For other goods & services for operations, training, health & safety purposes up to \$5,000: the Battalion Chief or designee, of the responsible business program ; and
- 3) For goods & services as provided for by Policy, up to \$1,000: any authorized credit card holder as provided under *District Policy 1-06 "Use of District Purchasing & Travel Cards"*.

III. Purchasing: All District purchasing shall be in conformance with the processes outlined in the current *Fire District 8 Procurement Matrix* appended to this Procedure. District purchasing is conducted under a variety of authorities and procedures set by Statute and this Policy. Proper documentation shall be filed for all purchases.

- 1) Purchase Orders: The District Secretary shall maintain a Purchase Order log. When a Purchase Order is issued for a purchase, the transaction must be entered into the District log file. Information entered shall include the pre-numbered Purchase Order number with the i) name of requestor, ii) date of request, iii) name of vendor, (iv) brief description of item(s) requested, v) estimated cost of item(s) including sales tax and vi) approval notation by the appropriate authority (Section II above). Invoices from the vendor should include the Purchase Order number for reference.
- 2) Purchasing from other agencies' contracts: Cooperative purchasing is authorized by Statute if 1) the District has an interlocal agreement in place with the lead purchasing agency, 2) has obtained assurance that the original bid was properly advertised by the lead agency, 3) has obtained assurances that legal requirements for bidding were followed by the lead agency, 4) that the vendor has agreed to allow additional purchasers to the original bid and 5) the purchase is of a like item.
- 3) Purchasing from pre-existing vendor/contractor roster: The District will subscribe with an approved vendor/contractor roster system and will comply with the regulations for its use.

- 4) Purchases made from a "sole-source" vendor: When it is determined that a purchase can only be made from a single vendor, the requesting responsible District party shall request and receive documentation (from the vendor) that the equipment, materials or supplies required meet the needs of the District and that such equipment, materials or supplies can only be obtained from a single vendor. The Fire Chief shall review the documentation; if acceptable, a resolution shall be made to allow such "sole- source" purchase.
- 5) Emergency Purchases: Statute provides that an emergency purchase may be authorized by the Fire Chief or Board when unforeseen circumstances beyond the control of the District result in either: (a) a real, immediate threat to the proper performance of essential functions; or (b) a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. After the purchase decision the Board shall approve the emergency purchase by passing a Resolution documenting the basis for the emergency.
- 6) Credit cards: In accordance with Statute, purchase of goods or services with District credit cards shall be made only by District personnel approved by the Board only for purposes relating to District business and within the allowable limitations of the card. The charge slip (receipt) of each transaction must have a clear impression of the date, total cost of the transaction and the name of the District person making the transaction. That District person shall forward the receipt to the District Secretary for processing. Refer to *Policy 1-06 "Use of District Purchasing & Travel Cards"* for further information.
- 7) Other Costs: Costs for travel, subsistence, meals or other out-of-pocket expenses incurred by District personnel in the course of authorized business shall be handled as per the provisions of *Policy 1-01 "Compensation & Reimbursement"*.

IV. Invoices: In order to facilitate the payment process, all invoices must be submitted to the District Secretary in a timely fashion. All invoices shall be reviewed and approved by the authorized District staff member(s). Invoices include any bills from vendors, claims for reimbursement by District personnel, or any other charges for payment through District funds. Proper documentation must be included with any invoice (e.g. original copies of billing documents).

V. Processing Payment: The District Secretary ("Auditing Officer") shall further review invoices approved by the Fire Chief or designee ("Signing Officer") for accuracy, then, a warrant or electronic fund transfer shall be prepared to pay the vendor or contractor. The Auditing Officer shall ensure each expenditure in the warrant or electronic fund transfer is coded according to the Washington State Business Accounting & Reporting System ("BARS") for fire districts.

VI. Electronic Fund Transfers: The exchange of funds from one bank to another through automated computer-based system is known as electronic fund transfer ("EFT"). The District may utilize this function when deemed appropriate and efficient (e.g. payroll payments for members). The process shall conform with the following requirements:

- 1) EFT transactions will be made only with proper authorization of all affected parties in accordance with federal and state regulations and accepted business practices.
- 2) Authorization for new EFTs or modifications to existing EFTs are required prior to being submitted by the District into the automated computer-based banking system.
- 3) The EFT payee must provide an signed authorization agreement for direct deposit (with a voided check for banking reference) prior to any new or modified transfers.
- 4) The District Secretary shall process the authorized EFTs and the Fire Chief or designee shall review and approve such disbursements.

VII. Audit & Reconciliation: All warrants and electronic fund transfers will be audited and reconciled (if needed) in a timely manner. A report of any warrants and electronic fund transfers will be provided to the Board on no less than a monthly basis. If any potential fraud is discovered during the audit, the District Secretary will notify the Fire Chief and Board Chair as soon as possible. District response in this case will be in accordance with *District Policy 1-50 "Management of Legal Risk"*.