



FAIRVIEW

FIRE PROTECTION DISTRICT

POLICY

Purchasing and Procurement Policy

NUMBER: 109.1

EFFECTIVE: July 26, 2021

SECTION 1. APPLICATION

California Government Code Section 54202 directs that every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency.

Accordingly, the Fairview Fire Protection District (“District”) hereby establishes and adopts the following purchasing and procurement policy for the District’s efficient, transparent, and compliant purchases and procurements in exercise of District authority codified in California Health and Safety Code, Section 13861 (a) through (k) and Section 13867, *et seq.*, and public works projects, as defined in the California Public Contracts Code § 1101, or services incidental thereto as set forth in California Government Code §§ 4526, 53060, 31000, and otherwise as consistent with the law and with core principles of good governance and financial oversight. This policy is accompanied by a policy guide, affixed as an Appendix.

SECTION 2. DELEGATED AUTHORITY FOR BUDGETED PURCHASES/ CONTRACTS LESS THAN \$10,000

When the cost of a purchase or contract is below \$10,000, and no other legal requirement imposes formal bidding requirements, the Board approves and hereby delegates to the General Manager the power to effect said purchase through the use of District funds.

Any purchase authority delegated to the General Manager shall be exercised in accordance with the District’s current approved budget. Section 29120 expressly limits the District from incurring or paying of District obligations to the amounts of the appropriations allowed for each budget unit as originally adopted or as thereafter revised by addition, cancellation, or transfer.¹ If a purchase or procurement is not funded through the annual budget, or if there are insufficient funds in the annual budget for the purchase or contract, the Board must approve funding by majority vote prior to the purchase or procurement.

¹ See also California Health and Safety Code Section 13895.

SECTION 3. PURCHASING/CONTRACTING METHODS; BID LIMITS

3.1 Prohibition Against Splitting

The District shall not split or separate into smaller units of purchase any transactions covered by this policy for the purpose of evading the cost thresholds and bid solicitation requirements set forth in this policy and/or otherwise under the law.

3.2 Formal Bidding

District purchases or contracts of \$10,000 or greater must be submitted to and approved by the Board of Directors. Unless subject to a clear and specific exception (See Section 4 below) or some other exception applicable under state law, these District purchases or contracts require the Board first to authorize the issuance of a bid solicitation and, upon receipt of bids, then take Board action by majority vote to approve a bid and award a contract (in the alternative, the Board may reject all bids).

A formal bid issuance approved by the Board shall comply with any applicable requirements in the California Public Contract Code, and may otherwise include the following elements:

- general description of the scope of work,
- the date that responses shall be considered,
- a copy of the contract to be executed by the vendor/contractor awarded the contract,
- the time in which the project must be completed,
- requirements concerning coordination with other entities, other information which may be useful in preparation of a bid submission, and
- the District's bid evaluation criteria specifically tailored to the project, including price or cost when required, and their relative importance.

Upon receiving bid compliant with this policy and any other legal requirements, the General Manager shall make a recommendation to the Board, and the Board shall determine whether and to whom to award the contract.

3.3 Informal Bidding - Quotations

Where there is no specific state or local legal requirement or applicable requirement to let a purchase to formal bid, all purchases or and contracts for items of District property shall be based whenever possible on competitive quotations. To secure the best value for the District, an informal bid requires the General Manager to obtain quotations from three vendors, provided three quotations are reasonably available. Quotations may be in the form of written proposals or in cost quotes provided by phone or in writing, provided the quote is memorialized via email or other writing to the vendor providing the quote. Upon receipt of all informal quotation information, the General Manager shall memorialize all materially relevant bid details and apprise the Board by timely written update, then determine whether to award the contract or to reject all quotes, and at the next formalized, agenda meeting, provide a detailed report to the Board at an agenda meeting. At the General Manager's discretion, the General Manager may consult the Board for

specific direction at a regular, agendaized meeting prior to executing a purchase, or at any stage in the informal bid process.

SECTION 4. SOLE SOURCE PURCHASES, JOINT PROCUREMENT, EMERGENCY PROCUREMENT, AND SPECIAL SERVICES

The following exceptions to Section 3 permit the District to exercise its purchase authority under the California Health & Safety Code and the California Government Code without Informal or Formal Bidding and authorize the Board to waive bidding processes.

4.1 Sole Source Purchases

Where the District requires a purchase or procurement for which there exists only a sole source of supply, special procedures apply that permit the District to proceed without collection of competing invoices or solicitation of bids, upon a majority vote of the Governing Board. The sole source must be the only known source of supply with the capability of meeting bona fide, documented specification requirements. Such procurements can arise when the specifications and requirements for the purchase or procurement are so unusual or distinct that they narrow possible sources down to one. This may be the case, for example, with replacement parts for highly regulated emergency service equipment. In this example, however, if more than one source is available, the exception does not apply. Sole sourcing is not permitted merely on the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lowest cost. The District shall consult counsel where the applicability of the sole source exception is unclear.

4.2 Joint Procurement

Where cooperative purchasing is available, achieving cost savings through the leverage of purchasing power via economies of scale and the reduction of administrative costs through streamlined joint procurement, provided compliance with and authorization under Section 6502 of the California Government Code, the District can complete its procurement through the cooperative, provided a majority vote of the Governing Board.

4.3 Emergency Procurements

Pursuant to Section 22050 of the California Public Contract Code, the Board may by a four-fifths vote of its governing body invoke “emergency purchase” procedures to take a directly related and immediate purchasing action required by an emergency and to procure necessary goods, supplies, equipment, and materials for those purposes, without giving notice for bids. The vote must include “a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.”

4.4 Special Services

Bidding requirements do not apply for so-called “special services” in the following fields, to the extent they require “persons specially trained, experienced, expert, and competent to perform the

special services”:

- accounting,
- administration,
- ambulance,
- architecture,
- custodial,
- economics,
- engineering,
- finance,
- insurance,
- labor relations,
- maintenance,
- mechanics,
- medicine,
- planning,
- science, and
- technology.

This exception requires a careful consideration of the nature of the services to be provided, to ensure the District only relies on this exception where it applies.