

Lakeport Fire District

Purchasing Policy

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Table of Contents

Scope of Policy	Page 1
Overview of the Purchasing Process	1
Purchasing Agent	1
Gifts and Unauthorized Purchases	1
Purchasing Authorizations	2
Types of Solicitations	2
Special Types of Purchases	2
Opportunity for Lake County and Small Disadvantaged Business Enterprises	9
Surplus Supplies and Equipment	9
Public Works Projects	10

SCOPE OF POLICY

The provisions of this policy shall apply to:

- (a) All contracts funded by the Lakeport Fire District, including but not limited to, engineering and design, construction and project management, land surveying, legal, finance, planning, environmental studies, legislative advocacy, public relations and outreach, organizational studies, strategic planning, legal and medical services.
- (b) The purchase of goods and services.
- (c) Transfers between funds.
- (d) The disposition of surplus property.
- (e) Federally funded projects and purchases.

OVERVIEW OF THE PURCHASING PROCESS

The purchasing process is centralized (the Purchasing Agent coordinates purchases) for the following goods and services: computer hardware and software, and phones. The purchasing process is decentralized (the Initiator or person requesting the merchandise or service, seeks out potential vendors, obtains the bids, and interacts with the vendor) for all other goods and services. The Purchasing Agent/Initiator is responsible for assuring that adequate budgeted funds are available. The Purchasing Agent/Initiator checks receipt of the merchandise or service. Staging of purchases, also known as bid splitting, in order to avoid bidding procedures or authorization limits is prohibited. For projects that are not federally funded, a 10% bid evaluation-pricing preference will be given to businesses based in Lake County. For procurement, information regarding projects and purchases funded with Federal funds see the section titled Federal Procurement. The Board of Directors is responsible for establishing a system of checks and balances throughout the purchasing process to help deter possible fraudulent activity.

PURCHASING AGENT

The Purchasing Agent shall be the Fire Chief and shall provide a monthly reporting to the Board of Directors of purchases made. The Purchasing Agent is responsible for overseeing the procurement of centralized goods and services, the administration of the Purchasing Policy and the management of surplus Fire District property.

GIFTS AND UNAUTHORIZED PURCHASES

District employees, officers or officials are not entitled to any special consideration from vendors and merchants in their personal affairs nor are such District employees, officers, or officials to solicit or accept gifts except for those items that can be shared by all staff such as food and flowers. Such persons shall comply with all state conflict of interest laws including Government Code Section 1090, the Political Reform Act, and FPPC regulations. Except for emergencies or other authorized exemption, no purchases shall be made without specific authorization as outlined in this policy. The person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

PURCHASING AUTHORIZATIONS

The following authorization limits apply to all purchases except Public Works Projects, which are covered by the Public Contract Code Section 20161, et seq., and the provisions in this policy below. See “Special Types of Purchases” (below) for additional information. Public Works Projects purchasing authorizations and information are listed at the end of this document.

Formal Bid – purchases more than \$25,000

Authority to award – Board of Directors.

Formal bid or Request for Proposal process is required.

Goods and Services shall be awarded based on demonstrated competence and, if applicable, the professional qualifications necessary for the satisfactory performance of the services required, at fair and reasonable prices to the District. Staging of purchases (i.e., bid splitting) in order to avoid authorization limits is prohibited.

Small Purchases – purchases of \$25,000 or less

Authority to award – Fire Chief or authorized designee.

Seek competitive quotations when feasible or rotate awards to local vendors.

Goods and Services shall be awarded based on demonstrated competence and, if applicable, the professional qualifications necessary for the satisfactory performance of the services required, at fair and reasonable prices to the District. In the event of a tie, award to the business located in Lake County.

TYPES OF SOLICITATIONS

Requests for Bids (RFB)

An RFB is a request to vendors to submit an offer or quote for specific, defined goods or products. An RFB should be used when seeking fixed prices for goods with known specifications (e.g. Dell Computers). RFBs must be posted on the District’s website.

Requests for Proposals (RFP)

An RFP is a request to vendors to submit a proposal for goods or services for which the exact specifications or methodology of providing the desired goods or services is not defined. An RFP is generally used for more complex goods or services purchases. RFPs allow for consideration of factors other than price, including the qualifications of the vendor and the vendor’s ability to perform. RFPs must be posted on the District’s website.

Requests for Qualifications (RFQ)

An RFQ is a request for a statement of qualifications for a certain class of vendors or consultants. RFQs are used to develop On-call or Master Agreements. RFQs must be posted on the District’s website.

SPECIAL TYPES OF PURCHASES

Purchases requiring Competitive Sealed Bids

Purchases requiring Competitive Sealed Proposals

Contracting for Professional Services

Cooperative Purchasing
Sole Source Purchasing
Open (Blanket) Purchases
Petty Cash Reimbursement
Credit Card Purchases
Emergency Purchases
Other Purchases

Purchases requiring Competitive Sealed Bids

- (a) All contracts greater than \$25,000 shall follow the Formal Bid process and be awarded by competitive sealed bidding. The Fire Chief is authorized to award contracts up to \$25,000. Board of Directors approval is required for awards greater than \$25,000. Contracts shall not be staged or separated into smaller units or segments solely for the purpose of evading competitive bidding requirements.
- (b) **Competitive Sealed Bidding Process.**
 - (1) **Invitation and Notice:** An invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement. Adequate public notice of the invitation for bids shall be given not less than ten (10) calendar days prior to the date set forth therein for the opening of bids for contracts under \$25,000 and (thirty) 30 days for contracts over \$25,000. Such notice may include publication in a newspaper of general circulation a reasonable time prior to bid opening. The public notice and all invitations to bid shall state the place, date and time of bid opening and shall state that the bids should be submitted to the Fire Chief or designee of the Fire Chief. The notice will indicate whether a pre-bid walk through is required.
 - (2) **Bid Opening:** Bids shall be opened publicly in the presence of one or more witnesses at the place and not earlier than the time designated in the invitation for bids. The amount of each bid and such other relevant information as the District deems appropriate, together with the name of each bidder shall be open to public inspection in accordance with the policy.
 - (3) **Bid Evaluation and Acceptance:** Bids received at or prior to the time set for bid opening shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluations that are not set forth in the invitation for bids.
 - (4) **Correction or Withdrawal of Bids:** Subject to any provisions of federal or state granting authorities to the contrary, correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, shall be in accordance with this section. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, no corrections to bid or provisions shall be permitted but, in lieu of bid

correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:

- (A) The mistake is clearly evident on the face of the bid document; or
- (B) The bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.

All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the District.

- (5) **Award:** The contract shall be awarded by appropriate written notice to the lowest cost, responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids.
- (c) **Multi-Step Sealed Bidding:** When it is considered impractical to prepare initially a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.
- (d) **Cancellation of Invitations:** An invitation for bids, a request for proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation. Each solicitation issued by the District shall state that the solicitation may be cancelled and that any bid or proposal may be rejected in whole or in part at the District's discretion with or without a showing of good cause.
- (e) **Determination of Non-responsibility:** If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the finding, shall be prepared by the Fire Chief or his or her delegate. The unreasonable failure of a bidder or offeror to supply promptly information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror. A copy of the determination shall be sent promptly to the non-responsible bidder or offeror. The final determination shall be made part of the contract file and be made a public record.
- (f) **Use of Subcontractors:** All contracts between the District and its consultants, vendors, and contractors shall state that "should you (the consultant, vendor, or contractor) utilize subcontractors, vendors or consultants to fulfill this contract with the District, you agree to use all reasonable efforts to include Lake County-based businesses in your bidding processes."
- (g) **Bid and Payment Bonds:** Bid and payment bonds or other security may be requested for supply contracts or service contracts, as the Fire District's Attorney deems advisable to protect the District's interests. Any such bonding requirements shall be set forth in the solicitation. Bid or payment bonds shall not be used as a substitute for a determination of a bidder's or an offeror's responsibility.

Purchases requiring Competitive Sealed Proposals

- (a) When the District determines that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by use of the competitive sealed proposals method.
- (b) **Competitive Sealed Proposals Process.**
 - (1) **Request for Proposals and Notice:** Proposals shall be solicited through a request for proposals. Adequate public notice of the request for proposals shall be given in the

same manner as provided for Competitive Sealed Bids; provided, the minimum time shall be fifteen (15) calendar days for contracts in the amount of \$25,000 or less and thirty (30) calendar days for contracts in the amount of more than \$25,000.

- (2) **Evaluation Factors:** The request for proposals shall state the relative importance of price and other evaluation factors.
- (3) **Interviews with Responsible Offerors and Revisions to Proposals:** As provided in the request for proposals, interviews may be conducted with responsible offerors whose proposals are responsive to the request for proposals for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of the identity of competing offerors or of any information derived from proposals submitted by competing offerors.
- (4) **Award:** Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the District, taking into consideration price and the evaluation facts set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.
- (c) **Cancellation of Invitations:** See “Competitive Sealed Bids” (d) above.
- (d) **Determination of Non-responsibility:** See “Competitive Sealed Bids” (e) above.
- (e) **Bid and Payment Bonds:** See “Competitive Sealed Bids” (g) above.
- (f) **Use of Subcontractors:** See “Competitive Sealed Bids” (h) above.

Contracting for Professional Services

- (a) For the purpose of procuring professional services, including but not limited to, accountants, architects, engineers, lawyers, doctors and other professionals, the District may award a contract for service in accordance with the purchasing authorizations and limitations of this policy. Professional services contracts shall be awarded based on demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required, at fair and reasonable prices to the District. The Fire Chief is authorized to enter into a Professional Services Agreement in an amount not to exceed \$25,000 without prior Board approval, provided the services have been included in the District’s current budget. All professional service contracts or work authorizations in excess of \$25,000 annually, or that are not included in the District’s current budget, shall be approved by the Board. The Fire Chief shall have the authority to approve changes in professional service contracts or work authorizations up to an additional 10% (cumulative) of the amount authorized by the Board. When the Fire Chief makes such an increase, details of the changes shall be reported to the Board as soon as practical. If the Fire Chief wants to enter into an agreement that exceeds \$25,000, the Fire Chief shall seek authorization from the Board as soon as practical. Special consideration for design/architect services is noted in (b)(4) below.
- (b) **Selection Procedure.**
 - (1) **Request for Qualifications and Notice:** Adequate notice of the need for the desired professional services shall be given by the District through a request for qualifications. The request for qualifications shall describe the services required, list the types of

information and data required of each offeror, and state the relative importance of particular qualifications.

- (2) **Statement of Qualifications:** Persons engaged in providing the designated types of professional services may submit statements of qualifications and expressions of interest in providing such professional services. The District may specify a uniform format for statements of qualifications. Persons may amend these statements at any time by filing a new statement.
- (3) **Interviews:** The Board of Directors, the Fire Chief, or a designee of either using the professional services may conduct interviews with any offeror who has submitted a statement of qualifications for the purpose of ranking the qualifications of the offerors, based on the evaluation factors set forth in the request for qualifications. Interviews shall not disclose any information derived from statements submitted by other offerors.
- (4) **Award:** The Fire Chief or the Board may reject any and all proposals received as part of the proposal process. Award shall be made to the offeror determined to be the best qualified based on the evaluation factors set forth in the request for qualifications, and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best-qualified offeror, then negotiations will be formally terminated with the selected offeror. If statements were submitted by one or more offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in order of their respective qualification ranking, and the contract may be awarded to the offeror then ranked best qualified if the amount of compensation is determined to be fair and reasonable. In the case of design/architect services, the District will pick the most qualified candidate and THEN open the price envelope and negotiate price.
- (c) **Cancellation of Invitations:** See “Competitive Sealed Bids” (d) above.
- (d) **Determination of Non-responsibility:** See “Competitive Sealed Bids” (e) above.
- (e) **Use of Subcontractors:** See “Competitive Sealed Bids” (g) above.
- (f) **Bid and Performance Bonds:** See “Competitive Sealed Bids” (H) above.

Cooperative Purchasing

The Board of Directors and the Fire Chief are authorized to enter into cooperative purchasing arrangements with other governmental entities without separate competitive bidding by the District if a governmental agency has solicited bids and awarded a contract for services or materials which the District desires to obtain, and participation in such a purchase is agreeable to the bidder awarded the contract and the Board of Directors or Fire Chief, in their authority under this policy, finds that participation in such group purchasing agreement is for the benefit of the District.

Sole Source Purchasing

A contract may be awarded without competition when the District determines in writing, after conducting a good faith review of available sources, that there is only one source for the required supply, service or construction item. The Board of Directors, the Fire Chief, or a designee of either shall conduct negotiations, as appropriate, as to price, delivery and terms. A statement of the basis for the sole source determination shall be placed in the contract file.

Open (Blanket) Purchases

Open procurement can be used when very similar goods or services are purchased frequently during the year. Generally, the individual purchases are small in relation to the total amount authorized. Authority to determine whether open procurement is appropriate is vested in the Board of Directors. Examples are dead animal removal and office supplies. Bids and approvals must be obtained annually using the same criteria as for a single item purchase order.

Petty Cash Reimbursement

The Petty Cash Fund is used to reimburse purchases which were originally paid out-of-pocket by a District official or employee. Mileage reimbursement is also paid from the Petty Cash Fund at the Internal Revenue Service's standard mileage rates. Petty Cash reimbursements will either be paid in cash or by check, depending on the amount. Reimbursement requests less than \$50 will be paid in cash. Reimbursement requests greater than \$50 will be paid by check on the next accounts payable check date.

Credit Card Purchases

The Fire Chief is responsible for the credit cards issued by the District. The credit card can only be used for authorized transactions.

- (a) Credit card purchases are limited to Small Purchases only. Guidelines and conditions for small purchases as set forth in this policy will be as follows:

The credit card shall **not** be used for:

- (1) Cash advances,
 - (2) Alcoholic beverages,
 - (3) Gambling or betting,
 - (4) Securities or insurance,
 - (5) Political or religious organizations,
 - (6) Tax payments,
 - (7) Court costs, fines, bail or bond payments,
 - (8) Lease or rental items
- (b) Credit cards are issued to individual employees and are to be used for official District business only. No personal transactions are allowed. Credit cards belong to the District and can be cancelled or revoked at any time at the discretion of the Fire Chief.
 - (c) Credit cards should only be used if a check request is not practical.
 - (d) The Cardholder's purchasing limit is determined according to specific needs and will be set by the Fire Chief.
 - (e) Prior to receiving a credit card, the employee must sign "Acknowledgement of Receipt of District Bank Card". By signing this form, the employee acknowledges:
 - (1) receipt of card,
 - (2) purchasing limits,
 - (3) and understands the rules/guidelines of the credit card portion of the PurchaseIt is the responsibility of the employee to furnish receipts for all credit card purchases.

Credit cards may be used for travel expenses such as meals not provided by the conference/seminar (meal expenses including gratuity must not exceed the Maximum Federal Rate), parking expenses, and fuel for a rental vehicle.

- (f) If there is a missing receipt and/or missing detail it is required that the employee write a memorandum, addressed to the Fire Chief providing information of the missing receipt and/or detail. Payment for purchases without receipts may become the responsibility of the employee.
- (g) The Fire Chief shall be responsible for receiving statements from Cardholders each month and for reviewing the statements, assuring all purchases are authorized and comply with the Purchasing Policy, signing and forwarding the statements and backup by the 15th of the month to the Fire Chief.
- (h) Should an employee lose or have his/her credit card stolen, it is their responsibility to contact the credit card company immediately. Also, they must notify the Fire Chief in writing one (1) working day after discovery. The Fire Chief must also notify the Purchasing Agent as soon as possible.
- (i) The cardholder is responsible for returning the credit card to the Fire Chief upon termination.

Emergency Purchases

Notwithstanding any other provisions of this chapter, the District may make emergency purchases of supplies, services, or construction items when there exists a threat to public health, welfare, or safety; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. In the case of contracts less than \$25,000, this determination shall be made by the Fire Chief and, in the case of contracts in the amount of \$25,000 or more, this determination shall be made retroactively by the Board of Directors.

Other Purchases

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process or obtaining quotes is not applicable or where a check is required to accompany the order. Following is a list of allowable exceptions:

- (1) Advertisement and Notices
- (2) Courier/Deliverer/Messenger
- (3) Emergency Fuel Purchases
- (4) Insurance Claims and Premiums
- (5) Medical Payments (Physicians, lab)
- (6) Membership Dues
- (7) Court Fee
- (8) Payments to Other Governmental Units
- (9) Petty Cash Replenishment
- (10) Property Rentals
- (11) Lease of Real Property
- (12) Real Property/Easement Acquisition
- (13) Subscriptions
- (14) Trade Circulars or Books
- (15) Travel Expense/Advances

OPPORTUNITIES FOR LAKE COUNTY AND SMALL DISADVANTAGED BUSINESS ENTERPRISES

- (a) It is the policy of the Lakeport Fire District to ensure full and equitable opportunities for Lake County and Small Disadvantaged Business Enterprises to participate as contractors in the provision of goods and services to the District. Policies and programs that enhance the opportunities and entrepreneurial skills of Lake County and Small Disadvantaged Business Enterprises will best serve the public interest because the growth and development of such businesses will have a significant positive impact on the economic health of the County of Lake and the City of Lakeport.
- (b) On projects that are not Federally Funded, it is the District's policy that a 5% bid evaluation pricing preference be given to businesses located within the County of Lake. The public interest is also served by continuing to encourage businesses to locate and remain in County of Lake.

SURPLUS SUPPLIES AND EQUIPMENT

- (a) Surplus property is used to generically describe any District property that is no longer needed or useable by the holding department. The Purchasing Agent or designee has the authority to declare item(s) with a market value of less than \$10,000 surplus. Items with a market value greater than \$10,000 will be formally declared surplus by the Board of Directors. The Fire Chief shall periodically review its equipment, material, and inventory, and shall promptly notify the Purchasing Agent of any surplus property.
- (b) The Purchasing Agent or designee shall determine or approve one of the following methods of disposition that is most appropriate and in the best interest of the District:
 - (1) *Trade-In*: Property declared as surplus may be offered as a trade-in credit toward the acquisition of new property. All trade-in offers will be submitted to the Purchasing Agent for review and approval.
 - (2) *Disposal*: The Purchasing Agent may offer surplus property for sale. All surplus property is for sale "as is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale. Appropriate methods of disposal are as follows:
 - (A) *Public Auction*: Surplus property may be sold at public auction. District staff may conduct Public Auctions, use internet auction sites, or the District may contract with a professional auctioneer.
 - (B) *Sealed Bids*: Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
 - (C) *Selling for Scrap*: Surplus property may be sold as scrap if the Purchasing Agent deems that the value of the raw material exceeds the value of the property as a whole.
 - (D) *Negotiated Sale*: Surplus property may be sold outright if the Purchasing Agent determines that only one known buyer is available or interested in acquiring the property.
 - (E) *No Value Item*: Where the Purchasing Agent determines that specific supplies or equipment are surplus and of minimal value to the District due to spoilage, obsolescence of other cause or where the Purchasing Agent determines that cost of disposal of such supplies or equipment would exceed

the recovery value, the Purchasing Agent shall dispose of the same in such manner as he or she deems appropriate and in the best interest of the District.

- (c) Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

PUBLIC WORKS PROJECTS

- (a) Public works projects over \$5,000 are subject to bidding and other requirements set forth by statutes, including Public Contract Code Section 20161, et seq. “Public works contracts” include contracts for a project for the erection, improvement, painting, or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work, except maintenance or repair; and furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
- (b) Public works projects over \$1,000 are subject to prevailing wage law, consistent with Labor Code Section 1720, et seq. “Public works contracts” for the purpose of prevailing wage law are defined as the construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds. Public Works contractors are required to register with the Department of Industrial Relations pursuant to the Labor Code.
- (c) Most of the public contracting statutes are contained in the California Public Contract Code. Other sources of public contracting statutes can be found in The Public Resources Code, Business and Professions Code, Civil Code, Government Code, Labor Code, and the Code of Regulations.