



KENSINGTON FIRE PROTECTION DISTRICT

DATE: November 15, 2023
TO: Board of Directors
RE: *New Policy 1155 Purchasing* for First Reading
SUBMITTED BY: Mary A. Morris-Mayorga, General Manager

Recommended Action

Staff recommends the Board consider the new *Policy 1155 Purchasing* for holding a first reading.

Background

The District does not currently have a Purchasing Policy with the topic briefly addressed within *Policy 1150 Budget Preparation and Review* and *Operations Policy 7 Expense Authorization*; however, it does not include certain limits and allowable purchasing mechanisms which could prove to be beneficial to the District.

In September, the Board approved for staff to proceed with development of a Purchasing Policy to bring back to the next meeting to hold a first reading. The policy was not ready for presentation at that meeting; however, is now completed and is presented for Board discussion. *Policy 1155 Purchasing* conveys the purpose, authority, and mechanisms for purchasing and disposal of surplus assets.

These purchasing practices are currently in place and aligned with applicable rules, regulations, and District policies. The major component of the policy which has not previously been explicitly stated is the authority to (does not require to) utilize cooperative purchasing, commonly referred to as “piggybacking” off of a contract which has been awarded by another government agency. This is a cost-effective method of purchasing which complies with a competitive bid, RFP, or procurement process while not requiring a duplication of efforts when it is determined to be in the best interests of the District.

Fiscal Impact

Adoption and implementation of this new policy would not increase or decrease overall District funds; however, may allow for cost-savings in staff time on future purchases if a cooperative purchasing program were used.

Attachments: *Policy 1155 Purchasing*
Policy 1150 Budget Preparation and Review
Operations Policy 7 Expense Authorization



KENSINGTON FIRE PROTECTION DISTRICT POLICY MANUAL

Policy Number	1155
Policy Title	Purchasing
Last Revision Date	XX/XX/2023 <i>New</i>

1155.10 Purpose: This policy is intended to establish and maintain financial control over purchases, to clearly define purchasing authority and to assure the quality of District purchases of supplies, services and equipment at the lowest possible cost commensurate with the quality needed. All purchases of and contracts for materials, supplies, furnishings, services, equipment and other personal property required by the District shall be made by the General Manager, or the General Manager's designee, in accordance with this policy.

1155.20 Purchasing Officer. The General Manager, or their designee, shall act as purchasing officer with authority as described herein.

1155.30 Authority. The purchasing officer as defined above is granted the following authority:

1155.31 Purchase or contract for required supplies, equipment and services pursuant to this policy, administrative procedures established by the purchasing officer and such other rules and regulations as may be prescribed by the Board of Directors.

1155.31 Negotiate, award and, as required herein, recommend execution of contracts for the purpose of supplies, services and equipment for the District.

1155.32 Act to procure required quality and quantity of supplies, services and equipment in the most cost-effective manner for the District.

1155.33 Endeavor to obtain as full and open competition as practical on all purchases.

1155.34 Supervise the inspection of all supplies and equipment and evaluate services purchased to insure conformance with District requirements.

1155.35 Recommend to the Board of Directors the sale or disposition of all supplies and equipment which cannot be used, which is surplus to the District's needs or which has become unsuitable for use by the District.

1155.36 Establish and maintain a fixed asset inventory control system coordinated with the procurement of all items determined to be fixed assets under generally accepted accounting criteria.

1155.40 Professional Services. Contracts for professional services may be established following the solicitation and evaluation of requests for proposals, statements of qualifications, or other applicable standard. Awards of professional services contracts may be made by the purchasing officer when they are budgeted for either specifically or within contingency and are in accordance with the General Manager's authority or other action of the Board of Directors.

1155.50 Cooperative Purchasing. When, through cooperative purchasing with any federal, state, county or other public agencies, the advantage of buying may be obtained through contracts

awarded by the lead procurement agency based on competitive bidding, proposal, or other procurement procedures. This would include purchasing from or selling to another governmental agency when such action is beneficial to the interests of the District.

1155.60 Immediate or Urgent Need. When there is a breakdown in essential machinery, essential services, or when unforeseen circumstances, arise including delays by contractors, delays in transportation, and unanticipated volume of work which require the immediate attention of a professional or immediate service/repair in order to protect public health, safety, welfare and/or property.

1155.70 Consolidation of Orders for Related Items. If the District would benefit from quantity prices or discounts for items that could be used within a reasonable amount of time, consolidating orders will be exercised to the extent practical. No order will be broken into smaller units to evade any requirement of this policy.

1155.80 Disposal of Surplus Supplies and Equipment. The General Manager shall have authority to dispose of surplus supplies and equipment which are no longer used or which have become obsolete or worn out pursuant to the following:

1155.81 Exchange or Trade-In. Exchange for or trade-in on new supplies or equipment.

1155.82 Sale of Surplus Items. Following approval of a list of supplies and equipment found by the Board of Directors to be surplus, the items shall be offered for sale on a competitive basis. Bids may be solicited by written request, telephone, fax, e-mail, by public or silent auction, by use of a commercial auction service, by consignment with a used equipment vendor or vendors, by advertisement in any newspaper or magazine, or by any combination of such methods.

1155.83 Donation of Surplus Items. Subject to approval of the Board of Directors, obsolete or surplus property may be donated or sold at a negotiated fair value to any other governmental or public non-profit agency.

1155.84 Disposition as Scrap. After reasonable efforts have been made to obtain competitive bids, if no offers have been received for any item of District-owned surplus personal property, such item may be disposed of for the highest scrap value that can be obtained, if any. If a reasonable effort to sell the item as scrap is not successful, it may, in the General Manager's discretion, be given away on a first-come-first served basis, or disposed of as-is or after demolition in an appropriate solid waste disposal facility.

1155.90 Contracts for materials and supplies for construction or completion of any building, structure, or improvements shall be contracted for in accordance with the California Public Contracts Code as applicable.

KENSINGTON FIRE PROTECTION DISTRICT POLICY HANDBOOK

POLICY TITLE: Budget Preparation and Review
POLICY NUMBER: 1150

1150.10 On an annual basis, the General Manager shall draft a proposed annual budget. Such proposed annual budget shall be balanced.

1150.20 Prior to review by the Board of Directors, the General Manager shall present the proposed annual budget to the Board's Finance Committee for review and amendment.

1150.30 The General Manager shall present the proposed preliminary annual budget, as reviewed and amended by the Finance Committee, to the Board for review and amendment no later than the Board's regular meeting in June, or as otherwise scheduled by resolution of the Board.

1150.40 The proposed final annual budget, as reviewed and amended by the Board, shall be adopted no later than the Board's regular meeting in September, or as otherwise scheduled by resolution of the Board.

1150.50 In the event an annual budget is not adopted prior to the start of the fiscal year, the budget last approved by the Board shall remain in effect until such annual budget is adopted.

1150.60 Budget control is maintained at the operational level. The General Manager is authorized to transfer budgeted amounts so long as District expenditures remain within the adopted budget, or as amended by the Board. Budget modifications that increase or decrease the overall annual budget must be approved by the Board.

1150.60 The Board shall review budget performance on a semi-annual basis.

1150.70 The General Manager shall develop administrative procedures that are consistent with the Board's policies, and devise and maintain systems of budgetary control. Such controls may include, but are not limited to:

1. Monthly financial reports to the Board of Directors.
2. Evaluation and reporting of budget variances.
3. Budget amendments for Board approval, as required.

KENSINGTON FIRE PROTECTION DISTRICT OPERATIONS MANUAL

POLICY TITLE: Expense Authorization
POLICY NUMBER: 7

7.10 Any commitment of District funds for a purchase or expense greater than \$5,000.00 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

7.20 All purchases made for the District shall be authorized by the Manager, and shall be in conformance with the approved District budget.

7.30 A "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$200.00.

7.31 Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00.

7.32 The petty cash fund shall be included in the District's annual independent accounting audit.

7.40 Whenever employees or Directors of the District incur cash outlay expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash or checking account revolving fund. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the President prior to remuneration.

7.50 Credit cards: A credit card shall be issued to the Manager. Credit cards shall not be issued or used by members of the Board of Directors. Directors will use their personal credit cards for lawful expenses of the District and seek reimbursement on a form provided by the District for that purpose.

7.51 All credit card bills shall be paid timely to avoid late fees and finance charges.

All credit card expenses shall be reasonable and necessary to the furtherance of District business. No personal expenses shall be charged on a District credit card. If a transaction involves both personal and District business, the employee shall pay for the transaction personally and request reimbursement by the District of the appropriate portion of the expense.

7.52 All credit card transactions shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder.

7.53 A member of the Finance Committee shall review and approve credit card transactions by the Manager.

7.54 All records of the District involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the District's records management policy.