

KEY LARGO FIRE RESCUE & EMS DISTRICT

PURCHASING POLICIES AND PROCEDURES

1.0 Quotation and Bidding Requirements

Purchases associated with Federal Funds; including but not limited to: Grants, loans or other funding shall be processed in accordance with KLFR&EMS District Procedure #104, Acquisition & Disposition of Assets Purchased with Federal Funds to ensure compliance with Florida Statute 287.

Purchases associated with State Funding; including but not limited to: Grants, loans or other funding shall be processed in accordance with KLFR&EMS District Procedure #105, Acquisition & Disposition of Assets Purchased with State Funds in accordance with 2 CFR Chapter II Part 215.44.

Purchases of less than \$ 2,500 will not require the use of formal or informal bidding procedures. However, the Department (Fire Rescue or EMS) making the purchase is still required to make a reasonable attempt to insure that the District receives a competitive price that is consistent with the desired quality of materials, workmanship or level of performance.

Purchases of \$2,500 or greater but less than \$ 5,000 will require at least three verbal quotes which will be recorded in a quotation memo by the originating department.

Purchases of \$ 5,000 or greater but less than \$ 35,000 will require at least three (3) written quotes.

The required quotation memo or written quotes must be provided to the Finance Department as part of the documentation which accompanies the Purchase Order that authorizes the purchase (See Sections 7.0 and 8.0). The originating department should also retain the necessary documentation within their files to demonstrate compliance with these procedures.

The following purchasing procedures shall apply to all purchases, contract or services with a total cost of \$35,000 or more:

1.1 Request for Bids

1. The District Board shall direct that a request for bid proposals be prepared which provides specifications for the purchase, contract or services being sought.
2. The District Clerk shall publish a public invitation to bid. All invitations to bid shall include a statement by the District reserving the right to reject any and all bids.
3. The District shall attempt to solicit sealed bids from at least three persons or entities engaged in the business of furnishing such materials, supplies, equipment and public improvements or rendering such services.

1.2 Bid Opening Procedure

1. Sealed bids shall be opened in the presence of the District Clerk (or the District Clerk's designated representative) and at least one witness at the time and date specified in the request for bids. The opening of the sealed bids shall be recorded by the District Clerk or the clerk's representative at the date and time specified in the request for bid proposals. The names of the witness(s) together with the original of the bid and the date and time of the opening of the bids shall be filed with the District Clerk.
2. Whenever required by the bid, all bid bonds, cash, insurance, checks or other security accompanying the bid shall be received and maintained for safekeeping by the District Clerk. The District Clerk shall be responsible for the return of the bid bonds, cash, insurance, checks or other security of unsuccessful bidders.

1.3 Bid Award

1. Upon completion of the bid opening and reading, a copy of all bids received will be provided by the District Clerk to the appropriate department for tabulation and recommendation to the District Board. The District Clerk will retain the originals of all bids and proposals.
2. If the KLVFD or KLVAC Department Board will make a recommendation to the District Board for a specific vendor, the Department meeting to select the vendor will be properly noticed.
3. Bids shall be awarded to the lowest responsive, responsible bidder that is consistent with the desired quality of materials, workmanship or level of performance as determined by the District Board, subject to the right of the District Board to reject any and all bids, and to waive any irregularity in the bids or bidding procedures.
4. Upon submission of the bid tabulation and recommendation to the District Board, the District Board shall accept, reject or refer for additional review the bid tabulation and recommendation.

Note: A summary of the requirements for quotations and competitive bidding is provided as Exhibit A.

2.0 Waiver of Procurement Procedures

1. The District Board may, by majority vote, waive the procurement procedures outlined in this policy if the Board determines that it is impractical to use the procurement procedures and they are not otherwise required by law.
2. The department or District Board, depending upon the dollar amount, is authorized to enter into contracts for materials, supplies, equipment, public improvements or services without competitive bidding by utilizing existing contract terms and prices entered into by other local, state or federal governmental authorities, provided that the governmental authority has followed a competitive bidding procedure leading to the

award of the contract in question which is substantially similar to the competitive bidding procedure outlined in the District's Purchasing Policy. Examples include State Contracts, GSA Contracts, Monroe County Blanket Purchase Agreements (BPA's) and piggybacking of competitively awarded bids.

3. The department or the District Board, depending upon the dollar amount of the purchase, may waive competitive bidding in the event that the items or services are available only from a sole source vendor, or only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation (such as technical qualifications or compatibility with existing equipment). When this situation exists a memorandum documenting the sole source status of the vendor must be prepared and included with the Purchase Order which authorizes payment for the purchase (See Sections 7.0 and 8.0).
- 4.

3.0 Exceptions to Procurement Procedures

The District incorporates by reference the federal procurement regulations found in 40 C.F.R. §31.36 (2004), as applicable. The following shall be exempt from these procurement procedures as outlined or shall follow applicable procedures required by state or federal law:

1. Purchases of consulting services, such as the professional services of accountants, attorneys, lobbyists, planners, physicians or other persons possessing a high degree of professional skill or license will be exempt from the requirements of advertising and competitive bidding as specified in F.S. 287.57 (e) 1-13.
2. Purchases of the services of professional architects, engineers, landscape architects or surveyors shall be through the procedures specified in section 287.055, Florida Statutes (Consultants Competitive Negotiation Act), if applicable.
3. Contracts for services where procurement is specified by State or Federal laws.
4. Design-build contracts as specified in section 287.055, Florida Statutes.
5. Purchases made during emergencies as outlined in Section 4.0.

4.0 Emergency Authorization

In the event of an emergency situation which requires the immediate purchase of goods or supplies, the following procedures will apply:

1. An emergency situation exists when 1) a state of emergency has been declared by either the President of the United States, the Governor of Florida, or Monroe County, 2) the Upper Keys has been placed under a mandatory evacuation order or 3) a situation has arisen that necessitates immediate action to provide protection to life or property.
2. Purchases of \$10,000 or less may be approved by the appropriate department head (See Section 6.0) without requirements for advertising and competitive bids.
3. Purchases of more than \$10,000 may be approved by the District Board at a public meeting without the requirements for advertising and competitive bidding.

When purchases have been approved by a department head under the authority granted in Item 2., the responsible department will submit a brief report to the District Board documenting the

nature, circumstances and declaration of the emergency and the necessity of the purchases within 30 days of the purchase.

5.0 Prohibitions

In accordance with 112.313, Florida Statutes, no member of the District Board, employee, contractor or volunteer of the District shall have a financial interest or a personal beneficial interest, either directly or indirectly, in any purchase of items furnished to or used by the District. The only exemptions to this prohibition are those outlined in F.S. 112.313. Purchases and contracts with District Board members, employees, contractors or volunteers which are entered into under these exemptions must be approved by the District Board regardless of the dollar value.

It is an express violation of this policy to intentionally “split” contracts, purchase orders or check requests for the purpose of the avoiding the dollar limitations for approval or competitive bidding set forth in this policy.

6.0 Dollar Limitations and Approval Requirements

Check requests and purchase orders less than \$ 10,000 may be authorized by the appropriate department head. For the purposes of these purchasing policies and procedures, the term department head is defined as follows for the various District functions:

- 1) Key Largo Fire Rescue Department Head is Corporate President and Department Chief
- 2) Key Largo Emergency Medical Services Department Head is Corporate President and Department Chief
- 3) Department Head for District Board Expenditures is District Secretary/Treasurer (or any other Board member)

Each of the department heads defined in Items 1) and 2) above can designate an alternate in writing to Finance without Board approval.

Purchases or check requests of \$10,000 or more will require the authorization of the District Board. Furthermore, any contract extension or renewal of any existing contract requiring the expenditure of \$10,000.00 or more pursuant to the terms thereof shall be approved by the District Board. Any change order increasing the value of a contract that was originally approved by the District Board, regardless of the dollar amount of that change order, shall require Board approval. In addition, any change order which results in a total contract value of \$ 10,000 or more will require Board approval.

This requirement applies even though the purchase of such an item was contemplated as part of the District’s adopted budget. The additional approval of the Board is not required, however, for partial or interim payments against a purchase whose full cost was previously approved by the District Board.

Check requests which exceed the \$10,000 total due to the fact that multiple individual purchases/items have been submitted under the same request for convenience in processing do

not require District Board approval if each of the individual purchases/items is under the \$10,000 threshold.

Changes to purchases previously approved by the District Board may be authorized by the appropriate department head provided that total dollar amount and other substantial matters of the purchase do not exceed the maximum amount authorized by the District Board.

In addition to the District Board approval requirements contained within this purchasing policy, the District Board may, by either motion/vote or resolution, impose additional approval requirements or different approval thresholds for specific types of purchases or transactions.

Note: A summary of the dollar limitations and approval requirements is provided in Exhibit A.

7.0 Check Requests

A check request form (Exhibit B) records required authorization and supporting documentation for disbursement of District funds. Check request forms should be used for, but are not limited to, the purchase and/or payment of seminar and conference registrations, travel expenses (pursuant to the District's Travel Policy), interim/progress payments for contractual services under existing contracts (such as maintenance contracts), professional services under existing contracts, minor office or operating supplies or similar types of transactions, and routine items such as utility bills (water, electric, and phone). Capital equipment purchases and other non-routine purchases and services should be authorized using a purchase order (see Section 8.0 and 9.0).

Purchases of less than \$25 should be handled through petty cash in accordance with a petty cash policy as a more cost effective procedure.

The originating department will be responsible for completely and accurately preparing the check request. This should include the following:

1. Complete name and address of the vendor and the vendor number if known.
2. Date prepared.
3. A description of the items purchased in sufficient detail for adequate identification.
4. The account number(s) and amount(s) to be charged and total amount of the check request.
5. Supporting documentation such as quotation memos, written quotes or evidence of District Board approval for the purchase if required by Section 1.0 of this policy.
6. If the check request is for a reimbursement, all receipts must be attached.
7. An invoice, along with packing slip, delivery receipt, or other appropriate documentation which has the initials or signature of the person verifying that the items have been received and accepted by the District.

After the check request has been properly prepared, it must signed by either the appropriate department head, or approved by the District Board based on the dollar limitations outlined in

Section 6.0. Check requests which are charged to more than one department must have the signature of all department heads affected.

After the check request has been completed and signed, the originating department will send the check request to the Finance Department for review and processing. When the check request is received by the Finance Department, it will be reviewed for required signatures, compliance with procurement procedures, accuracy, completeness and verification that there are sufficient funds remaining in the budget. After all information has been verified, the check request and supporting documentation will be processed for payment.

8.0 Purchase Orders

A purchase order is required for the purchase of any equipment, materials or contractual services (such as construction) whose cost is in excess of \$ 2,500 but less than \$25,000. A purchase order represents both a request to acquire an item and the form on which to record the required authorizations and compliance with bidding procedures (Exhibit C). As such, the purchase order must be processed and approved before the items are ordered or the contractual work is performed. Waivers and exceptions to competitive bidding, which are outlined above, do not mean that a purchase order is not required; they simply allow the substitution of a sole source memo or “piggyback” in place of the required quotations. A purchase order is not required for routine operating expenditures as outlined in Section 7.0.

The originating department will be responsible for completely and accurately preparing the purchase order. This should include the following:

1. Complete name and address of the vendor and vendor number, if known.
2. Date prepared.
3. A description of the item(s) purchased in sufficient detail for adequate identification.
4. The account number(s) and amount(s) to be charged and the total amount of the purchase order.
5. Supporting documentation such as quotation memos, written quotes or evidence of District Board approval for the purchase if required by Section 1.0 of this policy.

After the purchase order has been properly prepared, it must signed by either the appropriate department head, or approved by the District Board based on the dollar limitations outlined in Section 6.0. Purchase orders which are charged to more than one department must have the signature of all department heads affected.

After the purchase order has been completed and signed, the originating department shall send the purchase order to the Finance Department for review and processing. When a purchase order is received by the Finance Department, it will be reviewed for required signatures, compliance with purchasing procedures, accuracy, completeness and verification that there are sufficient funds remaining in the budget. After all information has been verified, the Finance Department will process the purchase order by issuing a purchase order number.

The Finance Department will retain the original to enter into the accounting system and return a copy to the originating department. All open purchase orders will be shown as “encumbrances”

of the account number(s) charged. Once paid, the encumbrance will be deleted and shown as an expenditure/expense on the monthly expenditure reports.

The originating department should give a copy of the processed purchase order to the vendor or supplier. Once the items have been received and accepted by the District, the invoice shall be signed indicating receipt and, along with all the other relevant supporting documentation, should be attached to a check request and forwarded to the Finance Department. The Finance Department will verify that all required supporting documentation is attached including evidence that the items have actually been received and accepted by the District, that the correct account number(s) and amount(s) have been charged, and the information contained on the invoice agrees with the purchase order. Any differences or discrepancies between the purchase order and invoice must be documented and reconciled before payment will be made. The Finance Department will then initial the invoice and process payment to the vendor.

Note: In those instances where a vendor will not accept a purchase order as a commitment of the District and requires payment up front before delivering the desired items, a check request may be prepared with the required signatures but without full supporting documentation, provided that the originating department shall provide the remaining documentation to the Finance Department within twenty (20) working days of the date of the check request.

9.0 Capital Expenditures

The purchase of any capital item(s) for the fiscal year shall be made in accordance with the provisions above, provided that neither the amount or quantities of the purchase exceeds the amount or quantities shown for that item(s) in the adopted budget for the fiscal year.

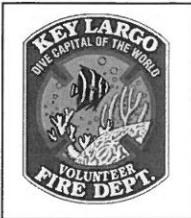
The purchase of any capital item(s) not included in the fiscal year budget, or the purchase of any capital items(s) which exceeds the amount or quantities shown for that item(s) in the adopted budget, in addition to complying with all the provision above, shall require the approval of the District Board prior to authorization of the purchase by the Department.

EXHIBIT A – SUMMARY OF BID REQUIREMENTS AND APPROVAL LEVELS

<p align="center">QUOTATION and BIDDING REQUIREMENTS (except as provided in Section 2.0, 3.0, 4.0) <i>Additional requirements exist when purchasing grant-related items please refer to the following procedure as appropriate:</i></p> <p align="center"><i>Procedure #104 Acquisition & Disposition of Assets Purchased with Federal Funds</i> <i>Procedure #105, Acquisition & Disposition of Assets Purchased with State Funds</i></p>	
<p align="center">Additional requirements exist when purchasing grant-related items, please refer to the following procedure as appropriate:</p>	
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<p align="center">Procedure #105, Acquisition & Disposition of Assets Purchased with State Funds</p>	
<p align="center"> </p>	
< 2,500	No requirement
from \$2,500 to < \$5,000	Three (3) Verbal Quotes in Quotation Memo
from \$5,000 to < \$35,000	three (3) Written Quotes
from \$35,000 to < \$65,000	Request for Bid Proposals Sealed bids
from \$65,000 to < \$195,000	Prior to a contract being executed, Program, Financial and Legal reviews are required.
from \$195,000 to < \$325,000	See Special Requirements in F.S. Chapter 287 for Contract Evaluation & Negotiation from \$325,000 and more

Dollar Limitations and Approval Requirements	
< \$ 10,000	Department Head
\$10,000 or more	District Board

EXHIBIT B – CHECK REQUEST FORM



KEY LARGO FIRE RESCUE & EMS DISTRICT



CHECK REQUEST

DATE:

VENDOR

CHECK DISPOSITION

Mail: _____ Hold for Pickup: _____ Return to Staff: _____

Invoice #	Account Number	Amount
TOTAL \$:		

DESCRIPTION:

DEPARTMENT HEAD APPROVAL

BOARD APPROVAL

Finance Dept Use Only:

Date Received: _____
 Finance Review and Approval: _____
 Processed: Date: _____ By: _____

EXHIBIT C - PURCHASE ORDER FORM



KEY LARGO
FIRE RESCUE & EMS DISTRICT
 P.O. Box 371023
 Key Largo, FL 33037-1023



Purchase Order Number

VENDOR

Name
Address
City St ZIP
Phone

SHIP TO

Name
Address
City St ZIP
Phone

Qty	Item #	Description	Unit Price	Total

Subtotal	\$0.00
Shipping & Handling	
Sales Tax	
TOTAL	\$0.00

Payment Method

Check
 Account No.

APPROVAL	
Department Head	Date: _____
_____	Date: _____
District Board	Date: _____
_____	_____

Finance Review _____ Date _____

ACCOUNT #: