

**OTTO FIRE DISTRICT
PROCUREMENT POLICY
RESOLUTION**

At a meeting of the Board of Fire Commissioners of the Otto Fire District held at the Otto Firehouse on the 8th day of February, 2010.

WHEREAS, Section 104-b of the General Municipal Law requires the governing body of every municipality to adopt a procurement policy for all goods and services which are not required by law to be publicly bid, and

WHEREAS, comments have been solicited from the officers and officials of the Otto Fire District involved in the procurement process,

NOW THEREFORE, BE IT RESOLVED, that the Otto Fire District does hereby adopt the attached procurement policy which is intended to apply to all goods and services which are not required by law to be publicly bid.

This policy shall go into effect immediately.

, Chairman

, Commissioner

, Commissioner

, Commissioner

, Commissioner

**OTTO FIRE DISTRICT
PROCUREMENT POLICY**

Every purchase of goods and services to be made by the Otto Fire District ("Fire District"), which are not required by law to be publicly bid, must comply with the following procurement policy:

- A. Every Purchase must be initially reviewed to determine whether it is a purchase contract or a public works contract. Once that determination is made, a good faith effort will be made to determine whether it is now or can reasonably be expected that the total amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year.

The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: Purchase contracts under \$20,000.00 and Public Works contracts under \$35,000.00; emergency purchases; acquisition of emergency services; goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions; purchases under State and County contracts; and surplus and second-hand purchases from another governmental entity.

The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This documentation may include written or verbal quotes from vendors, a memo from the purchaser indicating the source which makes the item or service exempt, a memo from the purchaser detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

- B. All goods and services will be secured by use of written requests for proposals, written quotations, or any other method that ensures that goods will be purchased at the lowest price and that favoritism will be avoided.

- C. The following method of purchase will be used when required by this policy in order to achieve the highest savings:

Estimated Amount of Purchase Contract

Method

Under \$1000 1 verbal Quotations

\$1,000 - \$ 2,999

\$3,000 - \$19,999

2 Verbal Quotations

3 Written/Fax Quotations or

Written Requests for Proposals

Estimated Amount of Public Works Contract

Method

\$100 - \$ 999
\$1,000 - \$ 2,999
\$3,000 - \$ 4,999
\$5,000 - \$34,999

2 verbal Quotations
3 Verbal Quotations
2 Written/Fax Quotations
3 Written/Fax Quotations or
Written Requests for Proposals

A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempts made to obtain the proposals or quotes. Documentation is required of each action taken in connection with each procurement.

- D. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible quote or proposal. This documentation will include an explanation of how the award will achieve savings or how the quote or proposal was not responsible. A determination that the quote or proposal is not responsible shall be made by the purchaser and may not be challenged under any circumstances.
- E. Pursuant to General Municipal Law Section 104-b(2)(f), only those persons authorized by resolution of the Board of Fire Commissioners at a regular or special meeting of the Board of Fire Commissioners shall be responsible for purchasing. Generally, the Chief of the Department shall have that authority, subject to approval by the Board of Fire Commissioners by resolution or otherwise.
- F. Pursuant to General Municipal Law Section 104-b(2)(g), in the sole discretion of the Fire District, the solicitation of alternative proposals or quotations will not be in the best interest of the Fire District. In the following circumstances it may not be in the best interests of the Fire District to solicit quotations or document this basis for not accepting the lowest bid:
 - i. Professional service or services requiring special or technical skill, training, or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity, and moral worth. These qualifications are not necessarily found in the individual or company that offers the lowest price. Additionally the nature of the services may be such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Board of Fire Commissioners shall take into consideration the following guidelines:

- (a) whether the services are subject to State licensing or testing requirements;
- (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services;
- (c) whether the services require a personal relationship between the individual and Fire District officials.

Professional or technical services are defined as services of an attorney; services of a physician; technical services of an engineer engaged to prepare plans, maps, and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing, or art work; management of Fire District owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of prepackaged software. Also included are repairs or maintenance of specialized fire equipment, where only the original vendor has the facilities and expertise to perform service or repair.

- ii. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately because seeking alternate proposals may threaten the life, health, safety, or welfare of the residents. This section does not preclude alternate proposals if time permits.
 - iii. Goods or services under \$500. The time and documentation required to purchase such goods or services would likely be more costly than the item itself and would therefore not be in the best interest of the taxpayer. In addition, it is not likely that such *de minimis* contracts would be awarded based on favoritism.
- G. This policy shall go into effect immediately.

Adopted: February 8, 2010, reviewed annually

Otto Fire District