

NORTH WHATCOM FIRE AND RESCUE

FIRE DISTRICT POLICY AND PROCEDURE

Number: 0500.0002.01

Date: 7/02/09

Area: Financial Management

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Subject: Purchasing

Approved:

1.0 General

It is important that guidelines, policies and procedures be established for the purchase of goods and services to maintain accurate records of financial transactions.

2.0 Purpose

The purpose of this policy is to establish purchasing procedures in order to maintain the quality and integrity of the NWFR purchasing system, maximize the purchasing value of available funds, and assure the fair and equitable payment of vendors with whom the district conducts business. In addition, this process will help ensure that purchases are made in compliance with the annual budget.

3.0 Scope

These guidelines apply to all members who are directly or indirectly involved in the purchase or approval of purchase of goods or services on behalf of the district.

4.0 Policy

It is the policy of NWFR that proper purchasing procedures be followed and accurate supporting documentation, namely purchase requisition forms and purchase orders, be used for the purchase of all goods and services purchased with district funds.

4.1 Definitions

Public Works: Work, construction, alteration, repair or improvement other than ordinary maintenance, executed by the district or which is by law a lien or charge on any property therein.

Purchase Requisition: An internal instrument that communicates a district's need to purchase goods or services. It is submitted by an individual to request authorization of a purchase prior to placing the order.

Purchase Order: The official document of NWFR to initiate the purchase of goods or services. The terms and conditions of the purchase order are provided to give legal

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protection to the initiating department. This document also provides legal reference and backup in disputes over shipping, quality, damage, etc.

Open Account: A vendor account which has been approved by the Chief and set up between the Finance Department and a specific organizational division where no requisition is required for any purchase with an invoice total of \$2000.00 or less.

5.0 Procedure

5.1 Procurement

- 5.1.1 All “public works” purchasing shall be conducted in accordance with RCW 39.04. All other purchases shall be conducted in accordance with this policy.
- 5.1.2 Three written price quotes shall be obtained for the purchase of any item costing \$4,501-\$10,000.
- 5.1.3 A purchase of any item over \$10,000 requires a competitive bid process except in the following situations:
- Exceptions specifically identified in RCW 39.04
 - Purchases made off of state bid
 - Purchases made through an Interlocal or Intergovernmental Agreement
- 5.1.4 The district shall verify that purchases made through an Interlocal or Intergovernmental Agreement have met the competitive bid requirements and obtain the following documentation from the host agency:
- Bid Specifications
 - Affidavit of Publication
 - Documentation of Bids Received
 - Verification that the Bid Specification specifically allows for other agencies to purchase off the bid

5.2 Purchase Requisition

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5.2.1 A purchase requisition shall be completed prior to all purchases with the exception of open accounts. When making a purchase with a vendor with the open account:

- The invoices will be signed to approve the purchase
- BARS number assigned
- An accurate description and specification for each item on invoice
- The invoice will be forwarded to Finance Department
- Finance Department will then create a purchase order number for that purchase.

5.2.2 When a requisition is required it shall include, at a minimum, the following information:

- Each vendor must have its own requisition form
- An accurate description and specification for each item requested
- An authorized accounting BARS Number(s) for the purchase
- Estimated cost of each item

Each individual shall submit their completed requisition form to a Chief Officer/Section Head to be reviewed, edited, approved and signed.

5.2.3 It is the responsibility of the Chief Officer/Section Head to ensure that funds are available for the purchase and that total annual expenditures do not exceed the authorized budget appropriation.

5.2.4 If a Department Head makes a purchase over \$2,000.00 the requisition must be approved by the Fire Chief.

5.2.5 The signed requisition shall then be forwarded to the Finance Department who will take appropriate measures to make sure the vendor is a legitimate business. For example, when requested, the business owner must provide the district a completed W9 form or when applicable a business license number or Federal Income Tax number.

5.2.6 The purchase requisition is not to be conveyed directly to a vendor.

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5.2.7 A requisition is not a purchase order and shall not be used or represented as such.

5.3 Purchase Order

5.3.1 Each requisition processed by the Finance Department will result in the issuance of a purchase order. The purchase order is the formal record and reference document for the actual transaction.

5.3.2 Each purchase order shall reflect the information provided in the requisition and may also contain changes to quantity, additional terms, etc.

5.3.3 A copy of the purchase order will be sent electronically or hard copy to the initiator of the requisition.

5.3.4 The initiator of the purchase requisition may then proceed with the actual purchase.

5.3.5 Individuals purchasing goods on behalf of the district without proper authorization may be held personally liable to the vendor and NWFR, and may be subject to disciplinary action.

5.4 Delivery and Documentation

5.4.1 The individual receiving the delivery shall sign and date the packing slip to confirm that all items were received and in good condition.

5.4.2 The packing slip shall be stamped with the delivery date at time of receipt.

5.4.3 The packing slip shall be submitted to the Finance Department.

5.4.4 The Finance Department must be notified if any of the items have been returned.

5.4.5 It is the responsibility of the individual initiating the purchase to provide the Finance Department with all required documentation if purchased through a competitive bid process or interlocal or intergovernmental agreement.

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5.4.6 It is the responsibility of the Finance Department to verify that all required purchase documentation is received and maintained for annual audit compliance review.

6.0 Control Mechanisms

It shall be the responsibility of the Finance Department to review this policy and procedures whenever necessary, but in no instance shall such review be less than annually.

7.0 References

- RCW 39.04 Public Works

Approved:	
	Chairman, Board of Fire Commissioners North Whatcom Fire and Rescue
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