 Policy	Policy:	Volume X: SFMD Board of Directors
	Subject: Procurement Policy: Documentation for the Purchase of Goods and Services, and/or Additions / Changes to Payroll	
	Effective Date: March 1, 2020	Revision Date: March 2020
	Approved By: SFMD Board of Directors	

General

It is the fiduciary responsibility of the Superstition Fire & Medical District (SFMD) Board of Directors (BOD) to ensure that public funds are expended in such a manner that best benefits the public and community. To accomplish this, the Fire Chief develops a budget document each fiscal year for BOD adoption. The budget document establishes the public policy of SFMD through the allocation of public funds. The Fire Chief is responsible to ensure that the expenditure of public funds throughout the fiscal year coincides with the BOD's public policy initiatives.

Purpose

To establish policy and procedure for the procurement of **all expenditures** for supplies, equipment, materials and services ("Goods and Services"), and/or additions / changes to employee's compensation and benefits ("Payroll") necessary for the effective and efficient provision of services to the community. This policy is to apply to all personnel who are directly or indirectly involved with the procurement of Goods and Services and/or the processing of Payroll for SFMD.

Policy

It is the policy of SFMD to ensure that all expenditures are authorized in the SFMD fiscal year budget, properly encumbered and accounted for, and that a complete history of each expenditure transaction is established. Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of SFMD. Violation of these regulations and the policy shall carry such penalties as may be applicable under state laws and in accordance with SFMD personnel policies.

It is the policy of SFMD to ensure the terms and conditions of A.R.S. §38-511 be included in any agreement or contract negotiated on behalf of SFMD. The agreement or contract is to include definitive language recognizing A.R.S. §38-511 and its legally binding effects on the agreement or contract in question, and all parties associated with the agreement or contract.


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Policy for Procedure of Goods and Services

A. Purchase Order (PO) Requirements / Types

1. Standard PO

Regardless of the amount of the purchase, a PO must be completed for each procurement request, all supporting documentation (invoice, packing slip(s), bids if applicable, and procurement form) must be attached to the PO, and the PO must be signed by the originator before being submitted for review and approval per this Policy. It is the responsibility of the PO originator to ensure that all required signatures are documented on the PO, and that all required supporting documentation are turned into Accounting in a timely manner.

It is SFMD's intent that a PO be prepared completely with all required approval signatures prior to the purchase of Goods and Services. However, in instances where an item is needed in an emergency for SFMD to protect the public (see C3 below), an approved PO can (and must) be submitted after the purchase has occurred. In all cases, the buyer/purchaser is to ensure all applicable taxes and fees are included in the total amount of expenditure documented in the PO.


Each purchase shall be made from the vendor offering the lowest responsible price quote. "Responsible" is defined as the best combination of price, warranty, locale, compatibility and/or cost of repair. On all purchases, the buyer should take into consideration warranty, local businesses and workmanship. If the lowest bid isn't the best value for SFMD, the buyer is to bring forward supporting documentation as to why a higher bid should be considered.

2. Annual PO

An Annual PO is used for the procurement of Goods and Services which involves a recurring, frequent, or monthly purchase from a specific vendor during the fiscal year. An Annual PO number will be issued by Accounting to the awarded vendor and will be utilized throughout the fiscal year. This method does not preclude competitive quote and bid requirements. This method only applies to the procurement of Goods and Services as described on the Annual PO(s).

3. Contract PO

A Contract PO is used for the procurement of Goods and Services through competitive bidding for a specific term per the contract. A Contract PO number will be issued by Accounting for the awarded contract vendor/agency and will be utilized throughout the contract term date.

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B. Procurement – Competitive Pricing / Written Bids

1. The purchase of **Goods** up to \$2,499.99 do not require a quote to support the corresponding PO.
2. The purchase of **Goods** \$2,500.00 and greater must be supported by three (3) written bids. The three written bids are to be attached to the Procurement Form. The Procurement Form and the three written bids are to be attached to the PO.
3. The purchase of **Services** up to \$4,999.99 do not require a quote in support of the corresponding PO.
4. The purchase of **Services** \$5,000.00 and greater must be supported by three (3) written bids. The three written bids are to be attached to the Procurement Form. The Procurement Form and the three written bids are to be attached to the PO.


NOTES: The Board has complete authority to require or waive the need for Competitive Written Bids for Professional Services as defined as “the provision of a services such as accounting, auditing, legal, consulting, and other such services that are provided by individuals or firms with specialized skills and/or credentials”.

Also, the Board has complete authority to mandate whether or not the Request for Proposal (RFP) competitive bid process is to be used, and/or if sealed bids are to be required for any purchase.

C. Waiver of Competition

Although the overriding intent of this policy is that competitive pricing is required whenever possible, there are times when competitive pricing may be waived pursuant to this section. Competitive pricing (See Section B above) may be waived for the following conditions:

1. Government, State Contract & Inter-Governmental Agency Agreement.
When using State Contracted vendors, items \$5,000 or greater, must still follow the three (3) written bid process. If a vendor comes in with a lower responsible quote, they can be used even though they are not State Contracted. **The Contract # and Agency must be documented on the PO.**
2. Single source procurement (**attach supporting information**).
3. Emergency purchase (**The Fire Chief is to be notified of all emergency purchases as he must send an explanation to the BOD within 72 hours**).
4. Efforts to obtain competitive pricing result in no competing offers.
5. Standardization/Compatibility requirements prevent the use of alternative vendors.

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D. Signature Approval – Authorized Personnel

The following positions are authorized by the BOD to approve the purchase of Goods and Services. All purchases of Goods and Services must be properly approved prior to placing the order (with the exception of emergency purchases – see Section C3 above).

1. Up to \$2,499.99 – Can be approved by each of the following positions individually: Budget Manager (including Deputy Chief and Administrative Services Director), Assistant Chief, Battalion Chief, Fleet Manager, and Fleet & Facilities Support Specialist.
2. \$2,500.00 to \$24,999.99 – Must be signed by the originator of the PO, the Finance Director, and the Fire Chief.
3. \$25,000.00 and greater – Must be signed by the originator of the PO, the Finance Director, the Fire Chief, **AND must be submitted to the BOD for approval prior to purchase.**

E. Other Means of Procuring Goods and Services

1. Credit Card.


The use of Credit Cards must follow all Procurement Policy guidelines as listed above. A PO **must** be prepared for all credit card purchases and all appropriate receipts must be provided to Accounting.

The use of personal credit cards for the purchase of District goods and services is strictly prohibited when access to a District credit card is available unless there is documented emergency need, or if the expense relates to the purchase of items on wild land deployments, or for uniform related purchases, or college tuition that the employee is reimbursed for per District policy. Any personal credit card usage in emergency situation(s) must be approved by the Fire Chief prior to reimbursement.

2. Expense Reimbursement.

Employees seeking reimbursement for required and authorized expenditures must:

- Complete an SFMD Personal Expense Reimbursement Form.
- Attach all receipt(s) to the form.
- If mileage reimbursement is requested, a map showing miles to and from must be attached. Mileage reimbursement will be based on the current federal rate for mileage.

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- The Reimbursement Form must have Department Head approval prior to submission to Accounting for payment.
- Expense reimbursement requests must be submitted within the fiscal year of expense.

F. Processing of Transport Refunds.

When a transport refund is required, they will be processed as follows:

1. An annual PO will be established by Accounting against which all refunds will be processed. Since the annual PO will be used for refunds of undetermined amount and number, the annual PO will have an undefined dollar limit.
2. All requests for transport refunds will be approved by the Transportation Services Manager and the Finance Director.

Policy for Additions / Changes to Payroll

It is SFMD's intent that all changes to an employee's Payroll (compensation and/or benefits) be approved prior to implementation of the change.


A. Addition of New Employees.

The budget for the addition of all new employee(s) must be included in the annual Fiscal Budget adopted by the BOD. The processing of the new employee's payroll, benefits, and accruals are documented in sections B, C, and D below.

B. Changes to Employee Payroll.

All Payroll changes must be documented in writing with the following information documented on the Payroll Change Form:

- Employee Name and Employee Number.
- Employee's division and shift (e.g., 56-Hour Sworn, 42-Hour Transport, etc.).
- Effective Date of Payroll Change.
- Employee's Current and New Job Grade, Step, and Annual Base Wages.
- Percent Change in Base Wages resulting from Payroll Change.

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- All appropriate current and future annual incentives (e.g., TRT, BSO, SCBA, Paramedic, and/or educational incentive).
- FLSA Gross Up if applicable.
- Total current and total future annual compensation (wages and incentives).
- For Salaried employees, current and future bi-weekly and hourly total compensation.
- For Hourly employees, current and future total hourly regular, overtime, and FLSA rates.
- FLSA Status of the employee.
- Reason for the change in Compensation.
- Cell Phone Incentive, if applicable, and the amount per pay period.
- Timing and nature of the next Payroll Change.

All Payroll Change Forms must be signed by the HR Generalist (originator), and approved in writing by the Finance Director and the Fire Chief (or his delegate).

C. Changes to Employee Benefits.

All employee benefit changes and contributions must be documented in writing with the following information documented on the Employee Benefit Enrollment Form:

- Employee Name and Employee Number.
- Effective Date of Benefit Change.
- District Section 125 Benefits:
 - Per Pay Period (PPP) Benefit Dollars.
 - PPP premium amount for all insurance coverages selected by the employee (medical, dental, vision, and/or AFLAC).
 - PPP premium coverage provided by Benefit Dollars.
 - PPP remaining Benefit Dollars, if any, that must be deposited into either a Health Saving Account (if the employee has selected a Health Saving Medical Plan), or the employee's 457(b) Deferred Compensation account.

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- PPP premium coverage not provided by Benefit Dollars that will be withdrawn from the employee's after tax take-home compensation.
- PPP premium amount for short term and/or long term disability and voluntary life insurance, if selected by employee. These premium amount(s) will be withdrawn from the employee's after tax take-home compensation.
- District 457(b) Deferred Compensation Benefit:
 - PPP 457(b) Deferred Compensation being contributed by the employee.
 - PPP 457(b) Deferred Compensation being matched by the District (the current benefit is a dollar-for-dollar match with a maximum of \$61.00 PPP by the District for every dollar contributed by the employee.

Employees can contribute to their Health Savings Account and/or 457(b) Deferred Compensation account up to the annual maximum allowed by federal IRS guidelines.

The Employee Enrollment Form is to be signed by the employee, the HR Generalist, and the Finance Director.

D. Changes to Employee Vacation and Sick Leave Accruals.

All employee vacation accrual changes must be documented in writing with the following information documented on the Employee Accrual Change Form:


- Employee Name and Employee Number
- Effective Date of Accrual Change.

Payroll will apply the accrual change within the pay period it becomes effective. There is no prorating of the change.

- Reason for Accrual Change

The vacation and sick leave accrual balances ("bank") balance for employees transitioning from a 56-hour to a 42-hour shift or 40-hour shift, or vice versa, are to be factored to reflect their new shift parameters as of the effective date of the shift transition. All per pay period accruals and usage from the effective date forward are to be accounted at their new shift parameter amounts.

The Employee Accrual Change Form is to be signed by the HR Generalist, and the Finance Director.

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E. Termination / Resignation / Retirement of Employee.

The final compensation (wages earned, accrued vacation, and accrued sick leave, if applicable) for an employee who is ending their employment with the District is to be documented on the Employee Final Paycheck Form.

All employee insurance premiums owed to the District along with the date each insurance benefit ends, and/or any tuition reimbursement that is refundable to the District per policy, that are to be subtracted from the final compensation of all employees is to be noted on the Employee Final Paycheck Form.

The Employee Final Paycheck Form must be signed by the HR Generalist (originator), and approved in writing by the Finance Director and the Fire Chief (or his delegate).