



# HUTTO FIRE RESCUE

## WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #3

### STANDARD OPERATING PROCEDURES

<p>STANDARD OPERATING PROCEDURE - Administration</p> <p><b>#1-4.2 (Revised)</b></p> <p>ISSUE DATE: October 1, 2021 EFFECTIVE: October 1, 2021</p>	<p>RESCINDS: #1-4.2: Purchasing Policy (2015)</p>
<p>SUBJECT:</p> <p><b>PURCHASING &amp; RECEIVABLES</b></p>	<p>AUTHORIZED BY:</p> <p>Williamson County ESD #3 Board of Commissioners</p>
<p>REFERENCE / AUTHORITY: State of Texas Laws State of Texas Statutes</p>	<p>APPLIES TO:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Full Time Uniformed Staff</li> <li><input checked="" type="checkbox"/> Volunteer Uniformed Staff</li> <li><input checked="" type="checkbox"/> Civilian Staff</li> <li><input checked="" type="checkbox"/> ESD Commissioners</li> </ul>
<p>TFCFA BEST PRACTICES: Chapter(s) : 1 Item(s) : 1.03</p>	<p>CPSE / CFAI ACCREDITATION:</p>



### PURPOSE

Establish a fiduciary policy for Hutto Fire Rescue/Williamson County Emergency Services District #3 (Hutto Fire Rescue) to purchase goods and services for the delivery of emergency and non-emergency services, and to establish controls for the receipt of cash or checks.

### BACKGROUND

As a political subdivision of the State of Texas, Hutto Fire Rescue is required to make purchases for goods and services as indicated by state statutes. This includes, but is not limited to day-to-day operating supplies, firefighting equipment and supplies, and motorized fire apparatus and supplies. Additionally, the receiving of funds for services or reimbursements is also regulated.

This policy establishes clear standards and specifications for goods and services, establishes controls to prevent purchases of unauthorized or unbudgeted items, establishes firm guidelines governing relationships between suppliers and service providers and Hutto Fire Rescue and its staff, establishes the use of centralized purchasing, and outlines the safeguards for the receipt of cash

and/or checks. This policy does not establish standards for disaster financial operations.

## **POLICY**

### **DEFINITIONS**

**Purchase Order**: Hutto Fire Rescue procures goods and services by issuing purchase orders. Purchase orders are a way of tracking expenditures during a given fiscal year. Purchase orders constitute a legally binding contract between Hutto Fire Rescue and the vendor.

**Price Quotes**: Price quotes detail the requested goods or services, product description, part number (when available), vendors, the delivery point, and the person making the request.

**Product Specifications**: Product specifications should provide full information on the product or service to be procured. The specifications should be written in a way that facilitates and encourages open and competitive bidding. Completed specifications must be reviewed by the Fire Chief. Product specifications are required on any item over \$50,000.00 and may be required on products of lesser amounts depending on the nature of the item.

**Competitive Sealed Bids**: All products or services in excess of \$50,000.00 that are required to follow the *Texas Health and Safety Code - Competitive Bids, Sec. 775.084*.

### **CONFLICT OF INTEREST**

- A. Williamson County Emergency Services District #3 Commissioners commit a **Class A** misdemeanor if they knowingly participate in a vote or decision involving a business entity in which they have a substantial interest.
- B. If a Commissioner has a substantial interest in a business entity that would be peculiarly affected by any official action by the Board of Commissioners, the Commissioner shall file an affidavit stating the nature of the interest and shall abstain from further participation in the matter.

### **INTERNAL CONTROLS**

- A. Internal controls, which are very important to minimize the possibilities for errors and misuse or loss of funds or equipment, include:
  - 1. Recording all Hutto Fire Rescue assets on an asset register.
  - 2. Annual inventorying of all Hutto Fire Rescue assets.

3. Appropriate division of duties.
4. Assigning qualified personnel appropriate responsibilities.
5. Establishing and implementing procedures for authorizing, recording, and reporting transactions.

**PURCHASE AUTHORITY**

- A. The authority for purchase of single item goods and services shall be conducted in accordance with the *Texas Local Government Code - Purchasing and Contracting Authority of Municipalities, Chapter 252* and the *Texas Health and Safety Code - Competitive Bids, Sec. 775.084*.
  
- B. The *Texas Health and Safety Code - Competitive Bids, Sec. 775.084* notes that any ESD purchase requiring the payment of more than \$50,000 be awarded on a competitive basis. It does not matter that the ESD could obtain an item at a better price using a different method; the requirement for bids still holds. The statute does provide the following exemptions:
  1. acquisition of sole-source items of services.
  2. contracts for fire extinguishment and suppression.
  3. ambulance services.
  4. purchase of firefighter bunker gear.
  5. emergency expenditures.
  6. purchase of fuel.
  7. contracts for emergency rescue services.
  8. purchase or lease of real property.
  
- C. Hutto Fire Rescue purchasing shall be conducted as follows:
  1. \$00.00 - \$199.99                      Company Officer Approval
  2. \$200.00 - \$9,999.99                Fire Chief Approval (3 quotes required)
    - a. If above \$9,999.99, or outside the approved budget, a notification will be made to the Board President or Vice President.
  3. \$10,000.00 - \$49,999.99            Board of Commissioners

Approval (3 quotes required)

4. \$50,000.00 and greater Formal Bids (3 competitive sealed bids required)

- D. The Board of Commissioners reserves the right to accept or reject any and/or all bids, or any portion of a bid, to waive informalities and inconsistencies, and to accept the offer it deems to be the most beneficial to Hutto Fire Rescue.
- E. Award will be based on the lowest price and/or best value meeting the product specifications and product delivery date subject to provisions of the *Texas Health and Safety Code - Competitive Bids, Sec. 775.084*.

**PURCHASE PROCEDURE**

- A. Purchase Orders are required on all purchases.
- B. Sequential Purchase Order numbers are maintained by the Fire Department Administrator for assignment to all purchases.
- C. If it is known that only one product, service or vendor can properly satisfy the requirement, or if it is product or service that the Hutto Fire-Rescue has standardized with, price quotes from multiple vendors are not necessary. Once the low quote, the low bidder meeting specifications, or the best value has been determined, Hutto Fire Rescue will issue a Purchase Order to this vendor.
- D. Upon fulfillment of the Purchase Order, the generator will sign and date the packing slip and/or invoice placing it in the "Receipts" box in the Administrator's office for payment processing.

**CASH & CHECK RECEIVABLES**

- A. While not often, Hutto Fire Rescue does accept check or cash receivables for certain services. These services include, but are not limited to:
  - 1. City of Hutto Interlocal Agreement.
  - 2. Williamson County Interlocal Agreement.
  - 3. FEMA Reimbursements.
  - 4. Texas Division of Emergency Management Reimbursements.
  - 5. Texas Forest Service Reimbursements.

6. Fire Inspections.
  7. CPR classes.
  8. Insurance carrier reimbursements.
  9. Cost recovery billing.
- B. All checks must be made payable to: **Williamson County Emergency Services District #3**.
1. Checks must be endorsed immediately upon receipt.
- C. Hutto Fire Rescue should avoid, if possible, the receipt of cash for any services.
- D. Receipts must be presented for all monies received.
- E. All monies should be deposited in the business week received.
1. Ensure adequate safeguarding of monies via a lockbox until deposited.
- F. All write-offs of uncollectible cost recovery billing must be approved by the Board of Commissioners.

#### **REIMBURSEMENTS**

- A. Texas Division of Emergency Management (TDEM)
1. Reimbursements for any type of TDEM activation shall follow the current *Memorandum of Understanding Between Texas Division of Emergency Management and The Participating Agency/Employer*.
  2. Non-activation activities shall follow the TDEM policies that are established for the particular event.
- B. Texas A&M Forest Service (TFS)
1. Reimbursements for any type of TFS grant process shall follow the current grant requirements as established by the TFS.
- C. Texas Intrastate Fire Mutual Aid System (TIFMAS)
1. Reimbursements for any type of TIFMAS activation shall follow the current *Texas Intrastate Fire Mutual Aid System (TIFMAS) Business and Mobilization Procedures*.
- D. Federal Emergency Management Agency (FEMA)

1. Reimbursements for any type of FEMA grant or disaster recovery shall follow the current policies for that particular event.