

Union Hill Volunteer Fire Department (UHFD) and Union Hill Volunteer Ambulance Corps (UHVAC) Purchasing Policy

Purchasing Policy

The UHFD/ UHVAC goal for every purchasing transaction is to obtain the best value possible. Best value is determined by evaluating many factors (such as price, delivery capabilities, quality, past performance, training, financial stability, service capabilities, ease of ordering, payment, etc.) and selecting a vendor that offers the best combination of those factors.

The UHFD/ UHVAC strives to procure most goods and services through the use of contracts with appropriate terms and conditions to protect the UHFD/ UHVAC as well as the vendor. When bids are required by policy, they are to be conducted on an open and competitive basis and without favoritism, in order to maximize the best value to the UHFD/ UHVAC OR UHVAC. Interested suppliers will receive fair and impartial consideration.

The UHFD/ UHVAC purchasing policy is intended to be consistent with the Generally Accepted Accounting Practices (GAAP), OMB Circular A-110, OMB Circular A-21 (CAS - Federal Cost Accounting Standards), and the Federal Acquisition Regulation (FAR). UHFD/ UHVAC will ensure that each transaction is classified or defined as an allowable expenditure on a specific general ledger account.

I. AUTHORITY AND RESPONSIBILITY

The UHFD/ UHVAC wishes to maintain a purchase environment that delegates considerable decision-making authority to operational authority. These activities include:

- determining which products and services they need to provide ambulance and fire services, and training;
- initiating requisitions to Preferred Vendors that have contracts and agreements with the UHFD/ UHVAC and;
- appropriately handle individual purchases less than \$1,500

All purchases made by the UHFD or the UHVAC will be made in accordance with the following purchasing standards:

Purchase transactions, regardless of method or dollar value, will maximize open and free competition. UHFD/ UHVAC shall not engage in purchasing practices that may be considered arbitrary or restrictive or be construed as a conflict of interest by only doing business with a company owned by a member of the department. Such transactions

would have to be disclosed to the board to determine whether the transaction was fair, reasonable and in the organizations interest.

II. METHODS FOR PURCHASE

Purchases shall be made using one of the following methods:

A. Small Purchases

Purchases that cost between \$500 and \$ 1,500 will require two (2) verbal quotations of rate, price, etc. The detail of these quotes should be noted on or attached to the Purchase Order (PO).

For purchases of less than \$500, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

Purchases of supplies such as cleaning materials, lighting, and emergency medical and firefighting supplies will have competitive bids every other year from at least three vendors. If three vendors are not available, then a statement explaining the purchase will be prepared and filed. Internet quotes and research are permitted. Prices as advertised in catalogs, internet web pages, etc are considered to represent the cost of the item.

B. Competitive Quotes or Requests for Proposals (RFP's)

Competitive quotes or Requests for Proposals (RFP's) will be employed when detailed specifications for the goods or services to be purchased can be prepared and the primary basis for award is cost. The UHFD/ UHVAC has access to NYS and Monroe/Wayne County contract pricing for many items and should be considered as a primary reference for obtaining bids or quotes.

When the cost of a contract, lease, or other agreement for materials, supplies, equipment, or contractual services, other than those personal or professional, exceeds \$1,500, every effort should be made to obtain at least three (3) competitive quotes.

Additionally, long term contracts should be reviewed or renewed every two (2) to three (3) years. Effort should be made to include Minority and women owned business (MWBE's). A list of locally owned, minority-owned, female-owned, and small businesses and minority businesses located is available on NYS website (<http://esd.ny.gov/MWBE/directorySearch.html>).

To ensure competitive quotes, the request shall include a complete, accurate, and realistic specification and description of the goods or services needed.

After the quote is selected, a purchase order will be prepared. Appropriate approvals should be obtained according to authorized purchasing limits. Quotes should be noted on or attached to the PO to ensure adequate documentation. If the purchase order will last beyond a single purchase, then a **blanket Purchase order** may be prepared which details the length of standard pricing.

C. Noncompetitive Negotiations

There may be circumstances when bidding is not feasible. An example may be fundraising consultant, strategic planning consultant, etc.

UHFD/ UHVAC may purchase goods and services through non-competitive negotiations when it is determined in writing by the Board Chair, Fire Chief or Director of Operations of the Ambulance Corps determines that competitive negotiation or bidding is not feasible or that:

- An emergency exists which will cause harm as a result of the delay caused by following competitive purchasing procedures, or
- The product or service can be obtained only from one source, or
- Only one satisfactory proposal is received through RFP or bid.

Purchase by noncompetitive negotiation requires strict attention to the observation of impartiality toward all suppliers.

Quotes should only be accepted from those contractors who have a proven record of ability to successfully complete the scope of work being bid. References will be requested along with the contractor's bid proposal. Any contractors submitting a quote must produce (along with his/her bid documents) written proof of liability insurance and worker's compensation coverage. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.

III. APPROVAL AUTHORITY

The individuals listed below are authorized to approve purchase orders, contracts and agreements on behalf of the UHFD/ UHVAC:

Chief Officers - Up to \$1500 with board approval for non budget items
Lieutenants / Captains - up to \$100 with Chief Officer Approval

IV. PURCHASE ORDERS/CONTRACTS

Generally, all purchases should be supported by a Purchase Order created at the time of purchase. A Purchase Order should be issued to vendors for UHFD/ UHVAC purchases. It references the standard UHFD/ UHVAC terms and includes tax-exempt information. Payment may be delayed if the invoice from the vendor does not reference the PO number.

There may be occasions where it is more feasible or preferred to prepare a blanket Purchase order or a contract. A **Blanket Purchase Order** is appropriate for multiple purchases of the same item up to a maximum quantity or a set period from a vendor simply extends the agreement to purchase. The entire purchase order is subject to the approval limits defined above. Examples would be for utilities, loans, contracts or perishables.

All contracts will contain language that allows the UHFD/ UHVAC the opportunity to cancel any contract for cause. Said cause shall include, but not be limited to demonstrated lack of ability to perform the work specified, unwillingness to complete the work in a timely fashion, cancellation of liability insurance or worker's compensation, failure to pay suppliers or workers, unsafe working conditions caused by the contractor, failure to comply with Davis-Bacon wage laws (where applicable), failure to keep accurate and timely records of the job, or failure to make those records available to the UHFD/ UHVAC (on request) or any other documented matter which could cause a hardship for the UHFD/ UHVAC if a claim should arise or the work not be completed on schedule at the specified cost.

TAX EXEMPT STATUS

UHFD/ UHVAC is a private, not for profit entity. The UHFD/ UHVAC is exempt from Sales & Use Tax in the State of New York. This tax exemption is to be used exclusively to make purchases for use by the UHFD/ UHVAC and is not for personal use by individuals or staff. The tax-exempt status is a very critical to the organization and the integrity of how it is utilized must be protected. Misuse or abuse of the UHFD/ UHVAC tax privileges could be detrimental to UHFD/ UHVAC tax-exempt status.

A **New York Tax Exempt Form** is available on the web site (WWW.UHFD.ORG) that includes appropriate information.

Sales & Use tax exceptions:

- The UHFD/ UHVAC is NOT exempt from Food and Lodging Tax on hotel rooms and restaurant meals. Exceptions to this rule apply to catered type meetings and events, which fall under Sales and Use Tax.

CAPITAL EQUIPMENT / ASSET TRACKING

Capital Equipment is defined as property having a useful life of significantly more than one year and a minimum acquisition cost of \$2,500 per unit.

BUY VERSUS LEASE

Most equipment will be by outright purchase. Circumstances may require the

leasing of equipment to satisfy specific needs. The economic benefits of leasing versus buying must be determined before entering into any lease agreement.

V. DOCUMENTATION

Source documents supporting any given transaction (including RFP data and bid materials) will be retained and filed in an appropriate manner. At a minimum, source document data must be sufficient to establish the basis for selection, basis for cost, (including the issue of reasonableness of cost), rationale for method of purchase and selection of contract type, and basis for payment.

VI. INSURANCE REQUIREMENTS

Any vendor who has the need to perform work on the UHFD/ UHVAC properties or vehicles, that is going to cost in excess of \$5000 is required to provide a certificate of insurance naming UHFD / UHVAC as additional insured. These certificates should be obtained in advance of performing any work and forwarded to Board Chair.

Minimum¹ coverage must include:

General liability -	\$1,000,000
Automobile liability -	\$1,000,000
Worker's Compensation -	statutory required by the State of NY

Additionally, building and related professional contractors will require Builders Risk and Excess Liability insurance. There may be other occasions where the work performed will require additional insurance coverage requirements (i.e. demolition, new construction, etc

VII. CODE OF CONDUCT

A. Conflict of Interest

No UHFD/ UHVAC member, employee, consultant, elected official, appointed official, or designated agent of UHFD/ UHVAC will take part or have an interest in the award of any purchase transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the official, employee, or designated agent of UHFD/ UHVAC, are partners of such individuals, immediate family members, or an organization that employs or intends to employ any of the above has a financial or other interest in any of the competing firms.

The **Nonprofit Revitalization Act of 2013** enhanced nonprofit governance and oversight to prevent fraud and improve public trust. The Board is required to ensure sound fiscal management and to Prevent conflicts of interest by requiring that transactions between a

Appendix A

Common Freight Terms

Freight Terms	UHF/ UHVAC Takes Title to Goods:	Freight paid by:	UHF/ UHVAC Responsibilities	Vendor Responsibilities
F.O.B. Destination (preferred method)	At point of delivery	Vendor		• Owns goods in transit/• Files claims (loss, damage,
Pre-paid and Add	At shipping point	Freight added to invoice	• Owns goods in transit/• Files claims (loss, damage,	Vendor pays freight bill
F.O.B. Origin, Freight Prepaid	At shipping point	Freight may be paid by UHF/ UHVAC or Vendor	• Owns goods in transit/• Files claims (loss, damage,	Vendor pays freight bill
F.O.B. Origin, Freight Collect	At shipping point	Freight paid separately by UHF/ UHVAC	• Owns goods in transit/• Files claims (loss, damage, etc.)	



Union Hill Volunteer Firemen's Association, Inc
PO Box 112 - 70 Ridge Rd
Union Hill NY 14563
(585)265-1515 - Fax: (585)265-0229
Attn: Corporate Treasurer

PURCHASE ORDER

002448

REQ. NO.		DATE		20
TO _____				
ADDRESS _____				
SHIP TO _____				
ADDRESS _____				
FOR	DATE REQUIRED	HOW SHIP	TERMS	
QUANTITY	PLEASE SUPPLY ITEMS LISTED BELOW		PRICE	UNIT
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
IMPORTANT OUR ORDER NUMBER MUST APPEAR ON ALL INVOICES-PACKAGES, ETC. PLEASE NOTIFY US IMMEDIATELY IF YOU ARE UNABLE TO FULFILL COMPLETE ORDER BY DATE SPECIFIED.		PLEASE SEND _____ COPIES OF YOUR INVOICE		
		PURCHASE AGENT		

Appendix B

POCC-706-3
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Illustrative Example of purchase order

nonprofit and insiders who stand to benefit be fully disclosed and that nonprofit boards determine they are fair, reasonable, and in organizations' best interests.

B. Acceptance of Gratuities

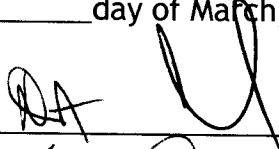
No UHFD/ UHVAC member, employee, or designated agent of UHFD/ UHVAC shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, subcontractors, or potential subcontractors.

C. Penalties


Any UHFD/ UHVAC member, employee, or designated agent of UHFD/ UHVAC who knowingly and deliberately violates the provisions of this code will be open to discipline by UHFD/ UHVAC. Furthermore, such a violation of these purchase standards may be grounds for termination of employment or dismissal by UHFD/ UHVAC.

Any contractor or potential contractor who knowingly and deliberately violates the provisions of these purchase standards will be barred from future transactions with UHFD/ UHVAC.

Adopted this 10th day of March, 2014

Board Chair, UHVFA 

Board Chair, UHVAC 

Board member 

Board member 

Board member _____