

# *Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

## **PROCUREMENT POLICY**

### **FORWARD**

The Treasurer of the Board of Fire Commissioners shall cause to be produced an annual budget consistent with the provisions of N.J.S.A. 40A:14-70 et. Seq. This proposed budget shall represent the anticipated costs for the District in the next fiscal year. The Budget shall be submitted to the Division of Community Affairs (DCA) and to voters of the District through the processes afforded in said statute.

The final budget shall be maintained by the Treasurer of the Board, and it shall be the responsibility of the Treasurer, the Board, the District's Administrator and the Fire Chief to insure compliance with the guidance outlined in the budget.

To the end of insuring compliance with the budget, specifically as it relates to purchases made in the performance of the Fire District, the processes outlined herein shall be utilized.

### **PURCHASING**

Consistent with applicable standards for public officials, no purchase shall be made from any vendor with which the officer requesting the request or purchase has an established business relationship. Business relationships shall include any purchases or contracting of services that have been made with the vendor by the responsible officer within the previous three years. In these instances the offices shall relegate the purchasing process to another identified officer.

Every proposed purchase to be made by the Hanover Township Fire District No. 3 shall be reviewed initially to determine its priority and necessity, and shall be assigned a budgetary line reference for purposes of record keeping. Once that determination is made, the processes for which the purchase is made shall be determined by the attached schedule. All processes as identified in N.J.S.A. 40A:11-1 et seq. shall be utilized.

Where and when need be, Requests for Proposals (RFP), written quotations, verbal quotations, or any other method that assures goods and services of maximum quality will be purchased at the lowest responsible cost and that favoritism, improvidence or extravagance will be avoided.

All purchases made by the Fire District shall be identified as being made consistent with the proper name and address and phone number listed herein:

**Hanover Township Fire District No. 3  
PO Box 511  
82 Ridgedale Avenue  
Cedar Knolls, New Jersey 07927-0511  
(973) 267-5659 Extension 118**

## APPROVAL OF PURCHASES

Purchases shall be made within specific guidelines. Daily purchases not exceeding \$500.00 made consistent with identified Budget Lines may be made with the authority of the Treasurer, the Administrator or the Fire Chief. No prior written approval will be required. These purchases may only be authorized at these levels when the budget line has not exceeded 75% of the anticipated expenditure for that period of the budget year. Any purchase exceeding the 75% threshold, or the identified amount shall be approved by the Treasurer as well. Written documentation shall be submitted to the Treasurer and a record of the purchase shall be maintained.

Checks for purchases shall be prepared by the Bookkeeper, and forwarded to the Board for the requisite signatures. A listing of all checks shall be presented to the Board at that meeting, and shall be reviewed by the Board under the Treasurer's report. The motion to accept the Treasurer's report shall suffice for all matters presented by the Treasurer, including all payment prior to their being made. Any exceptions or the withdrawing of a payment shall be noted in the motion.

## PURCHASING THRESHOLDS

Purchases shall be made consistent with the guidance herein.

The following guidelines shall be adhered to on all purchases:

<b>\$501.00 - \$999.00</b>	<b>Approval of Treasurer</b>
<b>\$1,000.00 - \$4,999.00</b>	<b>2 written quotations</b>
<b>\$5,000.00 - \$17,500.00</b>	<b>3 written quotations</b>
<b>\$17,501.00+</b>	<b>Bidding consistent with New Jersey Statutes</b>

A good faith effort shall be made in all purchases between \$501.00 and \$17,500.00 to achieve the required number of quotations. Quotations shall be requested from the required number of eligible vendors, and the requests shall be made in writing when and where possible. If a vendor fails to respond to the request for a quotation, the request shall be seen as a quote. When more than one quote is required, requests from vendors for quotes shall include a date which the quote is due by. At that juncture all quotes received shall be considered, and quotes received after the identified time frame will be void.

Applicable State Contract Law and Cooperative Purchasing guidelines shall be implemented where and when possible. The terms and conditions of such purchasing guidelines with regards to thresholds established herein shall be strictly adhered to.

Any purchase, presented to the person required for approval, shall be initialed and the date of the initials noted. This shall act as a record of the approval prior to any other processes.

## REQUESTS FOR BIDDING

Any purchase or contracting of services which exceeds the bidding threshold shall require that the specifications be written and reviewed by general counsel to the Fire District to insure compliance with all regulatory sections of the law. All bids shall be published and accepted pursuant to New Jersey Law and the acceptance or rejection of a bid or any and all bids shall be done formally by the Board of Fire Commissioners at a regularly scheduled meeting, or if need be, at a special meeting.

## **RESTRICTION OF PURCHASES**

At any time as the Treasurer deems that adequate funds for purchases are compromised, he or she may order that any and all purchases made by the Fire District are suspended pending notification to, and approval of the Treasurer, who shall similarly report such status to the full Board of Fire Commissioners.

## **VENDORS**

Where and when applicable all vendors doing business with, or providing services to the Fire District shall be registered with the State of New Jersey, and shall provide a Business Registration Certificate. Additionally all vendors shall supply all required taxation documents and those providing or performing services on the District's property shall provide adequate documentation of Workers Compensation Insurance consistent with the regulations of the State. Any vendor requiring a license or certification and/or permit by the State or the Township of Hanover shall provide adequate proof of same.

## **PROFESSIONAL SERVICE APPOINTMENTS**

The Local Public Contracts Law (N.J.S.A. 40A; 11-1 et seq.) provides that the Fire District may award a contract without public advertising for competitive bidding, where the nature of said contract is in the form of a professional service. Appointments as such may be made subject to a resolution providing for the awarding of this contract relative to professional services, and the notice of award of said contract shall be made available for public inspection, and that a notice of the award of said contract be published in a newspaper, said advertisement stating the nature, duration and amount of the contract.

## **DOCUMENTATION**

Documentation is required of each action taken in connection with each procurement. Invoices or bills be forward to the bookkeeper with adequate notation as to the line item that the purchase is to be applied to Justification for, and documentation of a purchase are required whenever a contract is awarded to other than the lowest responsible vendor. This explanation shall set forth the reasons such award will further the objectives of prudent and economical use of public moneys, the acquisition of goods and services of maximum quality at lowest possible cost, and the avoidance of favoritism, extravagance, fraud and corruption. When any deviations of a request for a quotation or a bid are received, the quotation shall be reviewed by the treasurer, and any bid by general counsel to the District to insure that the goals of the intended purchase or contracting of services are met.

## **RECORDS RETENTION**

All records of any records generated consistent with purchases incurred by the Fire District shall be kept in accordance with the State of New Jersey Records Retention Act of 1953, and the schedules promulgated by the State of New Jersey.

## EMERGENCY PURCHASING

Purchases that need to be made on an emergent basis shall be done as closely consistent to the guidelines herein when and where practical. Any emergent purchase shall require the consent of the Treasurer of the Board of Fire Commissioners. Any such purchase exceeding \$5,000.00 shall also require notification of the Board at their next regularly scheduled meetings.

Purchases made during a State of Emergency, as declared by the Governor of the State of New Jersey or the President of the United States, shall be made consistent with conditions delineated in any such order. Purchases made therein shall be adequately documented as with any other purchase.