




# Hyalite Rural Fire District

## Document Approval Form

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Approved by motion of the Hyalite Rural Fire District Board of Trustees, as reflected in the Board Meeting minutes of July 21, 2020.

  
Chair Signature

Eugene M. Geddes, III  
Printed Name

**OR**

Approved by the Hyalite Rural Fire District Fire Chief.

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Fire Chief Signature

Jason Revisky  
Printed Name



# Hyalite Rural Fire District

## Procurement Policy

### DOCUMENT INFORMATION

<b>Document Type:</b>	Board Policy
<b>Document Number:</b>	2020-001

### VERSION CONTROL

Version	Approved By	Approved Date	Summary of Changes
1.0	Policy Subcommittee		<ul style="list-style-type: none"> <li>Create first draft</li> </ul>
2.0	Policy Subcommittee		<ul style="list-style-type: none"> <li>Create second draft</li> </ul>
2.0	Board	July 21, 2020	

### PURPOSE, BACKGROUND, & DISCUSSION

The fundamental purpose of policy is to assure that when purchasing goods and services district residents are getting the “biggest bang for their buck” and that preferential (i.e., non-competitive) treatment is not extended to any provider.

The HRFD is under no legal obligation to use a formal bidding process when procuring goods and services. However, the Trustees believe public trust, transparency, and accountability are enhanced by adhering to a practice of securing competitive bids for most all goods and services the department purchases, whenever practical. Below we provide examples of conditions unique to the fire services that caution against a “one size fits all” approach creating a procurement policy.

This policy explains the situations in which a formal bidding process must be used (and the procedure to be followed) and why, in some cases, a less formal process is acceptable and serves the public interest. It also describes situations in which purchasing may be exempt from this policy and how, in those cases, the public interest is served.

The District's annual operating budget supports the normal operations of the department including the purchase of equipment. All budget items are reviewed and monitored when district financial statements are presented during regular board meetings.

Trustees believe it is important not to "micromanage" the annual operating budget while at the same time recognize our fundamental financial oversight duties do not end with the creation and approval of annual budgets. Ultimately it is our responsibility to assure resident's tax dollars are spent as efficiently and effectively as possible.

However, there may be instances in which our residents are disadvantaged by this policy, specifically when there is an immediate need to purchase goods and services in the midst of a public safety emergency such as a wildfire. In such cases, the board recognizes department operations would be comprised, and hence taxpayers ill served, if our procurement policy constrained the chief from purchasing needed goods and service without either (a) permission from the board or (b) engaging in a competitive procurement process.

There are trade-offs inherent when crafting any policy. Restricting the chief's ability to act in emergency situation, to advance the interest of district residents, would be a case of letting "the perfect be the enemy of the good." Fundamentally, this policy seeks to balance proper financial oversight with operational flexibility, recognizing both attributes serve the public interest.

## POLICY

### **I. Sole Source Procurement**

Due to the nature of the of the fire services industry, frequently the department finds a limited pool or single source of suppliers for particular goods and services. The chief may engage in sole source procurement at his discretion if:

- There is only one source for the goods or service items.
- Only one source offers acceptable or suitable goods or service items.
- The good or service item sought must be compatible with current equipment (e.g., radios), other goods and services, or standard practices (e.g., training and/or operations) of the department.
- Events demand the immediate purchase of goods and services to maintain service and operational continuity.
- Or in the case where an item or service is available on a cooperating multi state or federal contract such as WSCA-NASPO or GSA.

The chief will report on such incidents at the next regular board meeting.

## **II. Competitive bids WITHOUT using a Request for Proposals (RFP)**

When purchasing goods and services between \$10,000 and \$80,000 the chief will seek competitive bids and may do so without using an RFP process, as described in Section III.

Further, there are circumstances, for example the recent purchase of new SCBAs (air packs), which exceed the \$80,000 threshold but do not require an RFP process. This is because, as explained above, the department often finds a limited pool or single source of suppliers for particular goods and services. In this example, competitive bids were obtained from the only two manufactures of the equipment and the interests of district resident were protected.

The chief will report on such incidents at the next regular board meeting.

## **III. Competitive bids using a Request for Proposals (RFP)**

A formal RFP process is most appropriate when seeking to replace capital items e.g., trucks, to engage in new construction and when undertaking significant maintenance of existing capital infrastructure, e.g., replacing a roof. In short, these are “big ticket” items, and circumstances in which any reasonable person would seek bids from qualified respondents.

In these situations, the Board will seek to deliver the best value for residents through a standard RFP process. RFP may be designed by department staff or their contractors (e.g., an owner’s representative) consistent with MCA 18-4-303 and will be publicly advertised (noticed) consistent with MCA 7-1-2121. Bids will be opened at a properly noticed meeting of the board.

## **IV. Selecting the Most Responsive Bid**

Every reasonable effort will be made to acquire the best value and quality through competition. In some cases, the best value may not be the lowest purchase price. The Board will select the bid, that in their judgement, represents the best value to district taxpayers. This includes, but is not limited to, quality, reputation, serviceability, maintenance, cost of operation, warranty, suitability for particular purpose, integration with existing equipment and operations, and other considerations.