

NEFDA Procurement Policy and Procedures Manual



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PROCUREMENT ETHICS

STATEMENT OF PURPOSE

Provide ethical standards to be used by NEFDA Inc. regardless of department, position or procurement activity.

PRINCIPLES AND STANDARDS

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
- Refrain from any private business or professional activity that would create conflict between personal interests and the business interest of NEFDA Inc.
- Refrain from soliciting or accepting monies, loans, credits or prejudicial discounts and the acceptance of a gift, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence procurement decisions.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Refrain from agreements that restrain competition.
- Know and obey the spirit and letter of the laws governing the purchasing function and remain alert to the ramifications of purchasing decisions.
- Encourage all segments of society to participate by demonstrating support for small, minority and woman – owned businesses.

PROCUREMENT OF GOODS AND SERVICES

STATEMENT OF PURPOSE

To establish a uniform procedure for obtaining goods and services in a manner consistent with generally accepted purchasing procedures and legally mandated purchasing standards.

POLICY AND AUTHORITY

Regardless of the expenditure, it is the policy of NEFDA Inc. to garner competition that produces the highest quality goods and services at the lowest possible price whether the item or service is subject to bid or not.

REQUIREMENTS which affect the acquisition of goods and services include the following:

1. When purchases exceed \$50,000, those purchases must be advertised to receive competitive bids before being awarded by the board.
2. “Separate” or “Sequential” purchases to avoid the competitive bid processes are prohibited.

3. No officer or member having a direct or indirect interest in any proposed or existing contract, purchase, work, sale or service to or by NEFDA Inc. shall vote or render a decision, or use his position, authority, or influence in a manner that would result in his financial betterment to any degree.

TYPES OF PURCHASES

Emergency Purchase Procedures

During normal business hours, contact the President of NEFDA Inc.

If an emergency arises after normal hours – Requesting department should keep accurate and factual documentation concerning the nature and cause of the emergency as well as price quotes received from vendors. A requisition for the purchase must be sent to the Treasurer no later than the following day.

Valid emergencies are those that occur as a result of the breakdown of equipment which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of NEFDA Inc. operations.

Care should be taken to avoid emergencies. Most vendors will charge a premium if labor, supplies or materials are required immediately. Better prices can usually be obtained if the material is purchased using sealed, written bids. Most vendors will go through the manufacturers for a price that is lower than the vendor's wholesale price.

Typical examples of emergencies created through negligence are: depletion of stock due to neglect, emergency orders for materials for projects which could have been planned weeks or months ahead, etc.

Purchases Less Than \$3,000

Bids are not required for expenditures for goods and/or services which do not exceed \$3,000. User departments shall obtain three quotes in order to get the best value for NEFDA, Inc. Place orders directly with the vendor by giving them a purchase order or requesting a check from the Treasurer.

Authorization: Under \$3,000 requires the approval of the member city chief.

Purchases From \$3,000 to \$10,000

Expenditures for goods and/or services over \$3,000 but not exceeding \$10,000 are bid on an informal basis. Three (3) written bids shall be obtained. Items purchased off of State Contracts or Inter-local Agreements satisfy the (3) written bids requirement.

Authorization: Purchases from \$3,000 to \$10,000 require approval of the Board.

Purchases From \$10,000 to \$50,000

Expenditures for goods and/or services over \$10,000 but not exceeding \$50,000 are bid on an informal basis. Three (3) written bids shall be obtained. Items purchased off of State Contracts or Inter-local Agreements satisfy the (3) written bids requirement.

Authorization: Purchases from \$10,000 to \$50,000 require approval of the Board.

Purchases exceeding \$50,000

Expenditures over \$50,000 are bid on a formal basis and require Board approval.

Authorization: Purchases exceeding \$50,000 require approval of the Board.

Contracts must be awarded at the bid amount offered by the bidder whose bid is considered to offer the best value, not necessarily the lowest bid.

EVALUATION PROCESS

The Evaluation Committee shall be appointed as follows:

- Proposals \$50,000 to the \$100,000 – a minimum three member committee shall be appointed by the President.
- Proposals that exceed \$100,000 – a minimum five member committee shall be appointed by the President.

Each committee member will receive a copy of all proposals submitted for the review process. Evaluations shall be well documented with the findings of the committee. A final copy of the evaluations and committee award recommendations shall be submitted to the President to be filed in the proposal file. The recommendation must be in a form that could be given to participating bidders who wish to know the results of the evaluation process.

PURCHASE AUTHORIZATION PROCEDURES

Purchase Authorizations will be issued to each member city for use in all purchases.

Member city chief will sign Purchase Authorization prior to purchase, so that he is aware of purchase being made.

Purchaser will give vendor the Purchase Authorization number to appear on invoice, and fill in information on Purchase Authorization, along with account description from approved budget. Example: 04-040615-01 (Agency Identifier-Mo/Day/Yr-Invoice #)

All vendors should be given the Tax ID number for NEFDA, Inc., (listed on the P.A. form) and list the billing address as:

NEFDA
4301 City Point Drive
North Richland Hills, TX 76180

Member city will fax or email Purchase Authorization to Kathy Corley at NRHFD, where it will be filed pending receipt of invoice.

When invoice is received, it will be paired with faxed PA from member city, and be processed for payment.

Checks will be prepared for payment by Kathy Corley prior to monthly NEFDA meetings, so that two signatures can be obtained on check.

Checks will then be mailed to vendor with a copy of the invoice.