

## **INCIDENT PURCHASING/PAYMENT PROCEDURAL GUIDELINES**

**3842**

(No. 16 March 2002)

The following guidelines are provided to assist the Incident Commander and/or staff under his authority in ensuring that the purchasing and payment processes for the incident are in accordance with state and departmental policy. The Procurement Unit in the Finance Section should review documents that create a financial liability for the Department to alert the Logistics Section or Time Unit to possible procedural problems.

### **DETERMINING DOCUMENT FLOW FOR PAYMENTS**

**3842.1**

(No. 29 March 2006)

It is the Finance Section Chief's responsibility to determine the need for a Payment Processing Technical Specialist to schedule documents at a local incident. Documents processed by a PPTS will be sent directly to Sacramento DAO.

Factors influencing this decision should include:

- The current backlog at the Unit (the more backlogged, the greater the need to process directly to Sacramento);
- The availability of adequate (and trained) staff for the Procurement Unit in the Finance Section; and
- The size of the incident and the longer it runs, the greater the drawdown on local vendors, making it advisable to reduce all possible delay in reimbursement.

### **EQUITABLE TREATMENT OF THE BUSINESS COMMUNITY**

**3842.2**

(No. 16 March 2002)

Exemption from the competitive bid process does not relieve the Department of the responsibility of maintaining good relationships with local vendors. Therefore, whenever possible (and assuming there is no significant cost differential), the purchase of emergency goods and services should be spread throughout the community. Be aware that in the case of small vendors, a large purchase may deplete their inventory and cause an adverse effect, especially given the long payment cycle during fire season. Nothing in this guideline should be interpreted, however, to require an unreasonable delay in the delivery of goods and services.

## EXPEDITING VENDOR PAYMENTS

3842.3

(No. 29 March 2006)

On large fires, the Payment Process Technical Specialist will process pay documents on a daily basis. The pay documents will be closed out by the purchaser, reviewed by the Procurement Unit Leader, approved by the Finance Section Chief and then the documents will be audited and scheduled for payment by the Payment Process Technical Specialists.

## PRESEASON CONTACTING

3842.4

(No. 29 March 2006)

The term "preseason contacting" describes a process whereby willing and able vendors are identified for a geographic area, generally prior to fire season, so that resources can be located quickly should an incident occur in that area. These vendors' names can be placed in the Department's Emergency Resources Directory (ERD) for ready access, or the Logistics Chief could maintain a separate listing. There are several reasons why preseason vendor identification is advisable:

- **To determine if the vendor is available 24 hours a day.** Not all vendors are willing to provide service on short notice or at night.
- **To identify multiple sources for commodities and services.** Supply needs at an incident can be large; multiple vendors are frequently needed. In addition, the identification of more than one source in an area for goods or service helps prevent the overuse of one vendor and assists CAL FIRE in meeting its certified small, and disabled veteran business goals.
- **To identify vendors who provide needed services at reasonable rates.** In an emergency, the urgency of the need may preclude searching for the lowest possible supply source in the area. In addition, there are vendors who increase their prices to the state during an emergency. If preseason contacts are made, reasonable priced vendors can be located who will work cooperatively with the state during an incident.
- **To meet small and disabled veteran business goals.** The search for appropriate vendors for the ERD is a task normally performed by material management personnel from the Unit. However, the failure to identify reasonably-priced vendors who will work cooperatively with the state is ultimately a fiscal issue, as well. Therefore, Finance Section staff and Unit fiscal specialists should note when they see the need to develop additional sources in the future for goods or service, and advise the incident Unit of that need.

## **SERVICES VERSUS COMMODITIES**

**3842.5**

(No. 29 March 2006)

There are differences in the state's rules for contracts, depending upon whether the contract is for services or commodities. The full extent of those differences is lengthy and will not be covered here (check SAM, Section 1200, et seq. for a discussion of service contracts).

What should be noted is that it is valuable to be able to distinguish between a service and a commodity because service contracts are not subject to the \$50,000.00 delegation limit that commodities are subject to and therefore do not go through the Department of General Services' (DGS) Form 42 process. (Service contracts are normally subject to a review by the Department of General Services when they exceed \$5,000.00, but, by common practice, this requirement has been generally waived for certain types of services--motels, for example--procured in support of a going fire.) Section 2611 of the Material Management Handbook defines the difference between a service and a commodity, and that definition is included below for easy reference:

Mobile equipment is not a "Service," it is a "Repair" and is handled differently; follow the Mobile Equipment guidelines.

## **SEPARATION OF DUTIES**

**3842.6**

(No. 16 March 2002)

Separation of duties, as discussed under specific processes below, is **not** a waived requirement at an incident. The Procurement Unit is responsible for determining whether documents that have originated in other units and are passing through the procurement unit for payment have been signed in conformance with "separation of duties" requirements. In addition, there are signature processes within the Procurement Unit that require a separation of duties. Requirements related to specific processes are discussed with those processes in the sections below.

## **OPTIONS FOR COMPENSATING THE TAKING OF PRIVATE PROPERTY**

**3842.7**

(No. 29 March 2006)

In the course of incident management, it may be necessary to use private property in advance of consent, or without consent of the owner. The Procurement Unit within the Finance Section is responsible for drafting any agreements necessary to stipulate compensation for the taking or use of private property. Compensation policy is provided in [Section 3825](#).

There are two separate processes to be followed, depending upon whether or not the taking or use of private property can be authorized (beforehand, if possible, or after the fact) through a short-term use agreement. If the types of costs claimed by the property owner are appropriate for a use agreement and the level of compensation is mutually acceptable, a use agreement may be drawn up, and the property owner can be compensated through replacement or monetary payment. Please note that, where possible, the agreement should be drawn up prior to the use of the property, but may need to be negotiated afterwards. A description of the format of a land use agreement is provided below.

In the event that actual damage to the property has occurred which is not properly compensate able in a use agreement, or if the owner or his/her agent does not agree to the level of compensation offered for use of the private property, the property owner's claim becomes a tort which is referred to the Comp/Claims Unit for documentation of the facts (for later legal processing). That unit also advises the property owner on how to submit his/her claim to the state. See <http://www.boc.cahwnet.gov/PubsGC/Forms/GCClaimForm.pdf> for more information on Claims against the State of California. Also see [Section 3850](#) on review and payment processes for documents originating in the comp/claims unit.

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