



**COUNTY OF SAN BERNARDINO
STANDARD PRACTICE**

No. 11-04SP2

ISSUE

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By

EFFECTIVE 8/26/11

SUBJECT

PROCUREMENT OF GOODS, SUPPLIES, AND EQUIPMENT – Purchase of Fixed Assets and Lease-Purchase of Equipment

APPROVED

GREGORY C. DEVEREAUX
Chief Executive Officer

PURPOSE

The purpose of this standard practice is to set authority, responsibility and procedures for the purchase of fixed assets in accordance with County Policy 11-04.

DEFINITIONS

Fixed Asset – Equipment with a unit valuation of \$5000 or more and a useful life of one-year or more, including equipment for capital improvement programs. This does not include a part valued over \$5000 if it is purchased to bring the existing fixed asset to its original state or condition.

Unit Valuation – Acquisition cost which includes 1) purchase price or construction cost, before trade-in allowance, less discounts; 2) freight, transportation, and installation costs; and 3) sales or use tax. Unit valuation does not include interest charges from financing arrangements.

Lease-Purchase – Lease of fixed asset that may extend over several months or years and upon the conclusion of the term results in County ownership.

PROCEDURES

1. Purchases and Lease-Purchases of Budgeted Fixed Assets

Purchases and lease-purchases of equipment specified as part of the adopted annual budget appropriation or quarterly-cycle Board of Supervisors approval shall be considered as meeting all approval requirements. Requisitions for these items shall be initiated by the department and forwarded directly to the Purchasing Agent. The Purchasing Department will be responsible to obtain lease-purchase financing and will obtain approval for lease-purchase agreements from County Counsel and the Board of Supervisors.

2. Requests for Purchase of Lease-Purchase of Unbudgeted Fixed Assets, including Substitutions for Budgeted Items.

a. Purchase of Unbudgeted Fixed Assets of \$10,000 Unit Value or over:

An agenda item shall be submitted for Board of Supervisors approval for purchases of unbudgeted fixed assets, including substitutions for budgeted items, for a unit valued at \$10,000 or more.

b. Purchase of Unbudgeted Fixed Assets under \$10,000 Unit Value:

The Chief Executive Officer or designee has authority to approve the purchase of all unbudgeted fixed assets, including substitutions, which do not exceed a unit value of \$10,000, in response to a request from an Assistant Executive Officer, Deputy Executive Officer or Department Head. A request form is available from the Purchasing website for this purpose.

3. All funds under the control of the County require the same approval procedures for expenditures as set forth for budgeted or unbudgeted fixed assets.