

# Regency at Providence

## Purchasing and Contracting Policy

**Date of Issue: 07/26/2023**

### **Objective**

The purpose of this document is to establish policies that assure all goods and services for use at Regency at Providence Homeowners Association (RAP) are purchased in a manner that assures consistency of process and prudent use of RAP resources.

### **Responsibilities**

#### **RAP Board of Directors:**

The RAP Board of Directors (Board) will implement this policy, keeping the best interests of the community in mind. The Community Manager and all Committees are to adhere to this policy except as specifically approved by the Board.

#### **Community Manager:**

The Community Manager, by contract, is responsible for:

- Developing contract specifications for contracted services and materials with the help of appropriate professionals as may be required. Requests for procurement activities may come from the Board or RAP Committees. Help may also come from designated RAP Committee members (Project Sponsors) or members of the Board.
- Developing a competitive bidding process for routine, non-emergency services, supplies and equipment.
- Negotiating contracts and purchase orders that shall be executed by the Board.
- Reviewing and monitoring work and services to establish they are in accordance with the specifications and contract terms, using professionals as may be required. Assistance may also be obtained from designated RAP Committee members (sponsors) or the Board.
- Procuring certificates for Worker's Compensation, Liability, Auto and Property insurance from contractors, as may be appropriate or required by RAP.
- Providing approval for "emergency" purchases / services.
- Monitoring policy adherence.

## RAP Committees:

The RAP Committees are responsible to:

- Assist the Board and the Community Manager in the exercise of their responsibilities under this policy.
- Initiate procurement process when necessary to carry out the charter of the committee, e.g., Facilities Committee requesting improvements to common land or property or purchase of replacement equipment such as gym or pool equipment.
- Recommend, for continuing services, if the contract term should be for one year or multiple years.
- Where appropriate, assign a member of the committee as a Project Sponsor to assist in the development of specifications / bidding documents and to monitor work on the project to assure the specifications are being met and that RAP residents/property are being protected and respected.

## Purchasing Code of Ethics

- This policy must be followed by everyone associated with the procurement activities of RAP.
- All members and staff involved in the purchasing process will strive to obtain maximum value for each dollar of expenditure.
- Personal gifts or gratuities are to be declined without exception.
- All pre-qualified competitive suppliers shall be granted equal consideration.
- Business shall be conducted with current and prospective suppliers in good faith, devoid of intentional misrepresentation.
- Foster fair, ethical, and legal trade practices.
- Quotations from one vendor shall not be shared with other vendors solicited for the quote on the materials, supplies, equipment, or services.
- The names, and/or number, of competing vendors shall not be shared with any vendor.
- Questions regarding ethics issues should be referred to the Community Manager. In the event the ethics of the Community Manager is in question the issue should be directed to the President of the Board.

## Policy

The purchasing of goods and services shall be done in accordance with this policy. More detailed and specific policy and procedures shall be developed by the Community Manager and RAP Committees, as appropriate.

### **I. Procurements costing \$250 or less**

- a) May be **authorized by the Community Manager, Responsible Committee chair(s)** or by committee members designated by the chair(s).
- b) May be procured using personal funds by Responsible Committee Chair(s) or their designee, and then reimbursed upon presentation of signed receipts to the Community Manager. Procurements made under this provision shall be limited to budgeted or emergency items. Committees wishing to use this provision shall establish a Board approved procedure for reporting such purchases, including description and cost.
- c) Board approval is not required except where expenditures will cause applicable budget to be exceeded.

### **II. Procurements costing more than \$250 and less than \$3,000**

- a) May be initiated by the Community Manager, Responsible Committee Chair(s) or their designees.
- b) Must be **approved by the board**. (Only in cases of emergency may such purchase be approved after the fact.)
- c) Reasonable effort should be made to optimize cost-effectiveness, however competitive bidding is not required.
- d) Recommendations to the Board shall include a discussion of the bidding process, copy of recommended bidders' proposal, and justification for recommended vendor selection including cost effectiveness and qualifications.

### **III. Procurements costing at least \$3,000 and less than \$25,000**

- a) The Community Manager together with appropriate Committee Chairs or designees, shall conduct competitive bidding unless specifically approved by the Board, in advance. Requests for sole source bidding shall contain specific reasoning as well as proposed method to confirm pricing to be reasonable, e.g. internet search.
- b) Scope of work, justification, effect on budget / reserves and list of potential bidders shall be presented and approved by the Board in advance of the solicitation of bids.
- c) A minimum of three bids shall be sought. Bids may be solicited in an informal manner, but proposals must include a detailed scope of work, firm pricing, and schedule details, as appropriate. Site visits by vendors prior to their bid submission are encouraged and will be accompanied by the Community Manager or his/her designee to ensure a full understanding of the work scope.
- d) Recommendations to the Board shall include a discussion of the bidding process, copy of recommended bidders' proposal, and justification for recommended vendor selection including cost effectiveness and qualifications.

#### IV. Procurements costing more than \$25,000

- a) The Community Manager, with assistance from outside professionals and / or Board or Committee Chairs or designees, as appropriate, shall prepare a Request for Quotation (RFQ). RFQ shall contain a description of the project, detailed specification / scope of work, material requirements, project schedule requirements and information to be submitted with the proposal.
- b) A minimum of three bids shall be sought. Every effort must be made to assure receipt of multiple bids. Site visits by vendors prior to their bid submission are encouraged and will be accompanied by the Community Manager or his/her designee to ensure a full understanding of the work scope.
- c) Recommendations to the Board shall be formal and shall include a discussion of the bidding process, copy of recommended bidders' proposal and justification for recommended vendor selection.

#### V. Major Contract Procurements

- a) The Board shall, when deemed appropriate, conduct competitive bidding for the Community Management Contract. RFQ shall be prepared by the Board and issued to interested pre-qualified bidders. Proposals shall be reviewed by the Board and a contract shall be awarded to the selected bidder.
- b) For other major contracts, including Landscaping, Snow Removal and Trash Collection, the Community Manager shall, in cooperation with the Board, conduct competitive bidding. RFQ shall be prepared by the Community Manager, approved by the Board in advance of release and issued to interested pre-qualified bidders. Proposals shall be reviewed by the Community Manager and a formal recommendation shall be presented to the Board, including copies of all received proposals, evaluation spreadsheet and analysis.
- c) All major contracts, including Community Management, Trash Removal, Snow Removal and Landscaping shall be reviewed by Board Council prior to final execution.

#### VI. Communication

Except in emergencies, **only the Community Manager may authorize approved work or give direction to any supplier or contractor.** The Community Manager may delegate authority to specific individuals for specific tasks.

In an emergency, if the Community Manager is unavailable, a Board member, a Committee Chair, or those individual committee members designated as having specific responsibility (e.g. pools, gates) may authorize whatever is necessary to protect our property and residents. The Community Manager shall be informed of such action as soon as possible.

When a project is envisioned, the assigned Project Sponsor should contact the Community Manager prior to interaction with the potential contractor. The Community Manager should be given an understanding of the project scope and should guide the Project Sponsor toward an appreciation of the requirements for successful execution.

When a project is approved, the assigned Project Sponsor should contact the Community Manager prior to interaction with a Contractor. The Community Manager will determine what degree of involvement is appropriate and when. However, the Sponsor must be allowed access needed to confirm that the contractor has a full understanding of the work and that the contract specifications are being met. The Community Manager along with the Project Sponsor shall conduct a project kick off meeting with the Contractor to review scope and construction details and assure compliance with all contract requirements. At the completion of a project the Community Manager shall:

- a) seek confirmation from the Project Sponsor that all aspects of the work are complete and acceptable, and
- b) provide a copy of the vendor's invoice to the Project Sponsor for review prior to any payments being made for the work.