

## **Hot Spring Village POA Procurement Policy**

The policy set forth in this document establishes standards and guidelines for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment.

### **1. Code of Conduct**

A Code of Conduct shall govern the performance, behavior and actions of the Hot Springs Village Property Owners Association (HSVPOA), including Board members, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

1. No employee, officer, director, volunteer or agent of the HSVPOA shall participate in the selection, award or administration of a bid or contract supported by Federal funds if a conflict of interest is real or apparent to a reasonable person.
2. Conflicts of interest may arise when any employee, officer, director, volunteer or agent of the HSVPOA has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.
3. No employee, officer, director, volunteer or agent of the HSVPOA shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors.
4. The HSVPOA's employees, officers, directors, volunteers or agents shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value in excess of twenty-five dollars (\$25.00) from a vendor, potential

vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.

5. As permitted by law, rule, policy or regulation, the HSVPOA shall pursue appropriate legal, administrative or disciplinary action against an employee, officer, director, volunteer, vendor or vendor's agent who is alleged to have committed, has been convicted of or pled no contest to a procurement related infraction. If said person has been convicted, disciplined or pled no contest to a procurement violation, said person shall be removed from any further responsibility or involvement with grants management, procurement actions or bids, consistent with State or Federal policy.

## **2. Solicitation and Competition**

All procurement transactions will be conducted to provide – to the maximum extent possible – free and open competition among suppliers. The HSVPOA must begin with an analysis of the need for the procurement, to avoid the purchase of unnecessary items (this may include an examination of lease versus purchase alternatives). The purchaser must then identify and clearly specify standards for the goods or services desired, and seek competitive offers where possible to obtain the best possible quality at the best possible price.

In general:

- a. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted and market prices, together with discounts.
- b. Bids must be sought for goods and services exceeding \$5000. Competitive bids will be utilized and requests for these bids will be written in a way that does not restrict competition. (A clear and accurate description of the technical requirements for the material, product or service to be procured; all requirements which offerors must fulfill; and all other factors to be used in evaluating bids or proposals.) Procurement files must include the following:

- Basis for contractor selection.
- Justification for lack of competition when competitive bids or offers were not obtained.
- Basis of award cost or price.

- c. Whenever possible, the HSVPOA must engage in affirmative efforts to utilize small businesses, minority owned firms, and women's business enterprises.

### **3. Selection**

Price should be one of the factors in the evaluation of responses, but the HSVPOA is not required to take the lowest price if other factors are important to the decision.

- a. There should be a pre-determined objective method for selection, and any factors for evaluation and selection should be listed in the procurement documents.
- b. Awards shall be made to the bidder whose bid is responsive to the solicitation and is most advantageous to the HSVPOA (price, quality and other factors considered).
- c. Upon selection, the HSVPOA will issue a purchase order for the purpose including as attachments, the bid from the proposed supplier, the cost of the work and the projected completion date of the work.
- d. All purchase orders in excess of \$5,000. require the signature of the HSVPOA corporate treasurer and the CEO/GM to be valid.

### **4. Documentation**

At a minimum, procurement records must clearly show how the HSVPOA:

- a. Executed price sampling for all purchases;
- b. Selected method of procurement and the type of contract to be used;
- c. Determined which bids or proposals to accept and which to reject; and
- d. Determined the basis for the contract cost or price.

### **5. Contract Administration**

The HSVPOA has an overall system of contract administration to ensure proper oversight and management of procurement actions. The HSVPOA is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, interim products, inspection of goods delivered, and other such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

- a. Prior to implementation, all contracts of any size or amount incurring obligations extending beyond the term of the current Board (the third Wednesday of April of each year) must be signed by the current Board of Directors Chairperson as well as the Corporate Treasurer along with the CEO/GM of the organization.

- b. Prior to implementation, all contracts of any size or amount incurring obligations ending within the term of the current Board of Directors must be signed by one of the following in addition to the CEO/GM of the organization:
  - a. Board of Directors Chairperson,
  - b. Corporate Secretary
  - c. Corporate Treasurer
- c. Prior to the confirmation of a purchase, all purchases exceeding \$1000 must be bid out to at least three parties unless a detailed explanation from the CEO/GM is included with the Purchase Order outlining why a bidding procedure was not possible and the explanation is accepted by the Chairperson of the Board of Directors as a valid reason.
- d. Prior to the confirmation of a purchase, all purchase orders of any size or amount must be co-signed by one of the following individuals in addition to the CEO/GM of the organization:
  - a. Board of Directors Chairperson,
  - b. Corporate Secretary
  - c. Corporate Treasurer
- e. The HSVPOA's contract administration system must ensure that:
  - a. The method of procurement is documented and records maintained for five years after final payment is made;
  - b. All activities are carried out and costs are incurred in compliance with applicable requirements; and
  - c. Before payment is made, services performed are adequate and consistent with the contract scope of services.