
RECREATION CENTERS OF SUN CITY WEST, INC. POLICY STATEMENTS – Fi10

Procurement Policy

1. Purpose:

1.1 The purpose of this policy is to establish the Procurement Policy for Recreation Centers of Sun City West, Inc. (the Association), and establish the approved parameters to be used for all purchases, leases, receipts, and accounting for goods, supplies, and contractual services.

1.2 The General Manager is authorized to develop Administrative Procedures and Rules to implement this policy.

2. Bidding and Disbursement Process:

2.1 Implicit in this policy is the responsibility of all managers to ensure compliance within the spirit of this policy; which is to ensure that goods and services are procured for the best value, and that a fair and aboveboard process is used to select vendors. Additionally, the procurement levels in the policy do not relieve Managers of the responsibility to ensure that they comply with the Board approved budgetary limits. The appropriate bidding requirement and purchase approval for all purchases is outlined in the chart below:

AMOUNT OF PURCHASE	BIDDING REQUIREMENT	PURCHASE APPROVAL
Under \$5,000	Not Required	Department Manager
\$5,000 to \$49,999	Quotes required - and attached Chief Financial Officer and General to Requisition	Manager
\$50,000+	Sealed Bid	Governing Board

Exemptions to Bidding Process:

Recurring monthly and annual bills, e.g. property taxes, employee health and life insurance, etc., are exempt from the purchase order and bidding requirement. These regularly occurring bills may be approved by the Chief Financial Officer and the General Manager. Governing Board approval is not required.

The requirement for obtaining bids, as identified in this Policy, is waived in the following cases:

- Sole Source justification, approved by the General Manager and the Governing Board;
- Emergency procurement approved by the General Manager or the Governing Board.
- Professional services approved by the General Manager and the Governing Board.

The artificial division, splitting, or fragmentation of a transaction/purchase order to circumvent requirements of source selection or bidding requirements is prohibited. Procedures to comply with this will be detailed in the Departmental Procedures. Additionally, the Departmental Procedures will include processes relating to bidding for recurring items such as gasoline and purchases that covers multiple locations.

3. Lease or Rental Agreement: Any lease or rental contract exceeding six (6) months in duration and an aggregate annual payment exceeding \$5,000.00 must be approved by the Chief Financial Officer and the General Manager. All contracts that exceed \$50,000, or one year in length, must be approved by the Governing Board.

4. Non-Budgeted Items: Per the Association's Bylaws the General Manager is authorized to make non-budgeted emergency repairs to Association facilities up to one quarter of one percent (0.25%) of the preceding fiscal year's total gross revenues. The Governing Board must approve any expenditure over this amount. Any expenditure made pursuant to this section must follow the normal approval processes established in Section 2.1.

5. Vendor Relationships:

3.1 There is a strict prohibition for any employee, committee member, or Governing Board Director of the Association who has, or whose relatives have, a substantial interest in any sale, purchase, or service to the Association from participating in any manner in such contract, sale, or purchase.

3.2 Gratuities exceeding \$25.00 in value from a vendor or prospective vendor of goods and services rendered to the Association to any employee, group of employees, committee member, or Governing Board Director of the Association are strictly prohibited. Any violation of this policy provision is grounds for immediate dismissal from employment or service as a committee member or Governing Board Director.