

***CYPRESS LANDING MASTER HOME OWNERS' ASSOCIATION (CLMHOA)
ACQUISITION AND CONTRACTING PROCEDURES***

General Guidelines:

This procedure applies to the process of obtaining suppliers of goods and/or services for the CLHOA.

Statements of work and/or written specifications are required for all 'contracted' goods and/or services for the CLHOA.

Every attempt should be made to ensure that the best price is obtained for each and every 'contract' executed by the CLHOA. Specifically: (1) A minimum of two competitive bids must be solicited when the cost of a contract is expected to be greater than \$5,000 but less than \$10,000. If there is only one response, the file must be documented as to the circumstances and approved by the HOA Board President; and (2) A minimum of three competitive bids must be solicited when the cost of a contract is expected to be greater than \$10,000. If there are less than three responses, the file must be documented as to the circumstances and approved by the HOA Board President.

While the above is the preferred procedure, often there is only one supplier. When only one viable supplier or one response is available, the requesting committee should "write-up" a short synopsis of their reasoning, include the write-up in their minutes, submit it with their recommendation to the Finance Committee and then to the HOA Board. The Finance Committee representative to the requesting committee and the HOA Treasurer should be knowledgeable / informed as to the issues prior to review by the Finance Committee and prior to review and authorization by the HOA Board.

All contracts will be firm fixed price unless the HOA Board has approved an alternative method in advance.

The Community Association Manager (CAM) will issue all bids, specifications and contracts.

The HOA Board President will sign all contracts.

A signed/approved copy of a contract will be sent to the Requesting Committee Chairperson and the Maintenance Technician.

The CAM will process all invoices.

Contracts:

Contracts for work not included in the year's Capital or Operating Budget will be submitted to the Finance Committee/Treasurer prior to proceeding. The Finance Committee/Treasurer will make a recommendation to the HOA Board regarding the availability of funds. .

All contractors will be responsible for all required Federal, State or Local permits, and will certify that all their employees have the appropriate working papers.

All contractors will provide a certificate of liability insurance to the CAM prior to execution of the contract. Cypress Landing HOA will be added as an Insured party. Minimum coverage: \$1,000,000

comprehensive other liability, \$1,000,000 comprehensive auto liability and \$1,000,000 statutory worker's compensation policy.

All warranties for equipment and/or services will be kept with a copy of the original contract in the CAM office once the equipment and/or service has been delivered.

Bidding Process:

All statements of work and/or written specifications for bids will be developed and written (with assistance provided by the CAM) by the requesting committee, and sent out to all potential bidders by the CAM.

The CAM will receive and open all bids, log them, and forward them to the requesting committee for review. The requesting committee will check each bid for completeness and accuracy and advise the CAM of their recommendations based on best value. The CAM will prepare the contract for signature.

Contract Supervision, Scheduling & Completion Approval:

The requesting committee will be responsible for supervising and scheduling the contract work. If the requesting committee feels that they do not have the required expertise, they can obtain the services of the Maintenance Technician by arrangement with the CAM.

Final inspection and approval for payment of the contracted work is the responsibility of the requesting committee. The requesting committee signature is required on all invoices to show that the work was completed before the CAM submits the invoice for payment. Signature can be the Requesting Committee Chairperson or their designee and may be an 'email approval' vice actual signature.

Glossary of Terms:

Requesting Committee – Any standing committee reporting to the CLHOA.

Fixed Asset – An asset that costs \$1,000 or more and has a useful life of at least five (5) years, or any major modification to a fixed asset that extends its useful life in compliance with the Property Accountability Procedures.

Operating Expense – Expenditure included in the HOA approved Operating Budget for the year.

Capital Expense – Expenditure included in the HOA approved Capital Budget for the year.