

Hawaiian Paradise Park Owners Association

Policy Number 4.3 – HPPOA Procurement Policy

Relevant Statutes, Ordinances or Association Governing Documents: HPPOA Bylaws Art. XI

1. Purpose:

It shall be the policy of HPPOA to conduct procurement of the goods and services necessary to carry out its operations in a manner that is cost-efficient and to the maximum extent practical, allows for free and open competition.

2. Scope:

The requirements of this policy and its procedure shall be fully applicable to all directors, officers, employees, and agents of HPPOA.

3. Standard of Conduct:

This Standard of Conduct shall govern the performance, behavior, and actions of HPPOA, including Board members, employees, volunteers, or agents who are engaged in any aspect of procurement, including - but not limited to - purchasing goods and services; reviewing and awarding contracts; or the administration and supervision of contracts.

- a. No director, officer, employee, or agent of HPPOA shall participate in the selection, award, or administration of a bid or contract if a Conflict of Interest is real or apparent, as defined in HPPOA's Bylaws. As per HPPOA's Conflict of Interest Policy, potential conflicts of interest shall be disclosed as soon as possible in the bid or contract process.
- b. No director, officer, employee, or agent shall either solicit or accept gratuities, favors, or anything of monetary value over \$5 from contractors or potential contractors.
- c. Failure to comply with the Standards of Conduct or the requirements of this Policy and Procedure may result in disciplinary action.

4. Procedure:

A. Approval of Purchases and Contracts:

As a means of avoiding unnecessary or duplicate purchases of goods and services, processing and approval shall be centralized and made the responsibility of the Association General Manager, subject to the following limitations:

1. The Association General Manager shall be authorized to approve the purchases of goods and services having a value of \$2,500.00 or less.

2. Purchases and contracts having a value of more than \$2,500.00 shall require approval of the Board of Directors, unless pre-approved in the operating budget.

B. Competitive Proposal Requirements:

1. Purchase of goods and services having a value of \$25,000 or less.
 - a. Competitive proposals are not required.
2. Purchase of goods and services having a value of more than \$25,000.00.
 - a. Requests for Quotes (RFQ) or Requests for Proposals (RFP) must be sought for goods and services exceeding \$25,000.00.
 - b. At least 3 written bids or quotes must be sought. Complete bid proposals must be submitted on or before the return date and time specified for bid opening.
 - c. When the purchase of goods or services includes contract work, RFQs or RFPs shall be delivered sealed and opened only in executive session.
 - d. Record shall be maintained showing:
 1. The description of the goods or services sought.
 2. The providers contacted and their offering.
 3. The basis upon which the purchase or contractor was selected, and an evaluation and cost analysis justifying the recommendation as to selection, and approval of the Board of Directors. This is particularly important when an award is made to a contractor whose bid price was not the lowest offered.
 - e. Bids should be sought from a number of sources.
 1. RFQs or RFPs shall be posted to the HPPOA webpage.
 2. Bids may be solicited directly from companies and individuals known to provide the type of work or goods sought.

C. General Requirements:

1. Whenever bids or price quotations are solicited, a clear and accurate description of the technical requirements of the items or services required shall be provided whether verbally or in written form as specified herein. Such a description shall not contain features which unduly restrict competition. Brand names or equal descriptions may be used to define the performance of other salient requirements of the items being sought.
2. Contacts shall only be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed contract. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources.
3. Awards shall be made to the entity whose bid/quote is responsive to the solicitation and most advantageous to HPPOA (price, quality, and other factors considered).
4. All contractual agreements must be appropriate to the type of item or service being procured and promote the best interests of HPPOA. Cost plus a percentage of cost shall not be used.

5. All purchases shall be verified to ensure that the type, quantity, and quality of the items are as specified. Services provided by contract shall be carefully monitored to ensure that all terms and conditions are met and that the quantity and quality of the services are performed as specified.
6. A bid may be rejected when it is in HPPOA's interest to do so.

Review:

This policy shall be reviewed Annually by the Policies and Procedures committee for any improvements or updates.