



<b>Policy Name:</b>	Procurement Policy	
<b>Revision Date:</b>	August 29, 2023	
<b>Approval Authority:</b>	<i>s/Keith Percy</i>	05072024
	President Perimeter Park West	Date

**Policy**

It is the policy of Perimeter Park West. to adhere to the cash basis of accounting, which is a basis of accounting often used by smaller entities. It is not the intent of PPW. to follow Generally Accepted Accounting Principles (GAAP) standards of the United States of America. PPW. agents will adhere to the following guidelines.

**Section 1: Definitions**

The following definitions and terms used in this Policy shall be applicable whenever used here:

1. "Agreement" means all types of PPW. arrangements, regardless of the title, for the procurement of goods and services.
2. "Quote" means a written offer of work to be performed by a vendor/contractor that may include specific terms including but not limited to scope, cost, timeframe, included goods, and equipment rentals.
3. "Contract" means a formal written, signed and dated agreement between PPW. and a vendor for the procurement of goods and services.
4. "Contractor" means any person or vendor having an agreement with PPW.

5. "Emergency condition" means a situation that creates a threat or impending threat to property, public health, welfare, or safety. These may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates or similar events.
6. "Procurement" means the purchasing, buying, renting, leasing, or otherwise obtaining of any goods or service. It also includes all functions that pertain to the obtaining of any supply, service, or construction item, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
7. "Related party" means the spouse, sibling, parent, step-parent, child or step-child of one or more of the PPW. maintenance staff, property manager, PPW. Board members or PPW. agents.
8. "Services" means the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product, other than reports which are merely incidental to the required performance of services.
9. "Ongoing Service" refers to a service that occurs multiple times throughout the fiscal year as opposed to a one-time event. For example, the monthly treatment for pest control is an ongoing service.
10. "Small Purchase" means basic, day-to-day purchases necessary to administer the duties of PPW, for which pre-approval of the PPW Board is not necessary. The annual amount on this purchase cannot exceed \$75,000.
11. "Goods" means tangible items, equipment, supplies, articles, products or commodities which are purchased from companies or suppliers for use in or around the PPW buildings.
12. "Facility/facilities" means the property and buildings owned by PPW, the surrounding area such as the landscaping, and the parking lots.

## **Section 2: Methods of Purchasing**

All contracts shall be awarded as provided by this policy and by one of the following methods:

1. Contracts;
2. Purchases under Emergency Conditions;
3. Small Purchase;

**Section 3: Service Agreements/Contracts**

- a. All procurements that require a contract must comply with the requirements in the Contracts Policy. The process of determination for which purchases require a contract is delineated in the Contracts Policy.
- b. Agreements shall not be entered into with a related party without consent of the PPW. Board. If a related party must be used, the justification for hiring this vendor shall be approved by the PPW. Board and clearly documented in PPW. Board minutes.
- c. Agreements shall be reviewed and re-bid every four years at a minimum.
- d. The PPW. Board may determine if items are to be bid as separate services or are to be bundled. If the PPW. Board does not specify, PPW. agents may make that determination. For example, snow removal and landscaping could be bid as separate services or as one bundled service.
- e. All agreements outside of the small purchase definition require approval by the PPW. Board but do not require PPW. Board signatures. Approval may be gained by:
  1. Approval of the purchase, service, or facilities project in the annual budget
  2. Verbal approval documented in Board minutes
  - 3.
- f. Maintenance Manager or Property Manager Agreements
  1. If the PPW. Board has a maintenance manager or property manager, PPW. must have a contract with the manager.
  2. The maintenance manager or property manager may charge PPW. an additional fee for weekend, after-hour or emergency work.
    - i. Details may be specified in the manager's contract or a separate agreement.
    - ii. Although not required in an emergency, in general, actions that require an additional fee must be pre-approved by the PPW. Facilities Agent.

**Section 4: Purchases under Emergency Conditions**

- a. Purchases are allowed due to emergency conditions or for unforeseen circumstances if the Executive Agent and an additional PPW. agent agree that the purchases are reasonable and necessary.
- b. The reason for the purchase must be reported to the PPW. Board at a quarterly board meeting.

- c. There is no required minimum number of bids for emergency purchases but when possible, more than one bid/quote should be obtained.

#### **Section 5: Small Purchases**

- a. Purchases must be budgeted and fall into an approved budget category unless pre-approved by the PPW. Board.
- b. The annual amount of the budget category cannot exceed the small purchase of \$75,000 unless a higher amount is pre-approved by the PPW Board.
- c. .

#### **Section 6: Bidding**

- a. Three quotes are required before awarding any contract for the following procurement types. If three quotes are not available, the PPW Board must approve the quote prior to the work being awarded.
  - a. Ongoing services that are more than \$5,000 in a fiscal year,
  - b. Any single purchase of goods/equipment that exceeds \$10,000, or
  - c. Any facility project requiring an outside contractor or vendor above \$10,000.
- b.
- c. Quote selection must be reported to the PPW. Board at its next quarterly board meeting.
- d. The selected quote must be the most beneficial to PPW. Generally, this is the lowest priced bid, but other factors may be considered as well. If price is not the determining factor, all factors considered must be reported to the PPW. Board at its next quarterly Board meeting.
- e. Quote awards that require a contract must comply with the requirements in the Contracts Policy.

#### **Section 7: Purchases**

- a. All purchases must be exclusively for the facilities improvements and maintenance of 1260 and 1270 Louisville Road or be administrative expenses for PPW.
- b. All purchases must be reported to the PPW. Board at a quarterly board meeting.
- c. Purchases must be budgeted and fall into an approved budget category unless pre-approved by the PPW Board or purchased under emergency conditions.
- d. All purchases require proper documentation before invoices can be paid.