

# BALBOA TERRACE HOMES ASSOCIATION

## Procurement & Purchasing Policy for Management Services

**Objective:** The practice of soliciting competitive bids/proposals is solely intended to enable the Association to receive necessary goods and services at a reasonable price while still ensuring that the Association and its members receive the highest possible quality and service. For the process to be successful, an adequate number of qualified vendors should exist, and the process must be professional, transparent and equitable, both to members and vendors alike.

**Policy:** Where reasonable and practical, a minimum of three (3) competitive bids/proposals will be solicited from qualified vendors for all Association expenditures that are anticipated to exceed \$5,000.00. The Board reserves the right to establish lower monetary thresholds, or request additional bids where it deems necessary or prudent.

**Exceptions to Policy:** The Association's bid/proposal process does not need to be followed for the following: (a) Emergency situations that require immediate attention; and (b) where obtaining three (3) bids/proposals is not reasonable or practical. "Emergency situations" are those that threaten health, safety, property, or BTHA operational costs. An "emergency situation" may be determined by the concurrence of either the President or Treasurer and either i) the Chairperson of the responsible committee, or ii) any Director who has knowledge of the emergency. An example of a situation where it is not reasonable or practical to obtain three (3) bids is where landscaping work is to be done and the work must be maintained by the HOA's regular landscaper. In other situations, it may not be possible to obtain three (3) bids because of the nature of the work.

### **Procedure:**

- 1) When the Board determines that the Association requires goods and/or services that are likely to exceed **\$5,000.00**, the Board shall instruct the Association's manager or a member of the Board to contact at least three (3) qualified vendors and request that those qualified vendors submit bid proposals. Where possible, the field of qualified vendors shall be composed of vendors that are known to provide goods and services to homeowner associations, or to non-profits in San Francisco.
- 2) When contacting qualified vendors to solicit bids, the Association's manager shall instruct vendors as to the deadline for receipt of all bid proposals and the deliverables required by the Association. In addition, all qualified vendors shall be instructed that: (a) the Association's solicitation is not a purchase order, and (b) the Association is not responsible for any costs which may be incurred by a vendor while preparing that vendor's bid. To the extent available, the Association's manager will also provide any specifications, the Association's contract terms and conditions, vendor qualification requirements and/or contract forms, if any, that pertain to the scope of work and/or procurement needs.
- 3) Upon receipt of the bid proposals and/or passage of the bid proposal deadline, the Association's manager shall forward all bid proposals to the Board of Directors for review.
- 4) All bid proposals received shall be submitted as "sealed bids" and all bid proposals are considered confidential to the Board until the Association awards the contract. No discussions, disclosure of price/costing information and/or the relative position of bidders is permitted.
- 5) The Board shall review all bid proposals. The review should, at minimum, include the following: (a) compliance with the Association's specifications; (b) terms and conditions of the bid proposal; and (c) included references.
- 6) Generally, it is the policy of the Association to award its contracts to the lowest qualified bidder who meets the Association's specifications and requirements. However, the Board in its sole discretion need not award to the lowest bidder if the low bid is substantially lower than all other bids provided or the vendor has otherwise given the impression that the vendor will be unable to perform in a timely or professionally adequate manner.
- 7) After completion of the review process and the award determination, the Board shall instruct the Association's manager to forward the executed contract and/or a completed purchase order to the successful vendor along with any other instructions from the Association
- 8) Copies of all executed contracts and/or completed purchase orders shall be maintained by the Association Manager and Secretary in the Association's records.

**End of Policy**