

RECREATION CENTERS OF SUN CITY WEST, INC.

POLICY STATEMENT – Fi10 Procurement Policy

1.0 Purpose:

- 1.1** The purpose of this policy is to establish the Recreation Centers of Sun City West, Inc. (the Association) Procurement Policy and 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.

2.0 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 price 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 \$3,000	Not Required	Department Manager
\$3,000 to \$4,999	Not Required	Chief Financial Officer and General Manager
\$5,000 to \$49,999	Quotes required - and attached to Requisition	Chief Financial Officer and General Manager
Over \$50,000	Sealed Bid	Governing Board

2.2 Exemptions to Bidding Process:

Recurring monthly and annual bills for: property taxes, utilities including technological infrastructure, employee health and life insurance, payroll taxes and contribution to 401k plans are exempt from the purchase order and bidding requirement. These regularly occurring bills may be approved by the CFO and the General Manager. Governing Board approval is not required.

The requirement for obtaining bids as indentified in this Policy is waived only in the case of Sole Source justification approved by the General Manager, and, Emergency procurement when approved by the General Manager or the Governing Board.

The artificial division, splitting, or fragmentation of a transaction 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.

- 2.3 Lease or Rental Agreement:** Any lease or rental contract exceeding six (6) months in duration and an aggregate annual payment exceeding \$1,000.00 must be approved by the General Manager. All contracts that exceed \$50,000 or one year in length must be approved by the Governing Board. (Bylaw 7.3.1.12)
- 2.4 Non-Budgeted Items:** Per the Association's Bylaw's 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.

3.0 Vendor Relationships:

- 3.1** There is a strict prohibition for any employee, committee member, or Governing Board Director of the Recreation Centers of Sun City West, Inc. (RCSCW) who has, or whose relatives have, a substantial interest in any sale, purchase, or service to RCSCW 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 RCSCW to any employee, group of employees, committee member, or Governing Board Director of RCSCW 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.

Adopted: 11-20-08