

# **Clearlake Keys Property Owners Association (POA)**

## **Bidding Policy**

Draft 10/20/2015

### **Background**

1. Bylaws of the POA require approval of 5 members of the Board for expenditures over \$1,000.
2. The Expenditure Policy of the Board allows for approval without additional Board vote when the expenditure has been approved as a line item expenditure in the annual budget and has been approved by the required 5 Board members.
3. These documents do not address whether the Board member presenting these expenditures has exercised due diligence to get the best price available for the Board to complete the stated project.

### **Policy**

1. All members of the POA who will be presenting invoices for payment for work done for the POA in excess of \$2,000 shall obtain at least 2 bids for the work.
2. Contracts will not necessarily be awarded to the lowest bidder – contracts will be awarded to the best bidder as determined by the Board.
3. The requirement for 2 bids may be waived depending on the circumstances i.e., whether the work is an emergency, the POA has a longstanding relationship with the vendor who is especially knowledgeable about the project, if changing vendors would disrupt existing warranties, and/or other vendors are not willing to bid on the project.

### **Procedure**

1. When submitting a bill in excess of \$2,000 to the Treasurer for payment, the POA member must submit proof that 2 bids were obtained in determining the actual cost of the project.
2. In the absence of 2 bids, the POA member must indicate in writing which of the provisions under number 3 above applies to that project.