

**OUTDOOR RESORT PALM SPRINGS
ADMINISTRATIVE POLICIES AND PROCEDURES**

(RESTATEMENT ADOPTED 10-23-17; 12-04-17; 3-5-18; 7-20-18; 9-20-21)

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SECTION 1 – INTRODUCTION

Purpose:

The purpose of this document is to assist the Board of Directors, General Manager, Staff and Committees on how to conduct the business of running ORPS. In order of precedence, this document follows the CC&R's, Bylaws and Rules.

Introduction:

The President of the Board of Directors and the General Manager are responsible for the operation of the Corporation (ORPS). The Board of Directors set the policies, vision, mission, and objectives of the Association. The General Manager is responsible for the execution and operations of the Resort. Formal communication from the Board of Directors to the General Manager is only through the President.

Adopted 9-20-21

SECTION 2 – BOARD & MANAGEMENT

2.A BOARD OF DIRECTORS

1. Board Meetings - Board members are expected to attend all Board meetings whenever possible.
2. Hiring of Department Heads - All full-time department heads will be approved by the Board of Directors before being hired.
3. Owner Correspondence – The Board of Directors will address comments, suggestions, and questions that are presented in the form of a letter or through electronic transmission (email), which identifies the lot owner and the lot number, and is a topic that should be addressed by the Board. The Board’s response will address the specific inquiry or concern as informatively as possible. In some cases, if appropriate, the correspondence will be referred to the General Manager for response.
4. Reports of Executive Sessions - All Executive Sessions, will be kept, recording only the decisions made, and are to be maintained in a confidential file. As per legal requirements, these decisions will be limited to legal matters, personnel related matters, and other matters which are deemed to be confidential in nature.
5. Employee Performance Reviews - The Board will conduct the annual performance review for the General Manager. Other employee performance reviews will be completed annually by management personnel or more often during probation periods of employment. These reviews will be kept in a confidential file.
6. No individual Board member, member of a Committee, or individual owner may contact the association attorneys, accountants, or insurance agent. Contact between the association and its attorneys’, accountants, or insurance agents must be by the Board President or his/her assignee. No exceptions.

2.B GENERAL MANAGER POSITION

1. Direction to General Manager - Directives to the General Manager from members of the Board must be transmitted through the Board President.
2. General Manager Residence - The General Manager will not be allowed to reside in the resort. The General Manager will be allowed to bring guests and family members into the Resort, to utilize amenities, with him/her at no charge.

2.C FILLING THE GENERAL MANAGER POSITION ON A TEMPORARY BASIS

1. When the current General Manger is temporarily not available due to vacation or illness (not to exceed 30 days), the General Manager will designate a qualified Acting General Manager for that period.
2. When the current General Manager is temporarily not available due to illness (over 30 days) the General Manager will make a recommendation to the Board for approval of an Interim General Manager.
3. If the General Manager is absent for more than 90 days, the Board may look for a permanent replacement.

2.D FILLING THE GENERAL MANAGER POSITION ON A PERMANENT BASIS

1. When the current General Manager’s employment ends, the Board will look at several sources for replacement. The first option would be to determine if the current General Manager is interested in a new contract. If he/she is, and the Board is satisfied with his/her performance, a new contract can

be negotiated. The negotiation will be conducted by the Board President with approval from the entire Board.

2. If the current General Manager is not interested in a new contract, or if contract negotiations are not successful with the current General Manager, the Board will implement the following procedure:
 - a. Solicit candidates from the current staff and/or advertise on the internet and/or with headhunters.
 - b. The Board will review all applications (both internal and external) to determine those that are qualified.
 - c. The Board will schedule interviews with the qualified applicants. The initial interviews will be conducted by two Board members appointed by the Board President. The Board President can be one of the two Board members conducting the interviews, if so desired.
 - d. Once the qualified applicants have completed their initial interview, the two Board members will recommend, to the entire Board, those applicants (not to exceed five (5)) that should be given further consideration. Those remaining applicants will then be interviewed by the full Board. The Board will then vote to determine the successful applicant.
 - e. A new contract must then be negotiated with the successful applicant. The length of the contract shall be determined by the Board. The negotiation will be conducted by the Board President with approval from the entire Board.

SECTION 3 – COMMITTEE & BOARD LIAISONS

3.A GENERAL

1. A liaison represents the Board of Directors in regard to all business of a standing or ad hoc committee. All committees are advisory to the Board in accordance with Article 9, Committees, of the Association's Bylaws, unless, pursuant to Article 9.5, the Board has authorized and empowered an advisory committee with specific decision-making authority. The A&A Committee is not a Board Committee nor an Advisory Committee but has its own independent authority as set forth in Article 7 of the Association's CC&Rs,
2. The Golf, Tennis, and Pickleball Committees shall approve all special events and tournaments for their respective sports. In the spirit of goodwill, community, and fairness, all Owners, Guests and Renters shall be allowed to enter all tournaments and sporting events in which they wish to participate. If a maximum number of participants for any event/tournament must be imposed, with Owners getting preference, a predetermined, fair, and random selection process will be developed respectively by each Committee.
3. The Activities Committee shall develop the calendar of activities for the year.
4. The Board Liaisons for Golf, Tennis, Pickleball and Activities will inform the Board of Directors of schedules when established. In the event of a scheduling dispute between parties, or a disagreement with a Committee scheduling decision, the Board Liaison will present the matter to the Board of Directors for final determination.
5. Additionally, the Safety & Security Committee may set up patrol teams and schedules with sanction from the Board and in coordination with the Security Post Commander.
6. A Board liaison should not be acting as a voice at the committee meetings, but only contribute when called upon or when a committee is functioning improperly. It is useful, however, for the Board liaison to review the agenda ahead of the meeting and contribute subject matter to be presented. These agenda items are presented to the Committee chairperson for discussion and action when appropriate and he/she presents this to the committee.

Amended 9-20-21

3.B COMMITTEE ACTION ITEMS FOR BOARD APPROVAL

1. When a Committee has an action item for consideration by the Board, an ORPS BOARD & MANAGEMENT COMMITTEE ACTION FORM (attached as Exhibit A) shall be prepared by the Committee and shall be approved by the Board Liaison. Once approved, the form will be submitted to the Secretary of the Board to schedule for action by the Board of Directors. The Liaison's approval in no way represents or commits the Board of Directors to the item's approval.

3.C COMMITTEE MEETINGS

1. All committee meetings are open to all members of the association. A simple majority (quorum) of the committee members must be in attendance at a committee meeting before the meeting can be considered official.
2. The committee meeting schedule is to be approved each year by the Board.
3. Committees may call special meetings, as necessary, with approval of the Board Liaison. Changes to committee meeting dates and/or time, or any special meeting called, should be reported to the Board Secretary as soon as possible by either the Committee Chair or the Board Liaison.
4. The Committee Chair shall prepare an agenda for each scheduled committee meeting and submit to all Committee members, the Board Liaison, and the Board Secretary for posting on the Committee's

web page, a minimum of five days before the meeting.

5. It is desirable for the Board Liaison, or back-up Liaison to be present at all Committee meetings if possible. However, a committee meeting may proceed and conduct business without a Board Liaison present.
6. The Lifestyle Director is to be invited to attend meetings of the Activities Committee and, whenever possible, the Tennis, Pickleball and Golf Committee meetings. The Security Chief is expected to attend the meetings of the Safety & Security Committee. The accounting staff is expected to attend the Finance Committee meetings. The General Manager, or designee, is expected to attend all Board advisory committee meetings if possible.
7. Minutes of each meeting, whether a regularly scheduled one or a special one, are required. Copies of these minutes are presented to the Board Liaison and a copy is kept in the Board room files, committee minute's notebook, and a copy is distributed to the General Manager, Department Head, and to each committee member in advance of the next scheduled meeting. Each committee is bound by the written charter with regard to its purpose, their membership requirements and duties as written, and they are accountable to the Board of Directors in all matters within their purview.

3.D ANNUAL ORIENTATION FOR COMMITTEE LIAISONS AND OFFICERS

1. Annual orientation sessions will be arranged by the Board of Directors for all Committee Board Liaison and Officers responsible for Committee activities, minutes, reporting, publicity, etc. The orientation will consist of:
 - a. The Board finance screening system requirements for monitoring their committee activity operating costs and requesting capital and reserve expenditures.
 - b. The finance screening procedures.
 - c. Standardized committee charter formats.
2. The annual orientation will be scheduled in the fall of each season with multiple sessions held so that all committee liaison and committee officers may attend.
3. Owners may attend any orientation session.

SECTION 4 – FINANCE & ACCOUNTING

4.A ANNUAL BUDGET & FUNDS

1. Each year the General Manager and Controller will submit to the Board of Directors, a proposed Annual Budget. The Board, with input from the Finance Committee, will review, request amendments/adjustments if necessary, and adopt the Budget. The Budget will establish monthly member assessments and designate portions of the assessment to be allocated among the various association funds, including an Operating Fund, Reserve Fund, and Capital Fund. The Annual Budget will also approve expenditures from the various association funds. The Annual Budget will be distributed to the members not less than 30, nor more than 90 days prior to the end of the fiscal year.
2. The Association will maintain its monies in separate funds, each fund having a separate bank account, as follows, and to the degree possible, payments for obligations associated with those funds will be paid directly from that fund.
3. **Operating Fund** – receives a designated portion of monthly owner assessments, resort fees, and other income, and disburses money to pay the obligations of the association under the annual Operating Budget such as utilities, landscape & mowing, administration, etc. The Controller shall maintain 2 – 4% of the Operating Fund’s current annual budget as working capital for unforeseen circumstances. Monies in excess of the 4% at the end of any fiscal year will be reallocated, as determined by the Board of Directors in accordance with our Governing Documents and California Civil Code.
4. **Reserve Fund** – receives a designated portion of monthly owner assessments and disburses money the association has set aside to defray the future repair or replacement of, or additions to, those major components which the association is obligated to maintain. (**Civ. Code §4177.**) Except for temporary borrowing, the Board may not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. (**Civ. Code §5510(b).**)
5. **Capital Fund** – receives a designated portion of monthly owner assessments and disburses monies to acquire new assets which are not replacement items and do not qualify as Reserve Fund expenditures. The Capital Fund accrues funds for capital improvements that are reasonably anticipated to occur during a fiscal year as established in the Annual Budget. Additionally, funds may be accrued to cover expenses associated with the Master Plan. The maximum annual spending for capital improvements, as set forth in Article 4, Section 4.6(B) of the CC&Rs is 5% of budgeted gross expenses for that fiscal year. All single item expenditures in excess of this limit, must have the approval of the ownership by a vote of a majority of the quorum established in our governing documents. The Board of Directors may also make disbursements or borrowings from the Capital Fund for unexpected or emergency items. Any borrowing must be paid back in the same year or through a payment plan not to exceed three years.
6. **Interest Earned** – any interest received on each of the separate bank accounts will be credited to the Fund account for which the interest was earned.

4.B INVESTMENT POLICY

1. Monies in excess of the amounts reasonably projected for disbursement under the Annual Budgets will be managed by the Controller and Board Treasurer, according to the following investment policy.
2. All additional funds will be invested with a primary objective of capital preservation and a secondary objective of income generation. Such funds will accordingly be invested in Certificates

of Deposit issued by institutions having offices located within the State of California, County of Riverside, and in amounts that qualify for FDIC protections. Any recommendations to modify this policy must be reviewed by the General Manager, Treasurer, and the Controller prior to submission to the Board of Directors for final approval.

4.C FUNDRAISING POLICY

1. The purpose of a fundraising activity is to accumulate monies to support the Association's sporting facilities and/or activities; acquire an asset or make significant improvements to our common property; or for the purpose of a charity.
2. Fundraising events may be held as outlined below:
 - a. Committees of the Board of Directors that guide the management of the Association's sporting activities (Golf, Tennis, Pickleball, Health & Fitness) are authorized to conduct fund raising activities that directly benefit their sport (i.e., minor equipment purchases, special events, prizes, or incentives to participants, etc.) All monies accumulated are to be deposited with the Accounting Department, separately accounted for, with revenues and expenses tracked for each activity in accordance with standard accounting practices. If any such account balance should grow to \$5,000 or more, the excess funds will be transferred for general Operating Fund expenditures.
 - b. Fundraising activities to benefit an outside charity or to accumulate funds to acquire an asset or make significant improvements to our common property require advance approval of the Board of Directors. Requests for approval must be submitted well in advance of the event. The approval will be considered by the Board of Directors at their next regularly scheduled Board meeting following receipt of the Request for Approval of Fundraising Activity form attached as Exhibit B and made part of this policy.
 - c. The event sponsor (Committee or individual Owner) must acknowledge that all Owners will have an opportunity to participate in the fundraising event.
 - d. Board approval will be based on the availability of and demand on the Association's facilities, and considerations of any potential impact on the ownership at large. Additionally, if the fundraising activity is to accumulate funds to acquire an asset or make significant improvements to our common property, the purpose must be approved by the Board of Directors.
 - e. All proceeds from the fundraising activity will be deposited with the Accounting Department. The costs incurred by the Association for the fundraising activity (such as the cost of room set-up, supplies, additional staffing costs, room clean-up, etc.) will be deducted from the event proceeds and the net proceeds will be distributed to the named charity or appropriate Association Account.
 - f. ORPS-sponsored events offered at no charge that "pass the hat" for donations to the performers, or a specific activity or organization (i.e., Cathedral City High School Choir or Jazz Band, the Norwegian Dancers, etc.) may be approved by the Activities Director and are exempt from these requirements. The costs incurred by the Association for the event (room set-up and cleaning/damage) will be deducted from donations received and the balance distributed to the designated recipient.

Adopted 9-20-21

SECTION 5 – PURCHASING POLICIES & PROCEDURES

5.A PURCHASE ORDER SYSTEM

1. **Purpose:** To define the use of a Purchase Order (PO) System.
2. **Policy:**
 - a. To ensure there are proper controls over expenditures incurred, a purchase order system is used at the Resort. A purchase order system is used to document bids on products and services, to obtain approvals on those expenditures before the goods or services have been committed to, and to document instructions that Accounting will use once the invoice for the goods/services are received.
 - b. Purchase orders should be used on all purchases over \$100. All managers are encouraged to use a purchase order on purchases under \$100 to improve the documentation provided to accounting. All Capital and Reserve purchases must be on a purchase order.
3. **Procedure:** Obtain competitive bids, as necessary. All managers should get competitive bids on a regular basis, to ensure that the price to be paid for goods/services from multiple vendors is known and can be optimized.
4. Complete the purchase order with vendor name, address, date of purchase or current date, description of goods/services, price including tax, shipping, and installation as applicable. The purchase order should also include the account number that the goods/services will be coded to and in what month(s) they should be incurred. In the event that an invoice is not received by month-end, the purchase order can serve as back-up so the cost can be accrued. **Purchases from the Capital and Reserve Funds require Board approval before a PO is issued.**
5. Send the completed purchase order to the Controller and/or the General Manager, per the following:
 - a. For purchases up to \$500 – Department Manager approval.
 - b. For all purchases over \$500 up to \$1,000 – Department Manager and Controller OR General Manager to approve.
 - c. For all purchases over \$1000 - Both Controller and General Manager to approve.
 - d. For all purchases above \$5,000, see Purchasing Authority memorandum regarding General Manager’s authority.
 - e. All Capital and Reserve items require Board approval prior to purchase.
6. Once the appropriate approvals have been obtained, the approved purchase order will be routed to the Accounts Payable Clerk. The Accounts Payable clerk will detach and file one copy (white) and return the remaining purchase order copies (yellow & pink copies) to the Department Manager. At month-end, the Accounts Payable clerk will verify the receipt of invoices with the applicable purchase order. If an invoice is not received, the purchase order can be used to accrue the applicable expense if the goods have been received (or charged on revolving accounts).
 - a. When the invoice is received by the Department Manager the manager will verify the receipt of goods, code invoice (as specified on the purchase order) and approve the invoice. The Department Manager will attach the yellow copy of the purchase order to the invoice and send to Accounts Payable for payment.
 - b. Emergency Purchases – if there is an emergency purchase, the General Manager or Controller has the authority to make the purchase of the goods or services up to the amount of \$5,000 (see Purchase Authority, II.D.2.4 for Emergency Purchases over \$5,000.00). A purchase order should still be completed with “Emergency Purchase” indicated on the purchase order. The purchase order should be provided to the Accounts Payable for filing with the invoice.
7. **Purchase Order Variance** – A variance of 5% of the approved purchase order amount will be considered acceptable without additional approval. If the variance will be greater than 5%, the Department Manager must approve the variance and notify the General Manager.

8. **Exceptions to the Purchase Order Process** – The following items will be treated as an exception to the purchase order procedure:
 - a. Food and beverage purchases do not require purchase orders.
 - b. Maintenance contracts (recurring weekly or monthly) will not be included on individual purchase orders. There will be a separate annual listing developed by the applicable Department Manager and provided to Accounts Payable.
 - c. There will be some purchases that are routine and repetitive. (examples: cleaning supplies, paper supplies) These types of expenses can be set up on a “blanket purchase order”. These blanket purchase orders will be set up by the Department Manager and/or Purchasing Agent based on the current year’s budget for the expense category. These purchase orders will include all purchase information and estimate the dates for interval purchases.
9. **Non-Compliance** - The Controller is responsible to ensure this policy is followed and report to the Board President, Board CFO and General Manager when not in compliance.
10. **Ordering PO Books** - When ordering PO Books, rotate the PO #'s every 10,000. Once the PO#10,000 is used, re-order new books starting at PO #00001.

5.B PURCHASE AUTHORITY

1. **Purpose:** To define the authority granted to the General Manager to make purchases.
2. **Policy:** To ensure there are proper controls over expenditures incurred, purchase guidelines have been developed. This authority is to assist the General Manager when making purchases on behalf of the Association.

5.C COMPETITIVE BIDS

1. **Contractual Recurring Expenses** – The General Manager may pay expenses which the Association is legally obligated to pay by contract which are identified in the annual budget and recur each month without obtaining the approval of the Board of Directors. However, there shall be no authority to pay any extras on any third-party vendor or independent contractor unless approved, in writing, by the Board.
2. **Non-contractual Budgeted Purchases** - The General Manager may make non-contractual purchases in amounts less than \$10,000 identified in the annual budget without seeking approval from the Board of Directors. The Manager may make non-contractual purchases identified in the annual budget in amount in excess of \$10,000, but no more than \$15,000 after receiving the written approval of the President or Treasurer of the Board of Directors. The Manager may make non-contractual purchases identified in the annual budget in amounts in excess of \$15,000 only after receiving the written approval or email approval from the Board of Directors. The General Manager shall provide written documentation to the Board of Directors of purchases made without Board of Directors approval at its next meeting.
3. **Non-contractual Unbudgeted Purchases** – The General Manager may make non-contractual purchases in amounts less than \$5,000 not identified in the annual budget without seeking written approval from the Board of Directors. The General Manager may make non-contractual purchases not identified in the annual budget in an amount in excess of \$5,000, but no more than \$10,000 after receiving the written approval of the President or Treasurer of the Board of Directors. The General Manager may make non-contractual purchases not identified in the annual budget in amounts in excess of \$10,000 only after receiving the written approval or email approval from the Board of Directors. The General Manager shall provide written documentation to the Board of Directors of purchases made without Board of Directors approval at its next meeting. All Capital and Reserve items require Board approval prior to purchase.
4. **Emergency Purchases** – Notwithstanding the other provisions of this policy, the General Manager may make purchases in any amounts without seeking approval from the Board of Directors if the

purchases are necessary for any emergency up to \$5,000.00 but must still obtain the authority, written if possible, from the President, but if the President is not available, then either the Vice-President or CFO, for any amount over \$5,000.00. An emergency is defined as any repair involving imminent danger to life or property, or immediately necessary for the preservation and safety of the property, or for the safety of Owners, or required to avoid the suspension of any necessary service to the Association and/or the Project. It is understood and agreed that the General Manager will, if possible, confer with the Board regarding emergency expenditures. The General Manager must attempt to notify all members of the Board of Directors immediately after making such a purchase.

5. **Non-Compliance** – The Controller is responsible to ensure this policy is followed and report to the Board President and/or Board CFO when not in compliance.

5.D CHECK SIGNING

1. **Purpose:** To define the hierarchy of check signing for all funds.
2. **Policy:** To ensure there are proper controls over the signing of checks for Operation, Capital, and Reserve Funds.
3. **Operations Fund** - This fund has three (3) main accounts: Operations (A / P), Payroll and Flex (if needed). Signature requirements as follows:
 - A. **Operations(A / P):** (Two signatures required)
 - i. General Manager
 - ii. Board Treasurer (in season)
 - iii. Controller (summer or when 2nd signature required due to availability)
 - iv. Board President
 - v. Board Vice President
 - vi. Board Secretary
 - B. **Payroll:** (One signature required); however, no employee can sign their own paycheck.
 - i. General Manager
 - ii. Board President
 - iii. Controller
 - C. **Flex:** (One signature required)
 - i. General Manager
 - ii. Board President
 - iii. Controller
4. **Capital Fund:** (Two signatures required) - Signature requirements as follows:
 - a. Board President
 - b. Board Treasurer (in season)
 - c. Board Secretary
5. **Reserve Fund:** (Two signatures required) - Signature requirements as follows:
 - a. Board President
 - b. Board Treasurer (in season)
 - c. Board Secretary
6. **Approval of Transfer of Funds:**
 - a. Transfers of funds greater than \$10,000 or 5% of the association's total combined reserve and operating account deposits, whichever is lower, shall not be authorized from the account without prior written approval from the Board of Directors. (Civil Code Section 5502).
 - b. Transfers of greater than \$10,000, other than those approved by Resolution, will be individually submitted to the Board by emailing a copy of the invoice to the entire Board for written approval prior to making the transfer, The Board hereby appoints a Committee consisting of the elected Treasurer, Vice President and President for making such written approval, and a

return email from any two of the three members of the Committee will constitute the written approval.

7. **Non-Compliance** – The Controller is responsible to ensure this policy is followed and report to the Board President and/or Board Treasurer when not in compliance.

Amended 9-20-21

5.E PROCUREMENT POLICY

1. **Purpose:** The purpose of this policy is to ensure that quality supplies, services and equipment are procured for ORPS at the best value available, and that the procurement process is transparent, consistent, and efficient.
2. **Policy:** All supplies, services and equipment required to operate and maintain ORPS will be acquired as set out in this policy; and
3. Whenever possible and appropriate, prices for all goods and services will be established through a competitive bid/quote process. Competitive bidding is a means of protecting ORPS from misuse of Association funds and is used to eliminate favoritism, fraud, and corruption in awarding contracts and buying goods and services. Exceptions to the competitive bid/quote process are outlined below.

5.F COMPETITIVE BIDS (\$50,000 PLUS)

1. All purchases or services with an estimated cost/value of \$50,000 or more must be obtained with formal, competitive bids.
2. Written bid specifications and contract documents must be prepared in advance of bid solicitations.
3. Three written bids must be obtained except when not possible or appropriate as provided below.
4. Bids must be solicited from the open market sufficient to comply with the intent of this procurement policy.
5. **Approval process:**
 - a. The General Manager shall open said bids on the date provided for in the specifications, review them and make a recommendation to the Board of Directors at its next Board meeting.
 - b. The Board shall either accept and award a contract or reject the bids. If a bid is awarded, it shall go to the lowest responsible bidder as determined by the Board.
 - c. “Lowest responsible bidder shall be determined considering the following factors as are appropriate”:
 - i. Price.
 - ii. Ability to meet specifications.
 - iii. Ability to meet timelines to include delivery, starting, ending or other.
 - iv. Ability to provide service and warranty support.
 - v. Availability of replacement parts.
 - vi. Ability to meet bidder qualification requirements.
 - vii. Contractor/vendor who does business in local area.
 - d. Vendor and contractor requirements:
 - i. Valid state and local licenses for the specified work.
 - ii. Liability insurance with ORPS named as an additional insured in the minimum amount of \$1,000,000 or such higher sum as may be specified in the bid documents.
 - iii. Proof of worker’s compensation insurance.
 - iv. References – At least three clients/customers whom contractor/vendor has worked for in past two years unless the contractor/vendor has provided materials/services to ORPS within the last two years in a satisfactory manner.

5.G COMPETITIVE QUOTES (\$5,000 UP TO \$50,000)

All purchases within an estimated cost/value over \$5,000 up to \$50,000 must be obtained with competitive quotes. Normally, three quotes should be obtained.

1. Formal specifications and contract documents are not required for purchases or services up to \$5,000.00 unless deemed necessary by the General Manager. However, a complete description of the item or service requested is necessary to ensure the quotes are based on the same factors. Purchases over \$5,000 and larger construction projects shall require legal review and/or execution of a construction services agreement, as approved by legal counsel.
2. The General Manager makes the purchase decision after obtaining a not to exceed (NTE) written approval or email approval from the Board. A summary of said purchases must be prepared by the General Manager for the files/record and made available to the Board. The purchase decision is made utilizing the applicable provisions outlined above for the “lowest responsible bidder”.

5.H PURCHASES UP TO \$5,000 IN VALUE

1. The General Manager or his designee is authorized to make purchase decisions up to \$5,000 in value without obtaining three competitive quotes or bids providing the purchase order system as established by the General Manager is utilized and providing the items are included in the approved budget for the year. The provisions specified above for the “lowest responsible bidder” shall be utilized as are appropriate; and
2. Said expenditures will be reported and summarized through the normal monthly financial report.

5.I EXCEPTIONS TO THE COMPETITIVE BID/QUOTE REQUIREMENTS

1. Where the goods/commodity can only be obtained from one vendor and the specific product is needed.
2. **Emergency Purchases** – Notwithstanding the other provisions of this policy, the General Manager may make purchases in any amounts without seeking approval from the Board of Directors if the purchases are necessary for any emergency up to \$5,000.00 but must still obtain the authority, written if possible, from the President, but if the President is not available, then either the Vice-President or CFO, for any amount over \$5,000.00. An emergency is defined as any repair involving imminent danger to life or property, or immediately necessary for the preservation and safety of the property, or for the safety of Owners, or required to avoid the suspension of any necessary service to the Association and/or the Project. It is understood and agreed that the General Manager will, if possible, confer with the Board regarding emergency expenditures. The General Manager must attempt to notify all members of the Board of Directors immediately after making such a purchase.
3. **General:**
 - a. Purchases which should be in one transaction shall not be split into a series of transactions for the purpose of evading the bid/quote requirements herein.
 - b. The Board of Directors shall annually, during the budget development process, establish the minimum dollar level above which competitive bids and quotes shall be required effective July 1 of that year. If the Board takes no action to review the dollar amounts, they shall remain as specified or as subsequently changed hereafter.

**EXHIBIT A
ORPS BOARD ACTION FORM**

DATE: _____

TO: **BOARD OF DIRECTORS**

FROM: _____
(Committee Name)

BY: _____
(Committee Member Name & Contact Number)

APPROVED: _____
(Board Liaison)

DESCRIPTION OF ISSUE OR NATURE OF REQUEST:

RECOMMENDATION/MOTION:

COMMITTEE ACTION: (Note that the action was considered at an official meeting of the Committee and was approved by a majority vote):

BOARD ACTION DATE:

(All forms must be returned to the Board Office one week prior to a scheduled Board meeting for it to be scheduled on the Board Agenda.)

EXHIBIT B

REQUEST FOR APPROVAL OF FUND-RAISING ACTIVITY

EVENT SPONSOR:

(Owner and/or Committee)

If individual Owner, provide Lot #____ and contact information:

Phone #_____ **Email**_____

If Committee, provide concurrence of Board Liaison:

(Board Liaison)

Date and Time of Event: _____

Facilities Requested: _____

Describe Event: _____

Event will be open to all ORPS owners: Yes **No**

The Event will accumulate monies in support of:

