

LOTUS HOA Board Policies & Procedures

POLICY NAME	Purchasing Policy
BOARD ADOPTION DATE	

BACKGROUND:

The goals and objectives of the Purchasing Policy is to simplify, clarify and streamline the procurement process of the Homeowners Association; make purchasing policies and procedures as consistent as possible; maximize purchasing value to the fullest extent practicable; and ensure fair and equitable treatment of all persons and vendors who deal with the Homeowners Association.

POLICY:

The Homeowners Association's goal in every purchasing transaction is to obtain the best value possible within the framework of price, quality, reliability, service, and delivery terms.

- 1. Statement of Policy** – The Homeowners Association strives to procure all goods and services through the use of appropriate contracts that include terms and conditions to protect both the buyer and the seller. Acquisitions will be conducted on an open and competitive basis and without favoritism in order to obtain the maximum value for each expenditure. Interested suppliers must receive fair and impartial consideration. All business relationships will be conducted at arm's-length. The procurement policy is intended to be consistent with generally accepted accounting practices.
- 2. Ethical Conduct** – Ethical business standards shall govern all procurement transactions. Homeowners Association members, members of the Board of Directors, the Association Manager, office and maintenance personnel shall not solicit any gift or accept any significant gift from any supplier or prospective supplier. A 'significant gift' is defined as any item, service, favor, monies, credits, or discounts not available to others and/or which could influence purchasing decisions. Trivial items may be accepted as a matter of courtesy, but may not be solicited. Acceptance of social invitations to occasional business meals, entertainment, and hospitality will be subject to prudent judgment by the Board of Directors as whether the Invitation places or appears to place the recipient under any obligation. No token or display of this appreciation is necessary or encouraged.
- 3. Confidentiality** – The LOTUS Homeowners Association asks for and offers confidentiality from and to its suppliers. All quotations, proposals, suggestions, proprietary information, and off-site contract meetings are to be held in the strictest confidence. Proprietary information exchanged during transactions shall be identified and treatment of that information clearly agreed upon by both the Association and the supplier.

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4. **Authority and Responsibility** – The Homeowners Association recognizes that for the purchase of certain supplies, services, equipment, or construction, procurement may require that technical evaluation and preparation of specifications be obtained from sources that possess that particular technical skills or knowledge necessary to execute the purchase. These sources may include Committee or Association members who possess the necessary technical skills and knowledge to execute the purchase. The Board of Directors, Committee, or Association members may request additional qualified bidders, if necessary. The Board of Directors has the right to review and question any purchasing transaction.
5. **Association Manager** – The Association Manager is responsible for:
 - a. Ascertaining needs.
 - b. Researching vendors.
 - c. Conducting price or cost analysis.
 - d. Recommending and selecting a vendor as authorized.
 - e. Tracking documents and paper flow.
 - f. Ensuring the proper receipt of ordered goods or services.
 - g. Negotiating and resolving disputes with vendors.
6. **Source Selection and Bidding** – It is generally recognized that the surest way to determine the best source for goods and services is to conduct competitive bidding among potential suppliers. True competition requires comparing prices, terms and conditions of equal or similar items. It is important to consider the criteria on which to determine the best source. Even when there is only one supplier of a specific item, bidding maintains a competitive environment. Sound fiscal management and commonsense dictate that purchases of goods and services should be made from the best source considering price, quality and service. This logic applies regardless of size or complexity of the transaction. Sound business practices indicate, where possible, that competitive bidding is conducted for all transactions that exceed \$50,000. Every effort will be made to obtain a minimum of three (3) bids, proposals or replies. If bids for goods and/or contractual services exceed budgetary appropriation approved by the Board of Directors, all bids will be referred back to the Board of Directors for further action.

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7. Sole-Source of Supply Purchases:

- a. To ensure and maintain the effective day-to-day operations of the Clubhouse and LOTUS amenities, Association property, and the delivery of community services, the Association Manager may purchase equipment and supplies, parts and services from local vendors. Purchases must be accountable and transparent and in the best interest of the Community.
- b. The Association Manager may negotiate a purchase without inviting offers from suppliers if it has been determined that there exists only a single source supplier from whom the purchase can be made, including if the circumstances are extraordinary surrounding the purchase, or that the purchase is required due to an emergency, safety issue, or urgent condition.
- c. A “single source” purchase means that only one supplier, to the best of knowledge and belief based upon thorough research and a market survey, is capable of delivering the required commodity, product or contractual service. Although similar types of goods and services may exist, a single source purchase may be made if only one supplier, for reasons of expertise and/or standardizations, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet the specific need.

8. Expense Approval for Awarding Business:

- a. When selecting vendors, suppliers, and contractors, a combination of factors must be examined. The Homeowner’s Association’s primary objective is to consider the combination of factors that will result in obtaining the best value that is a combination of price, quality, reliability, service, and delivery.
- b. Awards will be made to the most beneficial, responsible, and responsive bidder, vendor, or contractual service contractor as determined on the basis of price, quality, availability, conformance to specifications, financial and budgetary capability, contractual service, and in the best interest of the Homeowner’s Association.
- c. Expenditures up to \$500.00 may be made by the Association Manager.
- d. Expenditures of \$501.00 to \$14,999.00 require approval of the Board President, or in his/her absence, the Board Treasurer or Vice President, who will notify the Board members of these expenditures.
- e. Expenditures exceeding \$15,000 but less than 10% of the Association Budget including Reserves require obtaining the approval of a majority of the Board of Directors.
- f. Expenditures exceeding 10% of the Association Budget including Reserves require competitive sealed bids for materials, equipment, or contractual services as per Florida

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Statute 720.3055. Contracts for purchase, lease, or renewal must be reviewed and vetted by the Homeowner Association's legal counsel before approval by the Board of Directors. Spending limits apply to the total amount of the purchase and must not be evaded or circumvented by multiple or installment payments.

- g. The Treasurer shall ensure funding is available and will assign an Operating Budget Line item or a Reserve item for all expenditures approved by the Board as part of the Board motion.
- 9. **Extension of Contracts** – The Board has the option to extend a contract's expiration date on the same terms, conditions and provisions in effect and to negotiate a billing price that is fair, equitable, and reasonable.
- 10. **Conflict of Interest** – In addition to conflicts of interest prohibited by law, members of the Board of Directors and Management Company employees may not become a contractor or vendor on any purchase document, contract or real property transaction. Further, they may not be interested, directly or indirectly, through any member of his/her household or through any business entity in which he/she has a financial interest in any purchase, contract or real property transaction.

**UNANIMOUS WRITTEN CONSENT
of the BOARD OF DIRECTORS of
LOTUS HOMEOWNERS ASSOCIATION, INC.**

THE UNDERSIGNED, being all the Directors of **LOTUS HOMEOWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation ("Association"), in accordance with Section 617.0821, Florida Statutes, hereby unanimously consent to and adopt the following Resolution:

Adoption of Board Resolution

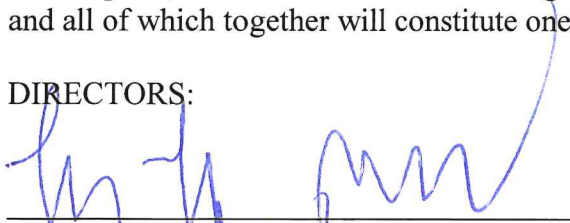
Resolved, that the Board of Directors hereby approve for the subterranean termite treatment by Hulett Environmental Services of the clubhouse and the pro shop at an annual cost of \$1,720.00 for the clubhouse and \$195.00 for the pro shop. This action will reinstate the subterranean termite coverage of these two (2) buildings with a damage warranty. _____

I HEREBY CERTIFY that the foregoing Resolution appears in the Official Records of the Association and is unrevoked.

Date: _____, 2024

The undersigned, being all of the Directors of the Association have executed this Resolution as of the date set forth above. This Unanimous Written Consent may be executed in counterparts, each of which will be an original as regards any party whose name appears thereon and all of which together will constitute one and the same instrument.

DIRECTORS:

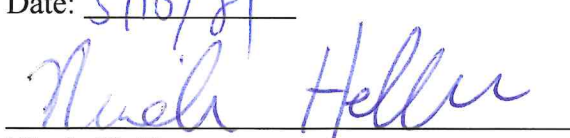


Larry Lazar

Date: 5/16/24

Brett Bloch

Date: _____



Nicole Helfman

Date: 5/21/24