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1. **Purpose** - To establish the policy for the procurement of vendor services by GMFHOA ..

2. **Scope** - This policy applies to the purchase or procurement of all vendor services and/or materials by the GMFHOA when the cost exceeds \$150.00. Examples of such purchases include, but are not limited to, landscape maintenance; tree removal; electrical maintenance. This policy is intended to support fairness and financial soundness by the GMFHOA. This policy also helps enforce fiduciary responsibilities of the Board of Directors.

3. **Definitions** - The following definitions will be used for the purposes of this document, even though these terms may have more comprehensive definitions in other references:
 - 3.1. BBB – Better Business Bureau
 - 3.2. Bid – Formal submission from a vendor of the price offered for a specific service or material.
 - 3.3. Proposal– Formal submission from a vendor of the price offered for a specific service or material, how and when the service will be performed and/or the material provided.
 - 3.4. Quote – Formal submission from a vendor of the price offered for a specific service or material (similar to a bid).
 - 3.5. Scope of Work – Description of what specific service must be performed.
 - 3.6. Statement of Work – Similar to a scope of work but usually includes more information about where and when work must be performed, plus acceptance and payment procedures,
 - 3.7. Request for Bid (RFB) – Formal invitation to vendor(s) a bid.
 - 3.8. Request for Proposal (RFP) - Formal invitation to vendor(s) a proposal.
 - 3.9. Request for Quote (RFQ) - Formal invitation to vendor(s) a quote.
 - 3.10. Unless otherwise defined, the other words, terms and phrases used herein shall have the same meanings as defined in the GMFHOA Declaration of Covenants, Conditions and Restrictions.

4. **Applicable References**

- 4.1. GMFHOA Website, www.gmfhoa.org (newsletters and calendar).
- 4.2. GMFHOA Declaration of Covenants, Conditions and Restrictions.
- 4.3. GMFHOA By-Laws.

4.4. GMF Procedure 2014-09-00, Procedure for Procurement of Vendor Services by GMFHOA

5. Policy

- 5.1. Whenever obtaining any vendor services and/or materials for the GMFHOA that cost more than \$150.00 per vendor the BOD shall make use of competitive bidding methods.
- 5.2. This policy does not apply to office supplies and other costs required for the general administrative functions of the GMFHOA (e.g., document copying services, pens, and writing paper).
- 5.3. Competitive bids or proposals for a specified set of services and/or materials shall be requested from at least three viable vendors.
- 5.4. Written RFB/RFP/RFQs, including statement of work, should be used for all procurements under this policy.
- 5.5. A vendor selected for a specific set of services and/or materials may be used more than once for the same set of services and/or materials at the same prices without repeating the competitive process, but not for a period of more than 3 years.
- 5.6. Any information provided to any vendor about required or desired services/materials, selection criteria, expected/desired price range must be provided to all vendors in the same detail and context.
- 5.7. The objective of the competitive bidding is to obtain fair prices on needed services and materials, and have fairness in vendor selections.
- 5.8. The \$150.00 cost limit shall include all the services and materials from any one vendor for any one "project". This is to say that competitive requirements shall not be circumvented by breaking "project" costs into multiple bids per vendor in order to stay below the cost limit.
- 5.9. Prior to selecting a vendor bid, adequate market research shall be done as necessary so that the BOD can fairly judge the realism of costs and services in vendor bids (are vendor's proposed costs unrealistically high or low, are risky/unproven methods or materials being proposed, etc.).
- 5.10. Any vendor selected must be bonded and/or insured and have the proper business and/or contractor license(s). Vendor licenses should be verified on the Virginia State website.
- 5.11. The criteria for selecting the winning bid by the BOD shall be approved prior to requesting bids or proposals. The selection criteria do not have to be limited to only cost, but may include factors such as vendor reputation for quality performance. The criteria shall cover all items mentioned in the RFB/RFP/RFQ and shall not address any items not mentioned in the RFB/RFP/RFQ. The criteria shall determine that all required services/materials will be provided, the costs thereof, any past performance problems, etc.
- 5.12. Any contract or agreement to pay must be signed by the BOD president.

- 5.13. Copies of RFB/RFP/RFQs, bid invitation lists, vendor bids, and meeting minutes shall be maintained in the GMFHOA records.
- 5.14. All copies of vendor bids submitted shall not be made public and shall be marked as “business/procurement sensitive” in order to protect the private business competitive advantage a vendor may have invested to create.

6. Administration – GMFHOA Board of Directors. Follow this policy. The Board may revise this policy whenever necessary. This policy is established in accordance with the GMFHOA By-Laws, Article VII, Section 1.f.