

**CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION
GOVERNMENT FUNDING PROCUREMENT POLICY
July 18, 2015**

1. SCOPE

- 1.1. This policy covers all procurement of services and materials for projects funded or subsidized by Federal, State, county or local government.
- 1.2. This policy should also be used for Crystal Lakes Road and Recreation Association (CLRRA) procurement when required by the CLRRA Board.
- 1.3. This policy covers most of the Federal requirements for purchasing for Federal grants and subsidies. However, this may not cover all government requirements and subsections 200-320 through 200-325 of Title 2 should be referenced for a full requirement.

2. PURPOSE

To define and describe required procedures that must be followed for procurement of service and materials associated with government funded or subsidized projects and other projects as approved by the CLRRA Board.

3. DEFINITIONS

- 3.1. **CLRRA Board:** The elected officials of the CLRRA Association Members.
- 3.2. **Grant Coordinator:** A person appointed by the board to interface with the government entities to acquire board approved grants and subsidies. If the person is a Board member they may sign the grant request as a Board representative, with Board approval. If the person is not a Board member, then a Board officer, with Board approval, must sign the grant request.
- 3.3. **CLRRA Management:** A person or company contracted by the CLRRA Board to manage the day-to-day operations of the Association.

4. RESPONSIBILITIES

- 4.1. **CLRRA Board:** The Board will assure that this policy is followed. With the aid of the Grant Coordinator and CLRRA Management, will assure that reporting is completed as required.
- 4.2. **Grant Coordinator:** Will apply for government grants and subsidies as approved by the CLRRA Board. With the assistance of the CLRRA Management, will prepare reports required by the grants and subsidies acquired by the CLRRA Board. With the

assistance of CLRRRA Management, will assure the contractors obtained for government grants and subsidies are performed per specifications.

- 4.3. **CLRRRA Management:** Will assist the CLRRRA Board and Grant Coordinator with their responsibilities as defined in this document. Will perform the tactical aspects of this policy as directed by the CLRRRA Board.

5. PROCUREMENT STANDARDS

This procurement policy reflects applicable State and local laws and regulations, and where applicable, the procurements conform to applicable Federal law and the standards identified in this policy.

6. CONTRACT ADMINISTRATION

The CLRRRA Board will maintain a contract administration system which ensures that contractors perform in accordance with the terms conditions, and specifications of their contracts or purchase orders.

7. COMPETITION

Competition is the main focus of this procurement policy and as such, all procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- 7.1. Placing unreasonable requirements on firms in order for them to qualify to do business;
- 7.2. Requiring unnecessary experience and excessive bonding;
- 7.3. Noncompetitive pricing practices between firms or between affiliated companies;
- 7.4. Noncompetitive contracts to consultants that are on retainer contracts;
- 7.5. Organizational conflicts of interest;
- 7.6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement;
- 7.7. Any arbitrary action in the procurement process.

- 7.8. The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

8. METHODS OF PROCUREMENT TO BE FOLLOWED

The non-Federal entity must use one of the following methods of procurement:

- 8.1. **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- 8.2. **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- 8.3. **Procurement by competitive proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - 8.3.1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - 8.3.2. Proposals must be solicited from an adequate number of qualified sources;
 - 8.3.3. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

8.3.4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

8.3.5. The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

8.4. **Procurement by sealed bids (formal advertising).** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction.

8.4.1. **Conditions.** In order for sealed bidding to be feasible, the following conditions should be present:

8.4.1.1. A complete, adequate, and realistic specification or purchase description is available;

8.4.1.2. Two or more responsible bidders are willing and able to compete effectively for the business; and

8.4.1.3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

8.4.2. **Requirements.** If sealed bids are used, the following requirements apply:

8.4.2.1. The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;

8.4.2.2. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

8.4.2.3. All bids will be publicly opened at the time and place prescribed in the invitation for bids;

8.4.2.4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

8.4.2.5. Any or all bids may be rejected if there is a sound documented reason.

9. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

9.1. The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

9.2. Affirmative steps must include:

9.2.1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

9.2.2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

9.2.3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

9.2.4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

9.2.5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

9.2.6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (...1) through (...5) of this section.

10. BONDING REQUIREMENTS

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the

bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- 10.1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- 10.2. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract;
- 10.3. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract.

11. CONTRACT PROVISIONS

The non-Federal entity’s contracts must contain the applicable provisions described in Appendix II to Part 200— Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

12. COST AND MATERIALS CONTRACT

No Cost and materials contract shall be written for government grant or government subsidized projects.

13. DEBARRED AND SUSPENDED PARTIES

Grantees and sub grantees must not make any award or permit any award (sub grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

14. FINANCIAL REPORTING

Unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved government wide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could

significantly affect program outcomes, and preferably in coordination with performance reporting.

15. MONITORING AND REPORTING PROGRAM PERFORMANCE

- 15.1. **Monitoring by the non-Federal entity.** The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also Title 2 §200.331 Federal Requirements for pass-through entities.
- 15.2. **Non-construction performance reports.** The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance).

16. REPORTING

- 16.1. **Retention requirements for records.** Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report.
- 16.2. **Performance.** When required, performance reports shall generally contain, for each award, brief information on each of the following:
 - 16.2.1. A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
 - 16.2.2. Reasons why established goals were not met, if appropriate.
 - 16.2.3. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
- 16.3. **Financial.** Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data. Accounting records including cost accounting records that are supported by source documentation.

17. PROGRAM INCOME

Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to:

- 17.1. Income from fees for services performed, the use or rental of real or personal property acquired under Federal awards.
- 17.2. The sale of commodities or items fabricated under a Federal award.
- 17.3. License fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award.
- 17.4. Program income does not include Rebates, credits, discounts, and interest earned on any of them.

18. POST AWARD

Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients.

19. CONFLICT

In the event of conflict between the provisions of the Declaration, Articles of Incorporation, the Bylaws and this Policy, they shall prevail in that order.

20. CERTIFICATION

The undersigned, the Secretary of the Association, hereby signs to confirm that the above policy was adopted by the Board of Directors on July 18, 2015.

//Signed//

Signature

Casey Meadows
Printed Name