KEN-CARYL RANCH
MASTER ASSOCIATION

7676 S. Continental Divide Rd.
Littleton, CO 80127
303-979-1876
info@kcranch.org
ken-carylranch.org

KEN-CARYL RANCH MASTER ASSOCIATION (KCRMA)
PROCUREMENT GUIDELINES

July 1, 2004
Update: September 19, 2023

1. PURPOSE AND STANDARDS FOR PROCUREMENT AWARD
The purpose of these Guidelines is to ensure that all procurement transactions result in the acquisition of goods and services of acceptable quality, in a timely fashion, from a responsive and responsible source at the most economical cost and within the approved budget. Furthermore, all procurement actions will be governed by good and acceptable business practices, with the highest levels of integrity, balancing the relative complexity, cost, risk, and impact of failure of the procurement with the cost of staff time. Unless substantial evidence exists that the lowest cost provider cannot adequately perform and warrant the work, given the foregoing factors, the procurement shall be awarded to the low-cost provider. To the extent all factors including cost are equal among several lowest cost providers, and one of those entities is held 50% or greater by a Ken-Caryl resident, the procurement shall be awarded to the resident.

There should be no deviation from these Guidelines without approval by the Board of Directors (BOD). In an emergency, the General Manager should make every effort to obtain verbal approval from a majority of Board members prior to engaging for goods or services. At the very least, the Board President, or successive positions in absence of the President, should be contacted. Exceptions to these Guidelines should be rare.

2. SCOPE OF AUTHORITY
These Guidelines shall apply to and be implemented by the General Manager. The General Manager may delegate certain purchasing authority to other employees, within the guidelines prepared by the General Manager. The General Manager must provide these employees with a copy and full explanation of the most current version of the Guidelines and the approved budget for their area of procurement. The General Manager shall obtain a written statement from the employee acknowledging the receipt of the Guidelines and budget explanation that all provisions shall be complied with (see Attachment). The procedure shall be repeated any time the Guidelines are revised.

The General Manager shall maintain a list of all employees who have been given written purchasing authority indicating an effective date, limitations, and restrictions. The General Manager shall provide the current list to the BOD at the MA annual meeting and to any Member or resident who so requests. The Treasurer reviews all expenditures, and the Board will be provided with a list of purchases made each month via the check register.

3. GENERAL

- Multi – year (maximum of five years) procurements should be used when significant cost savings are realized. A multi-year procurement must be documented by a contract or invoice showing the time period covered by the procurement. Multi-year procurement contracts must be subject to an open, competitive bid.
- Specifications must be provided to prospective vendors so that bids are comparable, except for when emergency situations exist, the bid process is necessarily dependent on the application of vendor knowledge for bid scoping recommendations, or similar circumstances where it is impractical for the specifications to be provided.
- Invoices must include full descriptions of goods or services provided or have an attachment providing this information.
- All invoices and vendor check requests must be supported by documentation justifying the expenditure. The General Manager or delegated staff must ensure that the work invoiced by the vendor has been completed prior to payment.
- The BOD must approve revisions to these Guidelines.
- The Guidelines will be reviewed and officially updated as needed.
- Monthly check registers are included in the monthly Board member packets.

4. TYPES OF PROCUREMENT

A. Procurements less than $15,000.

Bids will not be required when the total cost of the goods or services is less than $15,000 from a single vendor. However, the authorized purchaser will assure that the goods or services are being obtained at the best value for the MA and will document the rationale for determining the best value for the MA. Limited exceptions may occur such as for office supplies, provided that an internal procedure exists to assure that competitive pricing is obtained for like goods and services on a periodic basis.

B. Procurements between $15,000 and $25,000.

A minimum of two (2) written quotations is required.

A purchase at this level does not require Board approval unless the purchase is not anticipated in the budget. The authorized purchaser will assure that the goods or services are being obtained at the best value for the MA and will document the rationale for determining the best value for the MA.

C. Procurements exceeding $25,000.00.
A minimum of three (3) written quotations is required. Bid specifications will be provided consistent with paragraph 3.

The General Manager will present the bids and other written documentation to the Board, which may request additional information.

The BOD must review the documentation and approve the procurement, and other procurement policies and procedures that are required in the MA procurement policy.

D. Metropolitan District Contracted Services
Some contracts are made by the Metropolitan District (MD) and billed to the Master Association. The MD will receive a copy of the Procurement Guidelines and be requested to follow them for any purchases made on behalf of the MA. The MA General Manager will review the procurement documents prior to the MD releasing the bid package. Services to be reimbursed by the MA must follow processes developed for expenditure levels outlined in this policy.

E. Pre-approved Vendors and Contracted Services
Some goods and/or services will be provided on a single or multi-year contract basis such as payroll services, insurance, trash and the LKC publication. Some goods and/or services, because of the repetitive and continuous nature of the transactions, do not lend themselves to the solicitation of estimates upon each occurrence, yet could evade review based on the procurement limits established. Examples include electrical repairs, office supplies, manure disposal and feed purchases. For these goods and/or services, and others included in this category, the General Manager shall prepare for the BOD a list of pre-approved vendors who will provide the greatest value to the Association, which value shall be reviewed periodically, but no less frequently than on an annual basis, or the duration of the contract period for services that mandate a contract that extends beyond one year. Annually, the General Manager shall update this list, and prepare a report to the BOD detailing:

- The identity and nature of business of these pre-approved vendors
- The amount spent in the previous year with each vendor
- The proposed amount to be spent in the upcoming year
- The justification for continuing the use of each vendor
- A summary of the research the General Manager has performed to ensure that these vendors continue to provide the best value to the Association. Research can be obtained through the MA records request process by any resident.

5. EXCEPTIONAL PROCUREMENT PROCEDURES
Instances exist where typical procurement protocols may be cumbersome or counterproductive. This may include emergencies, instances where specialized knowledge of a particular subject matter is important to cost containment, where only one vendor can provide the service, or long-term relationships with MA facilities create specialized knowledge that would be expensive to replicate. These instances are uncommon, and these procedures should only be utilized where substantial justification exists.

- When there is only one vendor available to provide the goods or services required. In this case staff will present information explaining the situation to the Board for a final decision prior to making any purchase over $15,000 on an expense not included in the budget.

- When situations call for using a single vendor due to a relationship with the Association that is crucial to the provision of cost-effective provision of complex services. These “relationship vendors” will be included in the Pre-approved Vendor list.

6. PROCESS DOCUMENTATION

- The General Manager and each employee with procurement authority under this policy shall document and retain files demonstrating compliance with this procedure.

- The General Manager and each employee with procurement authority under this policy shall complete and sign Attachment 1 demonstrating compliance with this procedure.

- Failure to comply with the terms and conditions of this procedure is grounds for disciplinary action, including suspension without pay and termination.

This guidance is intended to establish board policy and guide staff and management in MA procurement practices, and it expressly creates no rights in nor is it enforceable by third parties against the MA.

KEN-CARYL RANCH
MASTER ASSOCIATION

7676 S. Continental Divide Rd.
Littleton, CO 80127

303-979-1876
info@kcranch.org
ken-carylranch.org

KEN-CARYL RANCH MASTER ASSOCIATION (KCRMA)
PROCUREMENT GUIDELINES – Attachment 1

KEN-CARYL RANCH MASTER ASSOCIATION

EMPLOYEE ACKNOWLEDGEMENT OF PROCUREMENT GUIDELINES
I, ___________________________________ have a copy of and read the Procurement Guidelines, dated July 1, 2004 and modified on September 19, 2023 along with the approved current fiscal year Budget for my procurement area. I fully understand these documents and will comply with all applicable provisions.

Annual Level of authority: $______________ (as per approved budget)
Maximum purchase authorization $_________
Employee: ____
Date ___________________
Witness: ______________________________
Date: ___________________
Nature and Description of Budget Authorization: