

RECREATION CENTERS OF SUN CITY, INC.

BOARD POLICY RESOLUTION No. 7 (“BP 7”)

BID PROCEDURES & CONTRACTS

WHEREAS Article V, Section 6.3 of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

WHEREAS the Articles and Bylaws shall take precedence over Board Policies and the definitions in the Bylaws shall apply. The following Board Policy shall provide instruction, direction and guidelines regarding Bid Procedures and Contracts and shall remain in effect until such time it is amended or removed by the Board.

NOW, THEREFORE BE IT RESOLVED the Corporation shall adhere to the following policies regarding Bid Procedures and Contracts:

Bidder Qualifications

1. Contractors pre-qualifying with RCSC shall submit for review by RCSC Management a resume containing trade specialty, years in business, five (5) largest contracts completed including final contract price, work performed, owner and Surety Company, if applicable. Contractor shall also provide copies of applicable licenses, copy of relevant surety bond(s) and certificates of insurance for all coverages.
2. All new pre-qualified contractors shall be submitted to the Bid Review and Approval Commission (“Bid Commission”) for approval.
3. Contractors that qualify with RCSC shall be notified in writing.

Requests for Proposal (“RFP”) and Bids

1. To protect RCSC from being inaccurately represented, the Building & Infrastructure Manager, engineer and/or architect shall prepare a RFP based on the project’s scope of work and cost estimate prepared by a project estimator, engineer and/or architect.
2. Contractors not pre-qualified must submit required qualification documentation with bid to be considered. Bids from contractors without qualification documentation will be considered non-conforming and will not be considered.
3. RCSC shall attempt to secure three (3) competitive bids from qualified contractors and/or vendors for each project and/or capital equipment purchase. If applicable, bids for individual trades may be requested for the project.
4. In the event three (3) competitive bids are not available or sought, a Contract Bid Waiver Form (BP7:CBW Form) shall be completed and submitted to the Bid Commission in lieu of a contractor bid analysis.
5. Contractors bidding on projects of \$300,000 or greater shall submit with the bid proposal, a bid bond equal to 5% of bid plus a letter of bond ability from the surety issuing the bid bond.

6. Surety companies issuing the bid bond, and if so required, performance bond and labor and material supply bond, shall be listed on the United States Department of Treasury list of approved sureties with an A.M. Best rating of B or higher and a Class rating of XII or higher.
7. Management may include a project contingency of up to 10% of the bid proposal amount in the bid package for approval by the Bid Commission. Project contingencies may not be used for additions to scope without the approval of the Bid Commission and all uses of project contingencies must be reported to the Bid Commission at project completion.
8. In the event there is a difference between the lowest and second lowest or subsequent bidder of 10% or more and Management selects either the second lowest bidder or a higher bid, Management must include written justification for their decision within the bid packet.
9. For projects of \$300,000 or greater, the Construction Management At Risk (CMAR) process may be utilized wherein the General Contractor is designated by RCSC Management and the Board of Directors. RCSC Management and the General Contractor will then review and assign all Sub-Contractors for the project.
10. If subsequent costs exceed the original estimate or price as stated in the bid proposal, the increased costs must be submitted on a Project Change Request form. If a Project Change Request cost increase is greater than 10% of the original bid, three (3) competitive bids must be secured. Project Change Requests requiring competitive bids or result in costs exceeding those stated in the bid proposal must be submitted to the Bid Commission for review, approval and signature.
11. Except for emergency situations, Management shall submit all bids over \$25,000 for Preservation and Improvement Fund (“PIF”) projects, Capital projects, and/or Repair & Maintenance projects to the Bid Commission for approval, signature and processing.
12. Management shall approve all bids for Capital or Repair & Maintenance projects under \$25,000 without the consent, review or approval by the Bid Commission, provided that such expenditure is within the annual budget that has been approved by the Board of Directors. Management will seek to secure three (3) competitive bids on projects of \$25,000 or less and will maintain record of such bids by project.
13. Where a specific contractor is preferred due to prior performance, specialized services or quality of work, Management may designate a preferred contractor provided a periodic review of their rates and services are/have been conducted to ensure competitive performance and industry pricing. Periodic reviews shall be completed within 18 months of the prior review with results maintained in the contractor file.

Contracts

1. Contracts greater than \$100,000 shall be on an American Institute of Architects (“AIA”) form currently in use when the contract is executed, or on an alternative form that has been approved by RCSC’s legal counsel.
2. For contracts less than \$100,000 Management shall attempt to use a standardized contract form that has been approved by RCSC’s legal counsel.
3. Contracts obligating RCSC for longer than 12 months must be signed by a Board Officer.

4. Contracts shall be awarded to the Contractor and/or Subcontractor within thirty (30) days of selection of the submitted bid by Management and the Bid Commission.

Surety Bonds

1. For contracts \$300,000 or greater, a Performance bond and Labor and Material Supply bond shall be delivered concurrently with the properly executed contract.
2. Bid bonds, Performance bonds, and Labor and Material Supply bonds, as required, shall be the AIA forms currently in use or on a form that conforms in language utilized by the AIA documents.
3. The cost of the surety bond or bonds shall be a line item in the bid submitted by the contractor or subcontractor for review by the Bid Commission.

Bid Review & Approval Commission

1. The President of the Corporation shall serve as Chair of the Bid Review & Approval Commission each year. The President in January of each year shall recommend to the Board three (3) or four (4) fellow Directors to serve with him/her on said Bid Commission for that calendar year. The Board of Directors shall approve the Directors who will serve with the President on the Bid Commission by majority vote.
2. The Bid Review & Approval Commission :
 - a. Reviews bids for Preservation and Improvement Fund (“PIF”) Projects, Capital projects and Repair & Maintenance projects with a value of \$25,000 or more.
 - b. Approves, by signing the disposition of all bids for Preservation and Improvement projects, Capital projects and Repair & Maintenance projects with a value of \$25,000 or more on behalf of the Board of Directors. In the absence of a member of the Commission, another Director may sign on their behalf.

Emergency Bid Procedures

1. Within 24 hours of the emergency, the Bid Review & Approval Commission shall be notified electronically in writing by Management of the existing emergency.
2. As soon as an estimated or firm price is established over \$25,000, a bid proposal packet is to be completed. The bid proposal must state from where the funds are to be taken. Copies of the RFP and bid proposal packet shall be approved and distributed in the usual manner.
3. Under emergency conditions where life-safety and property-preservation are at issue, Management, along with the President and/or Vice President of the Board, may authorize expenditures without soliciting three (3) bids from contractors or suppliers or submitting a bid packet for project approval.
4. Under emergency conditions where life-safety and property-preservation are at issue, Management, along with the President and/or Vice President of the Board, may review a contractor’s qualifications and approve the contractor for bidding and completion of the project.

BE IF FURTHER RESOLVED that a copy of this resolution shall be posted on the RCSC website for Members and shall be made available to Members upon request at no cost.

Adopted and signed this 28th day of March, 2019 at a duly called Board meeting by a majority (5) of the Recreation Centers of Sun City, Inc. Board of Directors.

ATTEST:

Jerry DeLano, President

Diana Graettinger, Secretary