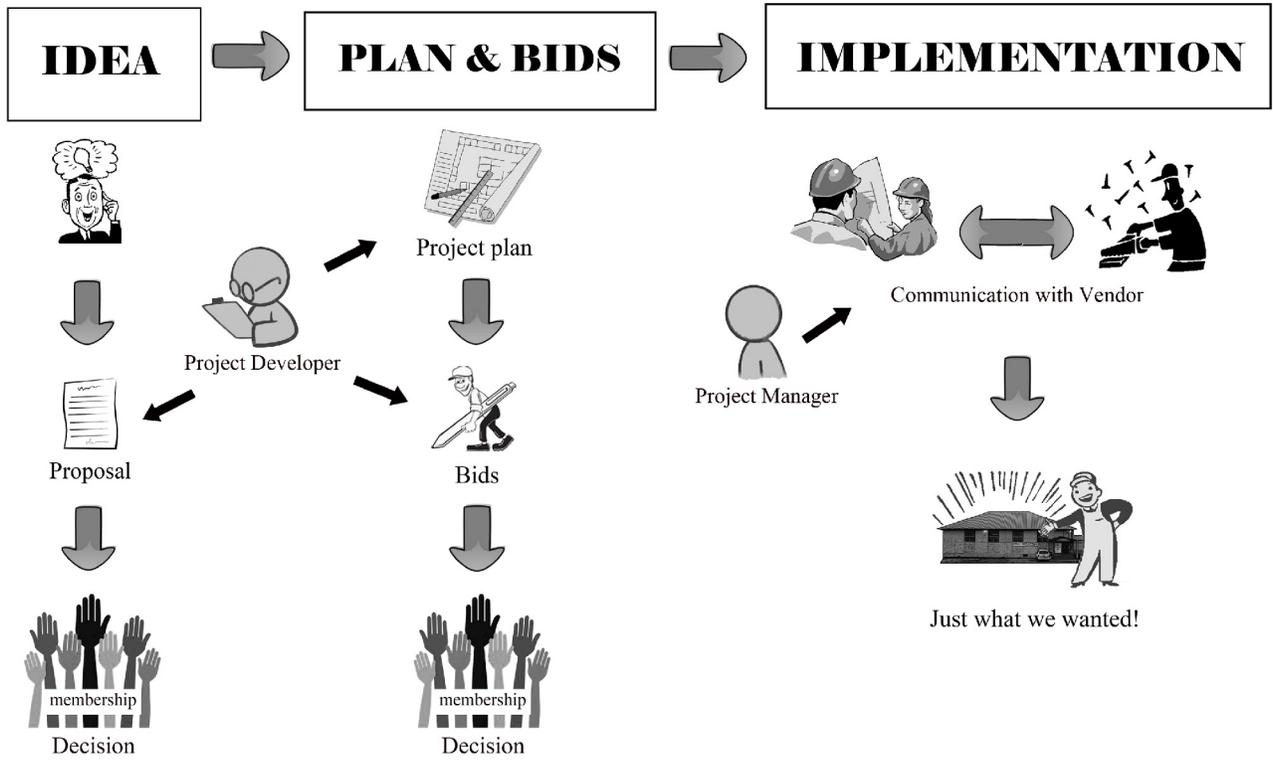


PROJECTS & MAJOR PURCHASES



## PROJECTS & MAJOR PURCHASES

### PURPOSE

The purpose of these policies and procedures is to ensure that

- all expenditures are thoroughly planned and researched;
- expenditures are chosen which spend club money prudently;
- and projects are executed in a way that creates and maintains an environment of respect and service, especially maintaining professional and productive work relationships among the Board, contractors, other vendors, club and community members.

### DEFINITIONS

**Major expenditure:** An expenditure over the limit defined by the membership, currently \$350.<sup>1</sup>

**Vendor:** A contractor, service provider, store, or other entity who may sell the club an item or service.

### POLICIES

1. Major expenditures should further the mission of the Glide Community Club.
2. The decision whether to make a major expenditure will be made only when cost is known and an evaluation has been done for prices, quality, and need.
3. At least 3 bids should be obtained from qualified vendors. Exception: If there are not 3 qualified vendors providing a commodity or service, the Board may approve obtaining fewer bids.
4. Members must approve any major expenditure before a commitment is made to a vendor.<sup>1</sup>
5. A project manager will be appointed for each construction project to be the point of contact between Club and contractor. This will be an unpaid position and may be terminated by manager or Board at any time.

### PROCEDURES

#### I. Idea Development

1. **Proposal:** Ideas for construction projects or purchases may come from the Board, the membership, or a community member. The person(s) suggesting an idea may bring a written proposal. A proposal should include: what is being proposed (rough design or specifications), purpose, benefits, detriments, cost estimate, and time frame. (See Attachment A.) If the person suggesting the idea does not bring a complete proposal, the board appoints a Project Developer (PD) to investigate and write a proposal. If possible, the PD should be knowledgeable about the type of construction or purchase. The responsibilities of the PD are described in Attachment B.
2. **Decision Whether to Pursue:** The proposal is presented at a membership meeting. Members discuss the value of the proposed idea. Attachment C shows some appropriate questions to discuss. The Chair requests a motion for pursuing the idea further, and the members vote. If the vote is no, the procedure ends here.

#### II. Plan and Bids

1. **Developer/Committee Assignment:** The Board appoints a Project Developer, if it has not already done so. For a large project, the Board may form a project committee. The Board provides the PD and committee with a clear definition of the scope of the project and target dates for the next steps.
2. **Project Plan:** The PD (and committee) develop a written, detailed project plan and present it to the board. The plan should include design (or several alternative designs), materials, time frame, and any assembly and installation issues. (See Attachment A.) The board reviews and discusses the project

---

<sup>1</sup> Minutes, membership meeting, 10/15/2009.

plan. If additional information is needed or changes are requested, the board sets new deadline dates, and the PD (and committee) go back to the beginning of step 2. If not, the board approves the project plan.

3. **Obtaining Bids:**

**For a purchase:** The PD (and committee) obtain prices and product details from at least 3 vendors.

**For a construction or installation project:** The PD (and committee) request written bids from at least 3 vendors. The same bid request is sent to all. It includes a standard cover sheet (Attachment E) and the project plan, with details about scope, materials, design, time frame, and any other requirements.

4. **Bid Review and Recommendation:** The PD (and committee) reviews and evaluates bids. Attachment D shows criteria to be considered. Then they make a recommendation to the Board for bid selection, with their reasons. If they could not find 3 qualified vendors providing a commodity or service, that information is included. The Board discusses and votes. The Board may:
- recommend one of the bids to the membership, with recommendation of funding source;
  - ask the PD (and committee) to go back to step 3 to obtain additional bids;
  - ask the PD (and committee) to go back to step 2 to revise the project plan to reduce cost;
  - recommend that the membership reject all bids and cancel the project.

5. **Membership Decision:** If the Board has voted for a recommendation (a or d above), the PD (and committee) present the Board's recommendation at a membership meeting, with the reasons. The membership discusses and votes whether to approve the expenditure.

**For a purchase:** If approved, the Board delegates an individual, preferably the PD, to make the purchase and specifies how payment will be made. For a purchase alone, the procedure ends here.

**For a construction or installation project:** If approved, the President signs the bid form,<sup>2</sup> and it is sent or given to the contractor. Go on to Part III, Project Implementation.

### III. Project Implementation

1. **Project Manager:** A Project Manager (PM) is appointed by the Board.<sup>3</sup> This may be the same person as the PD but does not have to be. The contractor is notified that the PM will be his only point of contact with the club. The responsibilities of the PM are described in Attachment B.
2. **Problems:** If a problem arises that needs an immediate decision from the Board, the President will either call a special meeting of the Board<sup>4</sup> or arrange for action without a meeting.<sup>5</sup>
3. **Change Orders:** Any changes to the project scope, plan, design, or cost are voted on by the board and documented in a written change order, signed by President<sup>2</sup> and contractor. The PM presents the change order to the contractor and discusses it with him.
4. **Inspections:** The Board should inspect large projects regularly, at times when the contractor is not present. Any questions for the contractor generated by the inspection should be conveyed to the contractor by the PM, or a meeting between the contractor and the Board can be scheduled for an in-depth discussion.
5. **Payment:** The Treasurer makes advance and final payments, if specified in the contract, or pays bills as received for approved and completed work.

---

<sup>2</sup> Bylaws, Article 5, Section 3, sentence 4.

<sup>3</sup> Bylaws, Article 7.

<sup>4</sup> Bylaws, Article 4, Section 7.

<sup>5</sup> Bylaws, Article 4, Section 11.

Attachment A: What is Included in Proposals and Plans

**Project Proposal**

- what is being proposed  
(rough design or specifications)
- purpose
- benefits (pros)
- detriments (cons)
- cost estimate
- time frame

**Project Plan**

- detailed design or specifications
- alternative design or specifications (if appropriate)
- materials
- any assembly and/or installation issues
- time frame

Attachment B: Position Descriptions

**PROJECT DEVELOPER (PD)**

**Purpose:** Develop a project from idea through approval.

**Appointed:** By the Board

**Duties:**

- a. If a Project Development committee was appointed, leads committee in fulfilling all the duties identified below.
- b. Investigates idea and writes initial proposal.
- c. Develops detailed project plan, gathering input from directors, club members, community members, and vendors as needed.
- d. Identifies potential vendors. Prepares bid requests and sends to vendors.
- e. Evaluates bids and recommends bid selection.
- f. Presents proposal and project plan to board and membership. Answers any questions from directors or members.

**PROJECT MANAGER (PM)**

**Purpose:** Provide communication between the Club and project contractor(s)

**Appointed:** By the Board, after membership approval of project

**Duties:**

- a. Serves as the only point of contact between the Club and contractor or vendor. Any communication shall go through the PM or be done in a meeting with the PM present.
- b. Communicates to the contractor any questions, concerns, problems, issues, and responses from the Board.
- c. Communicates to the Board any questions, concerns, problems, issues, and responses from contractor.
- d. Regularly visits the job site to monitor the project's status.
- e. Reports to the Board at every board meeting on the project's status.
- f. Reports to the President immediately issues such as significant cost or time overrun or a need for design modification.
- g. Arranges for and is present at inspections of the project by the Board or any directors. Arranges for and is present at meetings with the Board and contractor.
- h. Ensures that appropriate permits are obtained, and provides any needed assistance to the contractor in obtaining them.
- i. Assists contractor with minor decision making.

**Cannot:**

- a. Delegate to someone else the responsibility of communicating between the Club and the contractor.
- b. Sign contract or change orders.
- c. Negotiate changes to contract, unless specifically directed to do so by the Board.

Attachment C: Questions for Discussing Proposed Idea

**Discussion Questions: Idea for Project or Purchase**

- What is (are) the problem(s) we're trying to solve?  
Or, is there an opportunity we're trying to exploit?
- Can we think of an alternative (easier? less expensive?) approach that still solves the problem or exploits the opportunity?
- Does it benefit club and community?
- Does it further our mission?
- For a replacement of something existing: Is the new one better than the old? How is it better? How is it not better?
- How long will this purchase or construction last?
- What are the pros?
- What are the cons?
- Do we really want to do it?

Attachment D: Criteria for Reviewing Bids

**Criteria for Reviewing Bids**

- Adherence to design specifications
- Material quality
- Vendor credentials, qualifications, and references
- Cost
- Guarantee or warranty; customer support
- Delivery time, or construction start and completion dates

Where applicable:

- Painting or other finishing
- Debris removal
- Permits
- Schedule flexibility

