

ORCHARD HEIGHTS WATER ASSOCIATION POLICY

POLICY STATEMENT: #7

TITLE: CONTRACT REVIEW

DATE APPROVED: 3/17/1998

REVISED DATE(S): revised 10/18/16

This policy provides the methods and procedures for review and approval of various contractual agreements by the Orchard Heights Water Association.

1. Contractual agreements hereafter called Contracts may be entered into on either a long term, usually ongoing; or a short term, usually a one-time event. A long-term example might be a "locating contract" that provides for utility locate services. A short-term example might be an agreement entered into with a contractor to replace water main lines.
2. Short Term Contracts – One-time events
 - 2.1. Less than \$1,000.00 – Contract to be reviewed by a Board member who will give a recommendation. Approval must be by the entire Board at a regular meeting. The contract will be signed by an Officer. In an emergency requiring immediate action to protect the Association or its members, verbal or written approval can be granted by telephone or electronic correspondence by two board members pending official review and approval at the next regular board meeting.
 - 2.2. \$1,000 - \$10,000 – Contract to be reviewed by at least two Board Members, who will give a recommendation. Approval must be by the entire Board at a regular meeting. Contract must be signed by one Board Officer.
 - 2.3. Greater than \$10,000 - up – Contract to be reviewed by at least two Board Members and consideration given to obtaining legal review. Approval must be by the entire Board at a regular meeting. The contract must be signed by two Board Officers.
3. Long Term Contracts -- Ongoing lasting generally more than one year.
 - 3.1. Same guidelines apply as Short Term except the dollar amount is based on expected annual costs and consideration given to obtaining legal review at the \$1,000-10,000 range.
4. Conflict of Interest: In no case shall the reviewing Board Member(s) or the signing Officer(s) have or be perceived to have a conflict of interest with the contractor or suppliers. In the final Board approval of the contract, a board member may declare a possible conflict of interest and refrain from voting. This declaration will be so noted in the minutes.

APPROVED:

Secretary/Treasurer or President