

# Northern Colorado Rod & Gun Club (NCRGC) Procurement Policy

## Summary of Revisions

Document authored by the NCRGC Treasurer on September 2, 2018.  
Approved by the NCRGC Board of Directors on November 15, 2018.

## Scope

This policy applies to the NCRGC (Club), NCRGC Executive Board (Officers), NCRGC Board of Directors (Directors), volunteers, contractors (e.g., Member Services Coordinator, Assistant Range Master) or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

## Purpose

The policy set forth in this document establishes Club standards and guidelines for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment.

## Fiduciary Duty

The Directors act as trustees of the Club's assets and ensure that the Club is well managed and remains fiscally sound. In doing so, the Directors must exercise proper oversight of the Club's operations and maintain the legal and ethical accountability of its volunteers, contractors or agents; as follows:

- **Duty of care:** Directors are expected to actively participate in organizational planning and decision-making and to make sound and informed judgments.
- **Duty of loyalty:** Directors must put the interests of the Club before any personal or professional concerns and avoid potential conflicts of interest.
- **Duty of obedience:** Directors must ensure that the Club complies with all applicable federal, state, and local laws and regulations, and that it remains committed to its established mission.

In addition to its legal responsibilities, the Directors act in a fiduciary role by maintaining oversight of the Club's finances. Directors must evaluate financial policies, approve annual budgets and review periodic financial reports to ensure that the Club has the necessary resources to carry out its mission. These duties are necessary for the Club to remain accountable to its members and the public while complying with all federal, state, and local regulations.

## **Code of Conduct**

A Code of Conduct shall govern the performance, behavior and actions of the Club; as follows:

1. No Officer, Director, volunteer, contractor or agent of the Club shall participate in the selection, award or administration of a bid or contract if a conflict of interest is real or apparent to a reasonable person.
2. Conflicts of interest may arise when any Officer, Director, volunteer, contractor or agent of the Club has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.
3. No Officer, Director, volunteer, contractor or agent of the Club shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or authorize a purchase which violates the spirit or intent of federal, state and local procurement laws and policies established to maximize free and open competition among qualified vendors.
4. No Officer, Director, volunteer, contractor or agent of the Club shall solicit or accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value more than twenty dollars (\$20) from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.
5. As permitted by law, rule, policy or regulation, the Club shall pursue appropriate legal, administrative or disciplinary action against an Officer, Director, volunteer, contractor or agent or vendor or vendor's agent who is alleged to have committed, has been convicted of or pled no contest to a procurement related infraction. If said person has been convicted, disciplined or pled no contest to a procurement violation, said person shall be removed from any further responsibility or involvement with grants management, procurement actions or bids.

## **Solicitation and Competition**

All procurement transactions will be conducted to provide – to the maximum extent possible – free and open competition among suppliers. The Club must begin with an analysis of the need for the procurement, to avoid the purchase of unnecessary items (this may include an examination of lease versus purchase alternatives).

Exceptions include:

1. Pre-qualified suppliers who are known to have the ability to meet the needs of the Club (e.g., trash, electricity).
2. Lease payments to the landlord.
3. Procurement transactions based on the Club's affiliation with the National Rifle Association (NRA) (e.g., insurance).
4. Day-to-day range maintenance items such as paint, lumber, tools, etc. whose aggregate amount does not exceed two thousand dollars (\$2,000) a month. This amount does not carry forward and the NCRGC Range Master and NCRGC Treasurer are responsible for

overseeing these expenditures and for ensuring that the intent of this policy is not circumvented.

5. Sole source procurements based on the justification that only one known source exists or that only one single supplier can fulfill the requirements. The Directors must still be involved in these decisions (e.g., Board discussions and motions).
6. Goods and services less than five hundred dollars (\$500) (small purchase threshold) providing all procurement rules are followed and original receipts are turned in to the NCRGC Treasurer monthly. This provision is specifically designed to make it easier for the Shooting Discipline Chairs to operate. Reimbursement for expenditure may be reviewed and denied by Board vote.
7. Emergency procurements authorized by the Officers outside of normal monthly Board meetings that serve to protect the Club and its members from additional damage or liability (e.g., safety issues, natural disasters). These decisions must be ratified at the next Board meeting.

The Club must then identify and clearly specify standards for the goods or services desired and seek competitive offers to obtain the best possible quality at the best possible price. In general:

1. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of vendor/supplier price quotations relative to market prices, together with any available discounts, coupons or rebates.
2. Quotes must be sought for goods and services exceeding five hundred dollars (\$500) (small purchase threshold) and Officer consultation and approval must be obtained.
  - a. Attempt to obtain at least three (3) written quotes and send them to the NCRGC Secretary for inclusion in the Board packet.
  - b. Add the procurement topic to the agenda and discuss it in an open Board meeting.
  - c. Obtain a Not-To-Exceed (NTE) Board motion before proceeding with the procurement or obligating the Club.
3. For procurements that exceed the small purchase threshold, competitive bids will be utilized and requests for these quotes will be written in a way that does not restrict competition. At a minimum, all Request for Quotes (RFQs) must include a clear and accurate description of the technical requirements for the material, the product or service to be procured; all requirements which offerors must fulfill; and all other factors to be used in evaluating bids or proposals.
4. Procurement files must include the following:
  - a. Basis for contractor selection.
  - b. Justification for lack of competition when competitive bids or offers were not obtained.
  - c. Basis of award cost or price.

## **Selection**

Price should be one of the factors in the evaluation of responses, but the Club is not required to take the lowest price if other factors are important to the decision.

- There should be an objective method for selection, and any factors for evaluation and selection should be listed in the procurement documents.
- Awards shall be made to the vendor/supplier whose quote is responsive to the solicitation and is most advantageous to the Club (price, quality and other factors considered).
- A quote may be rejected when it is in the Club's interest to do so.

## **Documentation**

At a minimum, procurement records must clearly show how the Club:

- Executed price sampling for small purchases;
- Selected the method of procurement and the type of contract to be used;
- Determined which bids or proposals to accept and which to reject; and
- Determined the basis for the contract cost or price.

## **Contract Administration**

The Club has an overall system of contract administration to ensure proper oversight and management of procurement actions. The system includes a combination of internal controls (NCRGC Treasurer and NCRGC Board of Directors) and external controls (contract accountant and auditor).

The Club is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, interim products, inspection of goods delivered, and other such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract. The Club's contract administration system must ensure that:

- The method of procurement is documented, and records related to the procurement are maintained for five years after final payment is made;
- All activities and costs incurred are in compliance with applicable requirements; and
- Before payment is made, services performed are adequate and consistent with the contract scope of services.

## **Expense Reimbursement Request**

The Club has a system in place to reimburse Directors for procurements. Directors must:

- Complete the NCRGC Expense Reimbursement Request form, attach original receipt(s) to the form and submit it monthly to the NCRGC Treasurer.
- Keep Club purchases separate from personal expenses. Pay for Club items separately. If the receipt(s) includes non-reimbursable personal purchases, clearly mark the Club expenses and redact any personal account numbers to protect your privacy.
- Never sign a check to themselves or use petty cash for reimbursements. Instead, have a third party (e.g., NCRGC Treasurer, NCRGC President) authenticate and approve the expenditure, sign the reimbursement check, etc.

- Never sign blank checks.
- Submit expenses for during the current fiscal year only.

### **Mileage Reimbursement Request**

Directors may be reimbursed for business miles driven on behalf of the Club providing they complete the NCRGC Mileage Reimbursement form; indicate the date, miles and purpose of each trip and submit the form monthly to the NCRGC Treasurer.

### **Conflict**

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