



SPECIAL OPEN MEETING

SPECIAL MEETING OF THE THIRD LAGUNA HILLS MUTUAL FINANCE COMMITTEE*

Friday, September 6, 2024 – 10:30 a.m.
Immediately Following Third Agenda Prep Meeting
24351 El Toro Road, Laguna Woods, CA 92637
Board Room and Virtual with Zoom

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:

1. Join the committee meeting via Zoom by clicking this link:
<https://us06web.zoom.us/j/81161366511> or by calling 1-669-900-6833,
Webinar ID: 81161366511.
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.

NOTICE OF MEETING AND AGENDA

This Meeting May Be Recorded

1. Call Meeting to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for August 6, 2024
5. Remarks of the Chair
6. Member Comments (Items Not on the Agenda)
7. Response to Members Comments
8. Items for Discussion and Consideration
 - a. Purchasing Policy
 - b. Prior to Paint Discussion (Oral)
9. Future Agenda Items
 - None
10. Committee Member Comments
11. Date of Next Meeting – Tuesday, October 1, 2024 at 1:30 p.m.
12. Adjournment

*A quorum of the Third Board or more may also be present at the meeting.

David Veeneman, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201

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FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, August 6, 2024 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: David Veeneman- Chair, Moon Yun, S. K. Park, Brad Rinehart, Reza Karimi (Alternate)
DIRECTORS ABSENT: None.
ADVISORS PRESENT: None.
STAFF PRESENT: Steve Hormuth, Jose Campos, Blake Lefante, Ada Sigler, Karina Vargas
OTHERS PRESENT: Third: James Cook

Call Meeting to Order

Director David Veeneman, Treasurer, chaired and called the meeting to order at 1:30 p.m.

Approval of the Agenda

Director Park made a motion to approve the Agenda as presented, Director Karimi seconded, hearing no objections the motion passed.

Approval of Meeting Report for June 4, 2024

Director Karimi made a motion to approve the updated meeting report correcting the scrivener error. Director Rinehart seconded, and the report was approved by consent.

Director Yun joined the meeting at 1:34 pm

Remarks of the Chair

Director Veeneman expressed gratitude to the committee and staff, noting that while our financials are stable, some concerns will require some attention as we approach the end of the year and into 2025.

Member Comments (Items Not on the Agenda)

A member expressed his concerns over rising legal expenses, damage restoration charges to members and inadequate planning for tax liabilities on earned income.

Response to Member Comments

None.

Department Head Update

Steve Hormuth, Director of Financial Services, presented a staff report providing an update on the Third Mutual's damage restoration backlog detailing that they are currently \$700k below budget due to accruals, however staff is hopeful that investment income will offset the shortfall. Staff also provided an update on Third's in progress 2025 Budget, informing members of the upcoming board review scheduled for August 19 leading to its adoption in September. Steve Hormuth ended his update by highlighting Thirds \$800k saving from joining property insurance with United.

Preliminary Financial Statements dated June 30, 2024

Jose Campos, Assistant Director of Financial Services, presented the Preliminary Financial Statements dated June 30, 2024. Questions and comments were noted by staff.

2023 Operating Surplus Transfer

Steve Hormuth, Director of Financial Services, presented a staff report recommending the board to approve a \$531,282 transfer from the Operating Fund to the Unappropriated Expenditures Fund due to the Operating Surplus in 2023. Director David Veeneman made a motion to approve the recommendation. Director Reza Karimi Seconded.

The motion passed by a 3-0-1 vote and one abstention (Director Moon Yun abstained). The recommendation will be presented at the next Board meeting.

Future Agenda Items

- Purchasing Policy- Special Open Meeting
- Damage Restoration Backlog

Committee Member Comments

Director Veeneman requests staff add a new section to the Committee Meetings Report/Agenda and titled "Action Items", all request that are suggested by committee members to be detailed under this action list along with the staff department or staff person, if possible responsible for the deliverable and a target date for when the item will be delivered by.

Action Items

- Damage Restoration backlog listing to be provided by VMS Finance at the next regularly scheduled committee meeting (requested by member Stuart Hack).
- Update on taxable offsets to interest rate gains to be provided by VMS Finance at next regularly scheduled committee meeting (requested by Director Park).

Third Laguna Hills Mutual
Finance Committee
Regular Open Session
August 6, 2024
Page 3 of 3

Date of Next Meeting

Tuesday, October 1, 2024 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 3:11 p.m.

DRAFT

David Veeneman, Chair

David Veeneman, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201

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PURCHASING POLICY

1. PURPOSE

To establish guidelines and rules to procure a service, project or product/equipment for capital and operating requirements. The Purchasing Policy will outline the approval process for purchases of certain expenditures that require Corporation approval. The VMS Purchasing Division's goal is to obtain the product or service that best meets the needs of the corporation at the best possible value and interest of Laguna Woods Village.

2. CODE OF CONDUCT

Corporation or VMS shall not participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when Corporation or VMS, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. VMS shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. VMS shall never intentionally be involved in bid splitting to break down proposals to evade or circumvent the requirements for signature authorization levels. Members of the Corporation shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. The Corporation shall be subject to disciplinary actions for violations of these standards as identified by the Corporation.

3. FUNDS

Funding for all procurement activities is approved by the Corporation through the capital plan, a supplemental appropriation or the operating budgets of each VMS Division, prior to procurement of goods or services.

4. COMPETITIVE BIDDING PROCESS

The VMS Purchasing Division carries out a bidding process whether the request is for a service, project or product/equipment. The following steps are taken:

- a. A Purchase Requisition (PR) and a detailed Scope of Work (SOW) are submitted by the requesting VMS Division. The VMS Purchasing Division reviews the SOW and if it requires more detail, it is returned to the requesting VMS Division with questions and comments
- b. The VMS Purchasing Division will incorporate the final SOW into a request for quote (RFQ) for a product, professional services or construction services, together with brief information about the Laguna Woods Village, insurance requirements, a pre-bid meeting date and the deadline for submitting proposals/bids. The RFQ is sent to a minimum of three (3) qualified vendors/contractors or may be widely advertised to obtain bids. Vendors shall be qualified by a process which will include researching the company for history, size, licensing, and references.

- c. When the proposal/bids are received, VMS will evaluate them to ensure that each bidder meets the SOW and will recommend to the Corporations Committee the best qualified and competitive proposal/bid. If a proposal is submitted late, the VMS Purchasing & Supply Manager along with the requesting VMS Division will determine if the proposal should be accepted in the best interest of the Corporation, and this shall be put in writing.

Exceptions to carrying out the bidding process are when:

- ~~Single Source (Form)~~

~~A Single Source procurement is one in which two or more vendors can supply the commodity, technology or perform the services required, but staff recommends one vendor over the others for reasons such as expertise or previous experience with similar contracts.~~

~~Upon receipt of a justification which includes price justification to use a single source, Purchasing shall confirm, through a review of the material and appropriate market research, if a single source contract is appropriate. This form shall be signed by the VMS Department Director, the CEO, and the VMS Purchasing & Supply Manager.~~

[I suggest removing this exception. If more than one vendor can supply the technology, why not get bids versus relying on VMS' "recommendation" to use a specific vendor?]

- Sole Source (Form)

A Sole Source procurement is one in which only one vendor can supply the product, commodities, technology or perform the services required by an agency.

Upon receipt of a justification to use a sole source, Purchasing shall confirm, through a review of the material and appropriate market research, if a sole source contract is appropriate. This form shall be signed by the VMS Department Director, the CEO, and the VMS Purchasing & Supply Manager.

[I suggest requiring Committee approval where there is an appropriate Committee for the product, commodities, technology, or service being procured, otherwise Board approval (I feel it it should be a simple matter to bring the situation to the Committee or Board and have them confirm after the appropriate discussion.)]

- The cost of an item, service or project does not exceed the Minor Project Limit amount listed in the Appendix, unless required by the VMS Purchasing & Supply Manager.
- A current material trade agreement or annual service contract is expiring using a proven vendor/contractor and their pricing will not increase and their products will not substantially change. In this case a new contract shall be drafted that addresses the new effective dates. ~~This exception assumes that this proven vendor/contractors was selected via the competitive bid process within the past two years.~~
- Blanket purchase orders: (PO indicates a not-to-exceed amount that does not specify product, quantity or delivery date. Standard Terms and Conditions apply.) Purchase orders that supply products on an as needed or emergency schedule. Blanket orders

shall be established with vendors that allow a 30-day payment schedule. The approval amounts are per the Appendix. **Exceptions for blanket purchase orders are only applicable if the POs are for supplies only.**

- Emergency repairs: (1) involving manifest danger to life or property, (2) immediately necessary for the preservation and safety of the physical assets of the Village (3) for the safety of the members and residents or (4) as may be required to avoid the suspension of any necessary services to the residents, may be made irrespective of whether included in the Budget. Notwithstanding the foregoing authority, if at all possible, VMS shall confer immediately with the applicable Corporation and attempt to gain prior written approval regarding every such **unbudgeted [this process should be followed regardless of whether or not the expenditure is budgeted]** expenditure and suspension of service and in any event shall provide a written report regarding the same within forty-eight (48) hours of such emergency expenditures. The responsible VMS Division with the input from the VMS Purchasing & Supply Manager shall negotiate a price with vendor and that price shall be agreed to in advance of purchases, in writing signed by both parties, in order to have an order of magnitude understanding of the cost associated with that purchase. After damage control is finalized, and further work needed to address the repair that is beyond damage control shall be worked via a bid process or a Single/Sole source justification with the appropriate approval signatures.
- Change Order to an existing contract, shall be made per the Corporations-adopted Contract Change Order Policy attached hereto and made a part hereof.

5. AWARD PROCESS

- a. After proposal/bids are received for One-Time Large and Annual Program Projects, they shall be opened, and analyzed by VMS, a detailed Contract Award report will be prepared for the appropriate Corporation and Committee as outlined in the Corporations Contracts Responsibility Matrix. The Contract Award report will be prepared by the VMS Division overseeing the services to be contracted for, and shall include a comparison spreadsheet listing all the proposals/bidders; a description of the services to be contracted for; and VMS's recommendations.
- b. After proposal/bids are received for Annual Maintenance and Small Projects, they shall be opened, and analyzed by VMS, a detailed Contract Award report will be prepared for the appropriate VMS Division review and recommendation for award.
- c. Third party agreements for goods and services shall be for a term for three years, unless the contract is terminable by any party at the end of any one year period or unless such a contact has been authorized by the board.

6. CONTRACTS

Following the competitive bidding process, the parties enter into an agreement or Contract. The process and documents differ between product and services:

- a. Trade Agreements

- Supply item:

VMS Purchasing Division uses the Purchase Requisition (PR) to create a Purchase Order (PO) and then forwards it to the vendor. A detailed description, quantity and unit price for each product being ordered is required.

- Stock item:

A Trade Agreement is written and after execution the VMS Warehouse Division creates purchase requisitions when the stock items are required. The requisitions are approved by the VMS Warehouse Supervisor and the items ordered by the VMS Purchasing Division.

- b. Annual service:

An annual contract is written for the service and when executed a Purchase Order from the requisition is generated to enable payment through the accounting system. The Purchase Orders shall not exceed the total amount listed in the approved annual contract. Annual contracts are not-to-exceed contract amounts and do not require a requisition to establish a contract with the vendor.

Annual contracts may be for one or up to three years in duration, and unit prices must be competitively verified at least every three years. A detailed description, quantity and unit price for each product or service being ordered is required with the Annual Terms and Conditions and other applicable exhibits made a part of.

- An **Annual Program Contract** is a contract between the Corporation and a vendor for one or more years to provide services on an on-going basis that is for a program that VMS has received direction to accomplish from the Corporations. Program contracts can exist for Architects, Engineers, Sidewalks, Roofing, Plumbing programs such as waste lines; water lines; water heaters, etc.. This type of contract requires Committee and Board review. The completed contract is sent to the contractor and then to the Corporation for signature by two officers.
- An **Annual Maintenance Contract** is a contract between the Corporation and a vendor for one or more years to provide services on an on-going, on-call, urgent or emergency basis that is for the maintenance of the facilities within Laguna Woods Village. Maintenance contracts can exist for Architects, Engineers, Title Search, Concrete, Asphalt, Locksmith, Towing, Hotels, Catering, Portable Toilets, Trash Bins, Vehicle Repairs, Pest Contractor, Pool Maintenance, Landscaping, Information Technologies and building repairs, etc. This type of contract does not require Committee or Board review. Staff never spends more than budget amounts. The completed contract is sent to the contractor and then to the Corporation for signature by two officers.

Common parts of an annual contract span across all needs. A program or maintenance contract shall show the expectations, requirements and hourly/unit prices for the duration of that contract as defined by the dates shown in the contract. A Purchase Order (Work Order) will be generated by the Work Center that will direct the vendors to proceed with the work under Annual Contracts. The PO/Work Order shall reference the scope of work, the annual contract, the unit prices or the bidding for the intended work. The PO amount shall not exceed the total amount listed in the approved annual contract. If the cumulative amount of the contract is exceeded **within the timeframe of the contract**, a change order is required to be approved by the Corporation.

- c. Equipment: Equipment for new, repair or replacement is processed in the ERP system except when installation is required. Installation by a vendor who performs work on Laguna Woods Village property must meet the Insurance requirement and therefore requires a contract for the work with the Standard Terms and Conditions and other applicable exhibits made a part of.
- d. A One-Time Contract is based on a specific project that is as directed by the responsible Corporation. Processed from the Scope of Work to the Request for Quote, to the award and finally to the contract. The one-time contracts cover all items requiring installation where the vendor is required to come on Village property to perform the work. Standard Terms and Conditions apply and other applicable exhibits made a part thereof. Signature limits are applicable as defined in the Purchasing Policy Appendix.
- e. Projects
 - Minor project:

The VMS Purchasing Division obtains, from the requesting VMS Division, approval of the contractor and its value. The VMS Purchasing & Supply Manager then adds conditions to the purchase requisition, then approves the Purchase Requisition and the VMS Purchasing Division generates a Purchase Order after all requirements are met. The final PO is forwarded to the contractor. Amount is defined in the Purchasing Policy Appendix.
 - Small Project:

The VMS Purchasing Division obtains approval of the contractor and value from the requesting VMS Division in writing and a contract is written for the work. The contract SOW is copied from the RFQ with any changes that occurred during the proposal/bidding process. The completed contract is signed by the contractor then by the VMS CEO, or the designated VMS Department Director, or the VMS Purchasing & Supply Manager. Amount is defined in the Purchasing Policy Appendix.
 - Large Project:

The VMS Purchasing Division obtains approval of the contractor and value from the applicable Corporation Committee and Board via the requesting VMS Division and a contract is written for the work. The contract SOW is copied from the RFQ

with any changes that occurred during the proposal/bidding process. The completed contract is signed by the contractor then by two Officers of the applicable Corporation. Amount is defined in the Purchasing Policy Appendix.

- Very Large and Special Projects

The VMS Purchasing Division obtains approval of the contractor and value from the applicable Corporations via the requesting VMS Division and a contract is written for the work. The contract SOW is copied from the RFQ with any changes that occurred during the proposal/ bidding process. The completed contract is signed by the contractor and then by two Officers of the applicable Corporation. Amount is defined in the Purchasing Policy Appendix.

Any GRF purchases per the Trust Agreement for Very Large Projects require Corporate Member approval. The completed contract is signed by the contractor then by two GRF Officers.

- f. Leasing;

A GRF Leasing Agreement for property is for one year per the Trust Agreement and forwarded to GRF for signature by two officers.

Other Leasing Agreements may be made for more than one year and will be forwarded to the Corporation for signature. Examples are Copier Equipment, Golf Carts and other agreements that the leasing Vendor requires to be executed on their forms. Leases shall be signed by the applicable Corporation President.

- g. The VMS Purchasing Division will assist the requesting VMS Division to cancel a contract or produce written warnings to a contractor.

- h. Legal Review. Non-standard contracts will be forwarded by the VMS Purchasing & Supply Manager to Corporation legal counsel for their legal review and advice. Legal review is required for specialty contracts related to the streaming industry to ensure compliance with industry practices and applicable law. Results to be forwarded by the VMS Purchasing & Supply Manager to the Corporation President for disposition.

Legal Review Checklist: Verify the following as a minimum;

- i. Parties: Legal names and addresses
- ii. Purpose of Scope: Covers all aspects of the work to be performed
- iii. Definitions: Ensure consistency and clarity
- iv. Terms and Conditions: Evaluate the specific terms and conditions of the contract including payment terms, delivery schedules, performance obligations, and any specific provisions related to termination, renewal, or amendment.
- v. Consideration: Confirm each party is providing something of value in exchange for the obligations outlined in the agreement.
- vi. Legal compliance: Complies with all relevant laws
- vii. Representations and Warranties
- viii. Indemnification and Liability
- ix. Confidentiality and Non-disclosure

- x. Intellectual Properties
 - xi. Dispute Resolutions
 - xii. Governing Law and Jurisdiction
 - xiii. Force Majeure
 - i. Standard Terms and Conditions included in the contracts have been approved by legal counsel and are identified as follows;
 - i. Standard Terms and Conditions
 - ii. Annual Contract Terms and Conditions
 - iii. Consultant Contract Terms and Conditions
 - j. Industry specific television programming contracts are exceptions to this Purchasing Policy, however, specialty contracts written to facilitate the operations and relationships within the streaming industry are not exempt from this policy.
 - k. Standard or Capital purchases are submitted to the Corporation for approval per the attached Appendix.
7. Certain purchases made by VMS are appropriate for DIRECT PAYMENT and may be excluded from competitive sourcing, requisition and purchase order requirements. Appropriations needed for these services have already been allocated through the annual budgeting process. These include the following:
- Casualty and Property Insurance (approved by Corporation)
 - Community Sponsored Functions (entertainers, caterers)
 - Debt Service Payments
 - Employee Benefits/Contracts with Third Parties for Payroll Deductions i.e. Life, Health and Dental Insurance, 401K contributions, Pension payments, EAP
 - Investments (approved by Corporation)
 - Legal Fees (approved by Corporation)
 - Memberships, Dues, Subscriptions, Publications
 - Permits
 - Postage
 - Recording Fees
 - Recreation Services (instructors, entertainers, caterers)
 - Retirement Plan Contributions
 - Section 457 (Deferred Compensation) Contributions
 - Services Procured with non-Corporation Funds (Developer Deposits, etc.)
 - Staff Support
 - Tax Withholding Payments
 - Training, Seminars and Travel Expenses
 - Unemployment Compensation
 - Utilities
 - Vehicle Licensing

8. CHANGE ORDERS TO CONTRACTS

Per the Corporations-adopted Change Order Policy. Attached hereto and made a part hereof.

9. VEHICLE PURCHASES

The Mobility & Vehicles Committee will approve the specifications annually for all vehicles intended for purchase throughout the year. Upon approval, the VMS Transportation Division will submit requisitions for the Vehicle purchases in the ERP system. Upon electronic approval, vehicles may be purchased by way of a cooperative purchasing program that manages the specification requirements and offers VMS easy access to an established network which offers competitive rates and faster procurement or other more competitive resources. The VMS Transportation Division Director will keep the Mobility & Vehicles Committee updated on fleet status.

10. GLOSSARY

Definitions of words used in this Policy

Contractor: This references entities with contracts that include labor and materials to be provided to the Corporation

Corporation: Includes one or more of the managing entities for Laguna Woods Village;

- The Golden Rain Foundation of Laguna Woods, Inc. as acting Trustee of the Golden Rain Foundation Trust, established March 2, 1964 as amended
- Third Laguna Hills Mutual
- United Laguna Woods Mutual

ERP: Enterprise Resource Planning

GRF: Golden Rain Foundation

Non-standard Terms and Conditions: Any contract that contains terms and conditions which are not included under the Corporations standard form contracts

PR: Purchasing Request

PO: Purchase Order

RFQ: Request for Quote

SOW: Scope of Work

Vendor: Any entity with a vendor number in the ERP. Includes, but not limited to, material suppliers, contractors, delivery companies, engineers and professional services, service companies.

VMS: Village Management Services, Inc., an Agent of the Corporation

Work Order: Authorization to proceed with work in the Village.

PURCHASING POLICY APPENDIX

Minor Project.....	Under \$10,000
Small Project	\$10,000-\$35,000
Large Project	\$35,000-\$500,000
Very Large and Special Projects	Over \$500,000
Standard or Capital Purchases GRF Board	Over \$35,000
Blanket PO Authority.....	Up to \$10,000 annually
Blanket PO Authority VMS Director	Over \$10,000 but not to exceed \$XX annually [I suggest the Finance Committee determine the "not to exceed" amount]

Third Laguna Hills Mutual

Proposed Edits To Purchasing Policy & Staff Response

As presented at June 18, 2024 Board Meeting

Attachment 2

Third Proposed Edits	Staff Response
<i>Page 2 of 10 – Exemptions to competitive bidding</i>	
1) Eliminate the Single Source exemption for competitive bidding	1) The Single Source exemption is used when a vendor, that has preformed satisfactorily, is capable of performing the service or supplying materials at a rate consistent with market prices as researched / confirmed by the VMS Purchasing Team. While contracts are already reviewed and approved by two board members, an alternative to eliminating the exemption is to bring the Single Source exemption request to the full board. Since 2021, the exemption has been used 24 times community wide, of which 3 of the vendors are used by Third.
2) Change the Sole Source exception by requiring committee or board approval in cases where only one vendor is capable of supplying the product, commodity, technology or service	2) There is no objection from staff to bring the Sole Source exemption request to the committee or board as the exemption is seldom used (three times since 2021).
3) Require competitive bidding on contracts where the vendor of an expiring contract has agreed to not increase pricing if the prior contract was not competitively bid in the last two years	3) Requiring a contract to be competitively bid despite a vendor's agreement to not increase pricing puts the corporation at risk for paying a higher rate for the same service if the lowest qualified vendor's bid comes in higher.
<i>Page 3 of 10 – Exemptions to competitive bidding (continued)</i>	
4) Add clarification that exemptions for blanket purchase orders used for supply purchases are only applicable to purchases of supplies	4) The existing policy states the blanket purchase order exemption is for supplies. Adding a clarification to limit the exemption to supplies adds words unnecessarily.

Third Laguna Hills Mutual

Proposed Edits To Purchasing Policy & Staff Response

As presented at June 18, 2024 Board Meeting

Attachment 2

Third Proposed Edits	Staff Response
5) Change the requirement from notifying the board of unbudgeted emergency repairs within 48 hours to notifying the board of all emergency repairs within 48 hours whether or not budgeted	5) While written reports are provided to the board for unbudgeted emergency work within 48 hours of occurrence, requiring the same written reports for all emergency work (budgeted and unbudgeted) will cause additional staff time. Currently unbudgeted emergency events occur less than 12 times per year. Budgeted emergency repairs occur 50+ times per day. Communicating these budgeted emergency events and writing reports would require an increase in headcount of 3+ people.
<i>Page 5 of 10 – Annual Maintenance Contracts</i>	
6) In instances where anticipated work will exceed the annual contracted amount and a change order is required, a clarification be added to state the amount will exceed the contract “within the timeframe of the contract”	6) There is no objection from staff to adding a reference to the term of the contract.
<i>Page 10 of 10 – Authority Limits (Purchasing Policy Appendix)</i>	
7) Clarification to be added for Blanket Purchase Orders (supply purchases) up to \$10,000 approved by VMS Supervisors and Managers, limiting the \$10,000 to a 12-month term	7) There is no objection from staff to limiting the purchasing authority for supplies of up to \$10,000 for VMS Supervisors and Managers to a 12-month term.
8) Establishing an authority limit for VMS Department Heads creating purchase orders for supplies with limit to be determined by the Finance Committee	8) The current policy limits VMS Department Heads purchase of supplies to not exceed the amount approved in the annual business plan (budget). Establishing a limit to be set by the Finance Committee or board may result in repeated requests from staff despite not exceeding the budget and would adversely affect operations.