

## RESOLUTION 17 – 01

### RESOLUTION FOR SETTING A UNIFORM POLICY REGARDING CONTRACTING & PURCHASING

**WHEREAS**, it is the desire of the Board to set a uniform policy regarding all contracting and purchasing and in accordance with paragraph 3.18 of the Bylaws of Sun City Mesquite Homeowners' Association & Anthem Mesquite Master Association, now therefore be it


**RESOLVED**, that the following procedures shall be followed concerning all such purchases and contracts:

1. That the Board delegates its authority to the General Manager for Contracts or Purchases up to \$5,000.00. The General Manager and staff will contact existing vendors of the association for repair or service. All vendors that provide similar services to the Association will be asked for their input and price. The General Manager will review the results, present his review to the finance committee and then, with the written consent of the finance committee, decide as to what company to hire. Clear and precise reasons shall be given for not taking the contractor or vendor with the lowest price. Where appropriate, the General Manager shall inform the Board which company that was hired, the price and the reasons why that contractor was selected over the other contractors. Board decision is not necessary. The General Manager has the authority to sign these contracts on behalf of the association after obtaining finance committee written consent. This requirement does not apply to routine day to day operational expenditures such as paper; file folders, shredding, pool chemicals, etc., which do not exceed \$1,500 per month on a recurring basis.
2. That the Board delegates its authority to the General Manager for items that are considered an emergency affecting the health, welfare of residents or the safety of the facilities that may exceed \$5,000.00. The General Manager may authorize such expenditure by notifying any member of the Board and obtaining written permission signed by two Board members. The General manager may take the emergency action without prior finance committee approval but shall seek such finance committee written consent of this emergency action at the next finance committee meeting. A Board meeting will not be necessary to approve the purchase of the above type items. Where appropriate, the General Manager shall inform the Board as to the company or supplier that was selected, the price and the reasons why the contractor or supplier was selected over others.
3. That all other contracts and purchases bids, hereinafter Normal contracts, shall be required to be submitted in sealed envelopes which shall be opened, read aloud or summarized at a duly notified Board meeting. Subsequent to the bid opening, the General Manager shall review the results of the bids or contracts, submit a recommendation to the finance committee of which bid should be accepted, and obtain finance committee written approval of his recommendation. No contract or purchase in these Normal Contracts instances, may be awarded pursuant to any such bid or quote except by a vote of the Board during an open session of a duly authorized Board meeting
4. That prior to soliciting bids for Normal contracts the General Manager shall provide the proposed solicitation to the Board at a regular meeting and have it placed on the agenda. For each proposed bid contract or bid purchase the General Manager shall indicate whether the item is a reserve item, capital expenditure item or current operating expense item along with an estimated cost and the amount of funds that have been budgeted for the item and

whether the funds will come from reserves, the operating budget or from some other fund. At the meeting the Board will vote to authorize, deny or take other action deemed appropriate regarding the proposed solicitation.

5. That the General Manager or staff shall contact at least three companies when feasible that will provide contracting services for work performed at the Association's facilities or three suppliers that will provide desired equipment or other items that will be purchased by the Association but not installed by the vendor.
6. That all parties for which the Association contacts to solicit bids shall be instructed to include all costs including but not limited to sales tax in their bids or quotes. All potential parties that wish to bid shall be instructed to submit their bids in a sealed envelope.
7. That it is the desire of the Board to receive bids or quotes from as many reputable contractors or vendors as possible. Every effort shall be made to have at least three responsible bidders submit a price for the proposed contract or purchase. For solicitations, other than emergency solicitations as defined above, requiring work at the Association's facilities in addition to contacting at least three companies the General Manager or staff shall also provide a copy of the solicitation to companies that advertise upcoming bids to contractors and vendors, such as "Construction Note Book".
8. The Association shall have the right to reject any and all bids. No contract shall be awarded pursuant to any bid except by a vote of the Board during an open session of a duly noticed Board Meeting except for the \$5,000.00 or less purchases or contract described in paragraph 1 above or emergency items as outlined in paragraph 2 above. Should the Board decide to award a contract, it shall be awarded to the lowest responsible bidder, unless a valid reason can be shown why a higher bid will be more beneficial to the Association.
9. All Normal contracts shall be signed by two Board Members.

Adopted and signed this 25<sup>th</sup> day of JULY, 2017 at a duly constituted meeting of the Board of Directors of Sun City Mesquite Homeowners' Association & Anthem Mesquite Master Association.

  
John Schippert, President

  
Donna Eads, Secretary