

River Valley Ranch Master Association

Purchasing and Contract Policy

I. Purchasing and Contract Policies

Pursuant to the provisions of Section 9.9 of the Amended and Restated Declaration of Protective Covenants for River Valley Ranch, the Board of Directors of the River Valley Ranch Master Association (RVRMA) is authorized to adopt rules and regulations, policies and procedures. Pursuant thereto, the Board hereby adopts this Purchasing and Contract Policy, and authorizes and directs the Executive Director or designee to implement such policy. In the event any conflict between these Purchasing and Contract Policies and the Amended and Restated Declaration of Protective Covenants, the Covenants shall control.

II. Competitive Purchasing

Before the RVRMA makes any purchase or executes any contract, and subject to the provisions hereinafter set forth, there shall be ample opportunity for competitive proposals or bids.

III. Purchasing/Contracts

- a. Any purchase that is within the approved budget and the purchase or contract amount does not exceed \$7500.00 does not require further RVRMA Board approval but shall be subject to the below Bid Requirements.
- b. Any purchase or contract that is not within the approved budget or, if provided for in the budget but the expenditure will be over the budgeted amount, requires prior Board approval and, if approved, will be subject to the below Bid Requirements.
- c. Any purchase of \$2500.00 or less may be approved by the Executive Director or the Executive Board President without the use of specifications or competitive bids.
- d. Any purchase between of \$2500.01 and \$7500.00 must have the approval of the Executive Board President and may be made without the use of specifications or competitive bids.
- e. Any purchase between \$7500.01 and \$30,000.00 must be based on at least three (3) bids by vendors deemed qualified by the Board of Directors and must be approved by the Board of Directors.
- f. Any purchase of \$30,000.01 and over requires a formal Request for Proposals (RFP) procedure. The following rules will apply:
 - i. At least three (3) vendors, deemed qualified by the Board of Directors, must be selected to receive the RFP.

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- ii. If construction is involved the RFP must; include specifications which define the scope of the project, establish the start and completion dates, establish procedures for approval of extras, define the terms of payment, establish insurance, bonding, or other requirements that protect the Association from construction defects, set out final inspection and acceptance procedures, and names the person who will be the Association contact for the contractor.
- iii. The bids shall be sealed bids and will be opened at a duly called meeting of the Board of Directors.
- iv. The Board must approve the winning bid.
- v. A contract must be signed with the winning bidder unless the Board of Directors agrees that the RFP response represents a contractual relationship.

IV. Reserve Spending

Since Reserve Spending is not contained in the Operating Budget, Section III (b) shall apply except for any purchase or contract in the amount of \$2500.00 or less which is consistent with the most recent Reserve Study may be approved by the Executive Director or the Executive Board President without obtaining competitive bids.

V. Spending in Excess of Budget Limits

Each line item of the budget is to be managed within the yearly amount approved by the Board. The Executive Director may, if the overall budget allows, exceed this amount by no more than \$2500.00 cumulatively, and must report any such expenditure to the Board. Any expenditure in excess of \$2500.00 must first be approved by the Board.

VI. Emergency Procedures

Notwithstanding any of the provisions above, when by reason of emergency or immediate public necessity it is not feasible to follow the bidding procedures herein set forth or to obtain Board approval, and it is necessary to authorize the purchase of equipment, supplies or services, or emergency repair or maintenance work the President and one other Board Member shall solicit bids for the emergency purposes, and shall make certain that whenever possible the most responsive, responsible bidder has been selected.

VII. Execution of Contracts

Unless otherwise authorized by the Board of Directors, all contracts obligating the RVRMA may be executed on behalf of the RVRMA by the President.

VIII. Authorized Signatories on Checks

Payments on any purchase of contract authorized and executed in accordance with these Purchasing and Contract Policies may be made by check signed by the President of the Board, the Treasurer of the RVRMA, or the Executive Director.

IX. Definitions

Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Amended and Restated Declaration of Protective Covenants for River Valley Ranch shall have the same meaning herein.

X. Deviations

The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

XI. Amendment

This policy and procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the RVRMA certifies that the foregoing resolution was adopted by the Board of Directors of the RVRMA at a duly called and held meeting of the Board of Directors held on this ____ day of _____ and in witness thereof, the undersigned has subscribed his/her name.

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.

By: Matthew Hamilton

Its President