



**POWER RANCH COMMUNITY ASSOCIATION
PROCUREMENT POLICY
Effective May 28, 2025**

PURPOSE: To establish a policy for Power Ranch Community Association (PRCA) procurements on bids, proposals, and contracts, which utilizes industry recognized best business practices, maximizes competition, obtains goods and/or services at the best overall value, controls expenditures, and ensures effective management of PRCA funds, as well as maintaining the integrity and quality of the procurement processes.

APPROVAL LEVELS: In order to ensure the most effective use of resources, the following procurement approval levels, type and number of minimum bids required, and authorizing official(s) are established.

The Annual Operating and Reserve Budgets for the Association are developed and approved no later than October 31 of each year. The combined budgets are consolidated in "Annual Operational Plan" determining expenditures for the subsequent fiscal year and is therefore adhered to by Management. This Procurement Policy does not allow any additional spending authority by Management and only allows for expenditures that fall within operating budget guidelines. Expenses beyond the annual budget require Board approval.

| <u>Amount of Procurement</u> | <u>Minimum # of Bids Required</u> | <u>Authorizing Official(s)</u> |
|-------------------------------------|--|---------------------------------------|
| 0 - \$5,000 | Formal Bids not Required | Community Manager |
| \$5,000.01 - \$9,999 | Two Informal Bids Required | Board of Directors |
| Over \$10,000 | Three Formal Bids | Board of Directors |

TYPE OF BIDS REQUIRED: All bids are required to be solicited as defined above. Allowable forms of Informal Bids may be obtained via internet, e-mail, phone, and/or fax. Formal Bids will follow the Board approved RFP process. Additional characteristics of the Formal Bid process include delivery of the bid by a specific predetermined deadline, and on company letterhead. Lastly, a walkthrough of the property will be offered to all qualified bidding vendors, and a pre-bid meeting is held in conjunction to answer any questions pertaining to the project. The Formal bids further develop the scope of work, as the nature of the work is more technical and requires specific details to ensure consistency of bids, allowing a blueprint for the project giving Management a tool to keep the Board approved vendor accountable.

SCOPE OF POLICY: This recommendation is for the PRCA and its benefitted parcel assessed Projects (The Knolls and Village.) The only influence to the Reserve funds will be whether they are solicited via the Formal or Informal process, based on the value of the project as outlined above. All Reserve expenditures will be presented to the Board for approval, irrespective of the amount of the procurement.

PURCHASES: The PRCA will select the responsible and qualified bidder whose proposal meets all key requirements and criteria. While the Association is not obligated to choose the lowest bid, it is important to define the circumstances under which the lowest bidder may not be selected, such as when the bidder fails to meet quality standards or when a higher bid offers better overall value in terms of experience or delivery timelines.

The nature and scope of these purchases are specifically related to projects, and under this policy does not include the purchase of an asset or single capital item above \$5,000.00. Any single asset being purchased that exceeds \$5,000.00 must be justified in writing by the Community Manager and presented to the Board for approval, following the minimum number of qualified bids as outlined above.

EMERGENCY PROCUREMENTS: In the case of an emergency involving danger to life, property, or repairs immediately necessary for preservation and safety, or for the safety of occupants, or required to avoid the suspension of any necessary service to the PRCA, repairs or replacements may be made by Managing Agent, irrespective of the cost limitation imposed by this policy. In such cases, a memorandum detailing the emergency procurement must be forwarded to the Board of Directors within five (5) business days after the procurement is made.

ADDENDA: Once a bid has been accepted by the Board of Directors, and the project commenced, additional expenses incurred due to unforeseen circumstances cannot exceed 10% of the original approved project cost, unless pre-approved by the Board of Directors in writing. Addenda will be used when contracts require additional changes to the original scope of work, shall follow the same approval levels as the Procurement Policy, and shall be signed by appropriate Authorizing Official(s) prior to work being performed by the contractor.



Ken Starks, Board President



Kristi Kisler, Board Secretary