

STONEBRIAR HOMEOWNERS ASSOCIATION, INC.
LARGE CONTRACT BID SOLICITATION POLICY

The Board of Directors for Stonebriar Homeowners Association, Inc. (the *Association*) hereby adopts the following rules and regulations with respect to service contracts that will cost more than \$50,000.00. All prior rules and regulations relating to service contracts that will cost more than \$50,000.00, whenever adopted or filed, are hereby rescinded for all purposes, and of no further force or effect, and shall be replaced in their entirety by the following:

1. The bid process applies to service contracts which requires the Association to pay more than \$50,000.00 during the initial term of the contract.
2. The Association or managing agent shall attempt to obtain a total of three bids or proposals from contractors for the services desired.
 - a. If the Association or managing agent cannot obtain three bids or proposals within 30 days, the Board may consider the bids or proposals received and award the contract.
 - b. The Association may determine the specific steps it will use to contact potential contractors and solicit bids or proposals.
 - c. In all cases, at least three contractors shall be contacted, and bids or proposals solicited. In the event there are not three qualified contractors for a particular service in the marketarea, the Association may limit the process to those contractors that are qualified.
3. Contractors solicited will be insured for liability and worker's compensation, licensed as required, and be a professional of the skill or trade of the service needed.
4. Costs under a contract which are variable shall be estimated. Amounts under a contract that are conditional are not included in determining the amount the contract will cost.
5. The ability of the Association to terminate a services contract without cause prior to incurring costs in excess of \$50,000.00 does not relieve the Association of the obligation to follow the bid process of this policy if the contract is for a stated term and the total cost of the contract during that initial term is greater than \$50,000.00.
6. Amounts that may be incurred in the future under a services contract, such as would occur upon the renewal of the contract, are not to be included in determining the amount the contract will cost.
7. In the case of emergencies, the Association may employ a contractor to best resolve the emergency without following the bid/proposal process.
8. The Board will use due diligence in considering all relevant factors regarding the contractor and their proposal. The Board is not required to award contracts to the lowest bid.
9. Notwithstanding any provision contained herein to the contrary, the Board reserves the right to allow a service contract to renew automatically with a price increase no greater than the increase in the prior year's consumer price index so long as the terms and conditions of the renewed contract are in the Association's best interests, as determined by the Board in its reasonable discretion.

APPROVED by Stonebriar's Board of Directors at a duly convened meeting held on September 21, 2021 to be effective upon filing with the Office of the Denton County Clerk.

STONEBRIAR HOMEOWNERS ASSOCIATION, INC.



Dean Stubbe, President



Alice Bell, Secretary