

## Hunters Ridge Purchasing Guidelines

*These Hunters Ridge Village Community Association Code Purchasing Guidelines were adopted by the board on 6/13/2019 at their regular monthly meeting.*

Hunters Ridge Village Community Association Code Purchasing Guidelines is provided to help board members and associated helpers in conducting their work. They help insure fair competition, cost effectiveness, transparency, public accountability, and avoidance of conflict of interest. Following these Purchasing Guidelines also helps to maintain Hunters Ridge residents trust in, and support of, the board. These Purchasing Guidelines are consistent with the By-Laws in so much that the By-Laws have no purchasing provisions.

These are mainly guidelines, since some flexibility is necessary in purchasing goods and services for Hunters Ridge. They also serve to unite everyone under a common purchasing philosophy, especially since each board member brings different and unique purchasing experiences to the board. Special note, there is one policy item, not a guideline, included here for self-help or self-remediation work which is detailed in item #3 below.

The guidelines are:

1. Most purchases less than \$500<sup>1</sup> do not need board approval or competitive bidding. However they should be brought or noted to the board, preferably before purchase is made for all routine items or preplanned items. Board members can be informed at a board meeting or by email. Many of these items are purchases at local stores or on-line. Submit purchase receipt to Sterling (Rebecca) for reimbursement. Examples include paint, a broom for the pool, or a replacement plastic trash can for the park.

The only exception is self-help or self-remediation work, such as a forced mow, which is detailed in item #3 below.

2. Emergency purchases also do not need board approval or competitive bidding. There is no dollar limit on approving these purchases by a single board member. However, the board or at least a board officer, should be notified as soon as possible of the purchase, along with the reasoning why this is considered an emergency purpose (e.g., what is the risk to the community and/or residents if left undone). These include purchases to eliminate an unsafe or unhealthy condition or to eliminate further immediate damage to a Hunters Ridge asset. Actual recent examples include removal of a park tree that started to topple over, only to be snagged by another tree. A wind gust could bring the tree down on anyone below. Another is fixing a sewer line problem that caused the pool toilets to overflow while the pool was in use.

It is imperative that we are good stewards and exercise sound judgment when these emergency

---

<sup>1</sup>The \$500 is the historical norm and can be changed at the discretion of the board.

situations arise. If uncertain about an emergency purchase, contact another board member for advice. Also, depending upon circumstances, a quotation from another vendor may be possible, especially if contacting multiple vendors find out who might be able to do the work in a timely manner. An example is fixing of the pool shower just before the pool opened in 2018. The first plumber wanted what seemed to be an exorbitant amount. A second plumber's quote was much more reasonable and they got the job immediately.

3. Self-cure or self-remediation work, such as forced mows or other work on a homeowner's property is work performed by Hunters Ridge and charged to the homeowner. This is allowed per the protective covenants in sections 2, 3 and 4. The purpose of this work must be to keep the property in a neat, attractive, healthful, safe and sanitary condition. The covenants allow Hunters Ridge (and its vendors) on the property to make corrections, and the homeowner has agreed to pay for the work.

This permission is not granted to Hunters Ridge in the protective covenants for section 1. Meaning any person trying to mow the lawn for example, can be charged with trespassing. Moreover any work performed is a "gift" and the homeowner has no obligation to pay.

However in reality, even though the homeowner is billed for any work done, there is little incentive for prompt payment. So reimbursement should not be expected for budgetary purposes during the current fiscal year. The "trap" here is that the perceived need to maintain the village appeal justifies the expenditure, regardless of the association's finances. Recent examples included more than a simple grass mow. Tree trimming, brush removal and fence repair were done by Hunters Ridge for homeowners on their property in the past.

Before considering any self-cure intervention, need to verify that the house is not in section 1. (Section 1 appears to those houses close to Deerbrook.) This is best done by going to the Harris County Appraisal District website: [www.hcad.org](http://www.hcad.org). There do a Property Search, Real Property, and Search by Address. Enter in the address and search. The record returned contains a legal description which includes the section number, i.e., HUNTERS RIDGE VILLAGE SEC 3.

Because of the above reimbursement concerns the board has decided that any self-cure intervention in sections 2, 3 and 4 must be have board approval. This will required a cost estimate from the proposed vendor who might do the work before approval either at a meeting or by email vote. This is not a guideline for self-cure or self-remediation work, but a board approved policy.

4. All other purchases should be made after soliciting at least 3 competitive bids. Note that a vendor declining to submit a bid still counts, but an effort to find another bidder is better. Single source purchases (no bidding) are possible only with board preapproval. The board member can solicit bids from vendors of his or her choice, subject to conflict of interest guidelines. Preferably vendors Hunters Ridge has a satisfactory prior experience with. Sterling (Rebecca) can also assist by suggesting vendors used by other associations that Sterling manages. Presumably these were found to be satisfactory and cost effective by them.

New vendors for Hunters Ridge should submit at least three references from their existing customers. These then need to be checked before allowing them to bid. In addition, review

online feedback to ensure that the vendor meets Hunters Ridge needs.

For complex or expensive purchases, the proposed bidders and any references should be reviewed with the board before requesting bids. This helps to insure that an obvious bidder is not accidentally ignored, as almost occurred for the park renovation.

For service contract (pool or landscaping) renewal/extensions, there may not be any need to competitively bid if the board is satisfied with the vendor service and current price. An updated proposal from the existing vendor may be acceptable and approved by the board. A board member should review the updated proposal before bring it to the rest of the board for approval.

5. A written specification prepared by the appropriate board member and/or Sterling that the vendor will use to prepare their bid should be created unless requesting work proposals, as noted below. The specification can range from a simple short paragraph to a multi-page complex document with attachments. The board should be given a chance to review the written specification before bidding unless it a simple short paragraph. For very complex items, such as a park renovation or pool management contract, do allow time for incorporating any board member comments. A sample specification used for the 2018 park renovation is attached as separate document.

If the work is simple or straight forward, just show and explain it to the vendors and have them make detailed written proposals describing the scope of work. E-mail and mailed proposals are acceptable, but verbal ones are not.

If during the bidding process, a vendor has a question or issue that is answered, insure that the other bidders get this additional new information. Otherwise, one vendor may be favored over another.

6. The board member or Sterling (Rebecca) upon request can solicit bids using the prepared written specification and suggested vendor list. It is highly recommended, to avoid any perceived conflicts of interest, that Sterling solicit the bids for complex or multi-payment purchases. These include those with progress or routine payments. All bids should have a return date. Ample time should be provided so that the bid review can be conducted at a Board Meeting where the bid is expected to be approved. If a new vendor is being considered, make sure their checked references are provided to the board before board approval of their bid.

For simple bids not directly involving Sterling, payment can be made afterwards by Sterling. Do notify Sterling (Rebecca) in advance before including this payment information in the bid.

If a new vendor (for Hunters Ridge) is included, obtain references from their existing customers. In addition, review online feedback to ensure the vendor meets Hunters Ridge needs. These should be provided to the board before board approval.

7. Hunters Ridge Village Community Association is 501(c)(4) organization, incorporated January 1, 1979 and exempt from Texas sales tax since April 23, 1989. Our taxpayer number or EIN is 74-2026953. This becomes very important when making major equipment purchases. Contact Sterling (Rebecca) for assistance when soliciting bids (not by Sterling) to avoid paying

sales tax. (A good reason for using Sterling to solicit bids with a significant sales tax.)

8. Be sure to follow the Conflict of Interest policy during the bid process. Especially not disclosing confidential information, including that learned during board meetings and executive sessions pertaining to a vendor or from an early vendor proposal. Failure to adhere to these guidelines may result in a complete rebid.

9. All bids received by the return bid date by Sterling will be opened or reviewed simultaneously. The board member working this purchase will need to prepare a bid tabulation or bid tab to help the board understand the bids. The bid tab should (ideally) be a single page worksheet. Complex or multifaceted proposals need this to help objectively evaluate the bids and determine the best purchase by Hunters Ridge. It will provide the necessary documentation to ensure vendor selection was done without any conflict of interest. Included at the end, are 2 sample bid tabs. One prepared to evaluate the park renovation proposals, the second for trash vendor selection. Upon completion, it should be sent out to the board, with sufficient time for review prior to the board meeting. Note that for a service contract, include a summary of references for all new vendors.

10. A bid may be disqualified because it does not meet all the requirements set forth in the bid specifications. However, a bidder (typically low) may be given a chance to revise their bid (and change their bid price) at a meeting. This meeting really should occur at the Sterling office to help insure that no undue influence occurs. At this meeting, Hunters Ridge and vendor should come to an acceptable proposal. Complex bids, usually solicited by Sterling, are candidates for such a meeting. For example, this did occur with the ultimately successful bidder for the 2018 park renovation.

11. After the contract is awarded to the successful bidder, the board member working this bid has to follow up. Insure that the bidder's workers are well aware of the job scope and provide assistance, such as a pool entry key or showing them the park power outlet location. Inspect their work to insure contract compliance. Finally when all work is complete to the board member's satisfaction, notify everyone, including Sterling (Rebecca). This will allow timely payment by Sterling to the vendor. This includes simple jobs where Sterling did not solicit bids but was identified as the payer.

#### Attachments

park specification.pdf

trash.pfd

park bid tab. pdf