



**SUMMERFIELD ESTATES HOMEOWNERS ASSOCIATION, INC.
LARGE CONTRACT BID SOLICITATION POLICY**

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

WHEREAS Summerfield Estates Homeowners Association, Inc., (hereinafter the "Association") is a Texas nonprofit corporation and the governing entity Summerfield Estates, Sections 1-6, additions in Fort Bend County, Texas, according to the maps or plats thereof, recorded in the Real Property Records of Fort Bend County, Texas, under Instrument Nos. 1175534, 1171770, 1176288, 1176285, 1176553, and 1176554, respectively, along with any replats, supplements, and amendments thereto (hereinafter the "Subdivision"); and,

WHEREAS in 2021, the Governor of the State of Texas signed Senate Bill 1588 into law, thereby amending the Texas Property Code; and,

WHEREAS Section 209.0052 of the Texas Property Code was amended to require that property owners' associations establish a bid process for any proposed contract for services that will cost more than \$50,000.00; and,

WHEREAS to the extent this Policy conflicts with any existing governing document or dedicatory instrument of the Association or Subdivision, this Policy shall control by virtue of such contrary provision being pre-empted by State law; and,

WHEREAS to the extent any existing governing document or dedicatory instrument does not conflict with this Policy or the Texas Property Code, such provision remains in full force and effect, including requirements that application for and approval of improvements be obtained prior to installation; and,

WHEREAS this Dedicatory Instrument represents Restrictive Covenants as those terms are defined by Texas Property Code §202.001, et. seq, and the Association shall have and may exercise discretionary authority with respect to these Restrictive Covenants;

NOW THEREFORE, in view of the foregoing and in compliance with the Texas Property Code, the Association hereby adopts and imposes on the Subdivision the following *Large Contract Bid Solicitation Policy*:

I. LARGE CONTRACT BID SOLICITATION POLICY

If the Association proposes to contract for services that will cost more than \$50,000.00, it shall solicit bids or proposals for such services contract as provided below. If a bid or proposal is from a board member or related person or entity as defined by Texas Property Code 209.0052, the additional procedures provided by Property Code 209.0052 will be applicable.

1. The following criteria apply to determine whether a services contract will cost more than

\$50,000.00:

- a. The bid process is applicable to service contracts which upon execution of the agreement obligates the Association to pay more than \$50,000.00 during the term of the contract.
 - b. 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.
 - c. Amounts under a services contract that are contingent are not included in determining the amount the contract will cost. Costs under a services contract which are unfixed, but certain, shall be estimated to the best of the Association's ability.
 - d. 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. The renewal of an existing contract is not subject to this policy.
2. A proposed services contract that will cost more than \$50,000.00 shall be awarded using the following process:
- a. The Association shall attempt to obtain a total of three bids or proposals from contractors for the services desired;
 - b. Contractors providing bids or proposals should be insured against liability, have experience providing the desired services, and licensed where required by law;
 - c. If after diligent attempts are made to obtain the three bids or proposals, the Association is unable to obtain three bids or proposals from contractors, the Board may consider the proposals obtained and award the contract;
 - d. The Association may determine on a case by case basis the specific steps it will use to contact potential contractors and solicit bids or proposals. However, 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 market area, the association may limit the process to those contractors that are qualified.
 - e. In the case of emergencies, the Association may employ a contractor to best resolve the emergency without following the bid/proposal process.
 - f. The Board is not obligated to award contracts to the low bidder but must use due diligence in considering all relevant factors regarding the contractor and their proposal.

CERTIFICATION

“I, the undersigned, being a Director of Summerfield Estates Homeowners Association, Inc., hereby certify that the foregoing Policy was adopted by at least a majority of Summerfield Estates Homeowners Association, Inc.’s board of directors, at an open and properly noticed meeting of the board, at which a quorum of the board was present.”

By: *Leigh Ann Gombac*

Print name: Leigh Ann Gombac

Title: President

ACKNOWLEDGEMENT

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BEFORE ME, the undersigned authority, on this day personally appeared the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that he is the person who signed the foregoing document in his representative capacity and that the statements contained therein are true and correct.

Given under my hand and seal of office this the 23rd day of September, 2021.

[Signature]
Notary Public, State of Texas

