



**CONTRACT BID PROCESS**  
**Northlake Hills Property Owners Association, Inc.**  
Effective September 1, 2021

The Association's Board of Directors adopts this contract bid process policy, effective immediately:

Texas Property Code §209.006(a) provides that "an association that proposes to contract for services that will cost more than \$10,000 shall solicit bids or proposals using a bid process established by the association." The following guidelines are therefore adopted:

1. As a general rule, and subject to certain exceptions, the Association shall obtain multiple (more than one) bids for all contracts that anticipate an expenditure of \$50,000 or more (a) for a single project, or (b) in the aggregate, paid to a single payee, over a 12-month period.
2. The requirement for multiple bids may be waived depending on the circumstances, i.e., whether the work is an emergency, the Association has a long-standing relationship with a particular vendor who is especially knowledgeable about the Association's operations/property, changing vendors would disrupt existing warranties, and/or other qualified vendors are not willing to bid on the contract.
3. Given the unique and subjective nature of the management relationship, the requirement for multiple bids shall not apply to bids for providing Association management services.
4. The Board has complete discretion on which bidders to notify of the opportunity to contract with the Association. The Association is not required to advertise the contract opportunity in newspapers, the internet, or otherwise.
5. The Association shall provide the same information to all bidders, whether by way of an RFP or otherwise. This provision shall not preclude the Association from answering a bidder's specific question, or requiring that the Association supply the answer to bidders who did not ask the question.
6. All bidders will be allowed a reasonable amount of time to submit a bid; provided that the Association may establish a reasonable deadline for bid submission.
7. Bidders will be allowed the opportunity to request that the bid be kept confidential, and not be deemed part of Association records subject to disclosure on request. In such event, the bidder must submit a summary sheet that contains the basic outline and terms of the bid: the summary sheet will be subject to inspection.
8. Evaluation charts, matrices, and other documents that contain subjective evaluations regarding a bid shall be deemed confidential and not an Association record subject to disclosure, in the same manner that discussions during executive session are confidential.
9. The bidder must disclose to the Association, in writing and at the time of submitting its bid, all potential conflicts of interest that it may have with Association directors, officers, management personnel, or employees. Potential conflicts of interest include (but are not limited to) a family relationship or a business investment/affiliation. If a potential conflict of interest is discovered after bid submission, the bidder must supplement the disclosure as soon as the potential conflict is

discovered. Similarly, each person evaluating bids on behalf of the Association must disclose to the Association, in writing, all potential conflicts of interest that it may have with any bidder as soon as the person discovers the potential conflict of interest. Association representatives who have or may have a conflict of interest may be precluded from participating in Association deliberations concerning the contract if required by applicable law or the Board of Directors.

10. Contracts will not necessarily be awarded to the lowest bidder--contracts will be awarded to the best bidder as determined by the Board of Directors. Non-price factors that the Board may consider include (but are not limited to): reputation, references, experience, qualifications, licenses, financial resources, insurance coverage, prior contract history with the Association, length of time in business, individual personnel who will perform the contract, and potential conflicts of interest.

Board of Directors

Northlake Hills Property Owners Association, Inc.