

**Walden on Lake Conroe Community Improvement Association, Inc.
Capital Purchasing Policy**

I. General:

The following sets forth the policies of the Walden on Lake Conroe Community Improvement Association, Inc. (WCIA) for capital expenditures. The WCIA General Manager has authority to make capital expenditures, which are specifically approved by the Board of Trustees.

II. Purpose:

Goods and services for capital expenditures must be procured in a manner so as to assure the prudent and economical use of WCIA funds, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to conform to sound internal control practices. To further these objectives, the WCIA Board of Trustees has adopted the following internal policy governing capital expenditures:

III. Policy:

Any capital expenditure expected to exceed \$10,000 shall be supported by the acquisition of three (3) competitive quotations from independent vendors.

A. Exceptions – Competitive quotes will not be required for any of the following conditions:

1. An extreme emergency involving risk to public health, safety, or property;
2. Limited sources from which to procure goods or services so that there is no possibility of competition;
3. Contracts for professional services based upon proven past performance with the WCIA involving the application of specialized expertise, a professionally established relationship of trust and confidence, the use of professional judgment, or a high degree of creativity in past performance of a WCIA contract.

B. Documentation –

1. In the absence of the required number of quotations, the WCIA will also maintain written documentation defining the exception that applies.
2. The WCIA General Manager will provide justification and documentation for any contract award to a vendor other than the lowest bidder, setting forth the reasons why such award was concluded.
3. Suitable documentation may include but is not limited to verbal or written quotes, Board resolutions, memoranda, telephone logs, e-mails, requests for quotes, quotes, contracts, and other appropriate forms of documentation