

The Stewardship Purchasing Flow

Who approves, what vote is needed, and how every bid is checked, published and audited

COLOR KEY: WHO SAYS YES

No vote: management

Delegated officer

Full board vote

Open meeting + owner notice

Owner vote (written ballot)

Board ratifies after

Non-interested majority

Master association

A spending need is identified

Imminent threat to safety or property?

YES

NO

Emergency action

Stop the harm only, up to \$10,000. Document facts, photos and urgency. Bids are waived for the stop-gap repair only.

President, or any two officers, acts
Full board ratifies at the next meeting

THEN BID THE REPAIR

Write one scope of work

Every bidder prices the same scope. Changes go to all bidders.

Is it a capital project?

YES

NO

Capital Project Prioritization Matrix

Score and rank before bidding. Gate A: mandatory items first. Gate B: outside approvals in hand before funds are committed.

New capital improvement

Board vote at an open meeting with prior owner notice

Master association

If documents require

Owner vote

If documents require

Unbudgeted or over budget

Two paths, by amount per line per year:

Up to \$2,500

Full board vote

Over \$2,500

Budget amendment, open meeting

Inside an approved budget line?

NO

YES

Is a bidder tied to a director or relative?

YES

NO

Related-vendor rules

Three unrelated bids plus the related bid. The interested director sees no bids, joins no discussion and casts no vote.

Non-interested board majority

Approves, then certifies compliance by resolution (\$209.0052(b))

SIZE THE PURCHASE: find its level in the Purchasing Authority Matrix (related purchases count together; no splitting)

Up to \$1,000

Bids: none required. Contracted rate or a documented price check.

Management approves

No vote. Reported to the board monthly.

\$1,001 – \$5,000

Bids: three written quotes on the same scope. Insurance and license checked.

President or Treasurer

Only if delegated by board resolution. Listed in the monthly report.

\$5,001 – \$50,000

Bids: three written bids, five vendors invited. Two references per finalist.

Full board vote

At a meeting, or electronically if every director can comment and vote; summarized at the next meeting.

Over \$50,000 (services)

Bids: formal bid process required by \$209.0052(c): written RFP, site walk, bids opened together. Three bids, three references, lien search.

Full board vote

After counsel or manager reviews contract terms.

Verify and evaluate (over \$1,000): client references, Texas license, insurance certificate, business standing, cost benchmark against the reserve study or prior contracts (explain gaps over 20%). Two people score each bid independently: price 40%, experience 20%, references 15%, scope and warranty 15%, schedule 10%.

Disclose and decide

Every director and evaluator signs a conflict disclosure. The approver at that level decides; minutes record bids, prices, the winner and why.

Contract and pay

A written contract carries out the vote. Two signatures on payments over \$5,000; no one approves a payment to themselves.

Change orders

Over 10% or \$5,000, whichever is less, returns to the original approver. Cumulative changes that cross a level need that level's approval.

Publish

Within 10 business days of any award over \$5,000, post a plain-language bid summary. Full files are open to owners under \$209.005.

Back to the original approver

Same vote that approved the award

The audit

Every award

The Treasurer and a non-signing director confirm the bid file is complete before the first payment.

Quarterly

A director with no role samples at least five purchases or 10% per level, checking bids, approvals, splitting and change orders. Reported in an open meeting.

Annually

An independent CPA, chosen in an open meeting, audits or reviews the books and tests purchasing controls. A resident purchasing report follows.

Likely: fix in 30 days

Dangerous: open-meeting corrective plan

Deadly: suspend payments, notify counsel and insurer

DRAFT. These are just my thoughts as a candidate. They must be reconciled with the bylaws, rules and regulations of the board. — Mindy. Dollar levels follow the proposed Purchasing Authority Matrix, with three quotes, not two, from \$1,001 to \$5,000 as set in The Stewardship Purchasing Process. Open-meeting items: budgets and amendments, assessment increases, special assessments, borrowing, buying or selling property and new capital improvements require an open meeting with prior owner notice (Texas Property Code §209.0051(h)). Owner votes on assessments use written, signed ballots; electronic ballots qualify. A candidate's proposal, not association policy or legal advice; governing documents, master association rules and Texas law control where stricter. Sources: §209.0051 codes.findlaw.com/tx/property-code/prop-sect-209-0051/ · §209.0052 law.justia.com/codes/texas/property-code/title-11/chapter-209/section-209-0052/ · §209.005 codes.findlaw.com/tx/property-code/prop-sect-209-005/

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