

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

**CONCERNING AUTHORIZATION FOR APPROVAL OF CONTRACTS
AND PAYMENT OF CLAIMS**

WHEREAS, Southlands Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized pursuant to §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(d), C.R.S., the Board of Directors of the District (the “**Board**”) is authorized to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(h) C.R.S., the Board shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, in order to implement the services, programs, and facilities of the District in a safe, timely, efficient, and effective manner, it may be necessary for certain contracts, change orders, work orders and other agreements (collectively, “**Contracts**”) to be entered into, and invoices, pay applications and other claims (collectively, “**Invoices**”) to be paid, between regular and special meetings of the Board; and

WHEREAS, the Board desires to establish procedures by which certain Contracts may be executed and by which payments of Invoices may be made; and

WHEREAS, the Board desires to authorize the Authorized Directors, the District Manager, and Committee Chair (as such are defined below) to review, approve, award, execute, and enter into Contracts affecting the affairs of the District, and make payment of Invoices due and owing by the District, in accordance with the provisions of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. **General.**

a. *Purpose.* All purchasing and contracting is to be accomplished in the best interests of the District using the prudent person's standard of care. Purchasing or

contracting shall be performed so as to secure for the District the greatest value considering cost, quality, delivery, service and other considerations which reflect overall value comparisons.

b. *Full and open competition.* Full and open competition shall be encouraged.

c. *Subdivision prohibited.* No contract or purchase shall be subdivided to avoid the requirements of this resolution.

d. *Payments.* Payments to vendors or contractors shall be expedited whenever possible in order to realize discounts and enhance the District's reputation as a responsible customer.

2. **Authority to Make Awards and Enter into Contracts.** The Board hereby authorizes the following persons to review, approve, award, execute, and enter into Contracts affecting the affairs of the District, in the amounts authorized to be approved by such persons as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, and subject to compliance with the provisions of this Resolution, including compliance with all procedural requirements as set forth in Exhibit A:

a. The "*Authorized Directors*" consisting of the president of the District and one additional director of the District;

b. The "*District Manager*," being the person engaged by the District to manage the District; and

c. The "*Committee Chair*," being the chair of any committee established and created by the District. The Committee Chair is only authorized to review, approve, execute and enter into Contracts and approve Invoices within the purview of such Committee Chair's area of responsibility.

3. **Requirements prior to Award or Execution of Contract.** Prior to awarding or entering into a Contract pursuant to this resolution, the person authorized to award and approve such Contract shall confirm and verify:

a. the Contract has been reviewed and approved by general counsel to the District; the District's accountant, District Manager and/or engineer, as appropriate;

b. any payment required to be made under such Contract does not exceed the amounts appropriated under the line item for the category of expense set forth in the District's approved budgets (e.g. landscaping or accounting), to which the Contract reasonably relates, (*every purchase*

order or contract is subject to the appropriation of necessary funds by the District Board on an annual basis, notwithstanding automatic renewal clauses or any other provisions extending the purchase or contract beyond the calendar year in which it is executed);

c. (iii) the amount of the Contract does not exceed the amounts authorized to be approved as set forth in **Exhibit A**; and

d. (iv) the compliance with all procedural requirements as set forth in **Exhibit A**.

4. **Emergency Purchases.** In an apparent emergency which requires immediate purchase of supplies, services, or award of a construction contract, change order or amendment, regardless of cost, the Board President, District Manager or Committee Chair is authorized to procure such emergency needs as expeditiously as possible considering cost and other factors. The circumstances necessitating immediate action shall be fully documented in the District manager's report to the Board, except where the immediate action does not require expenditure in excess of \$500.00.

5. **Payments of Invoices.** The Board hereby authorizes payment of Invoices related to Contracts as follows, so long as: (i) the Contract has been approved in accordance with this Resolution or by the Board in a regular or special meeting of the District; and (ii) such payment does not result in exceeding the Contract amount, inclusive of any validly approved change orders:

a. *Invoices for less than \$5,000.00.* For Invoices less than \$5,000.00, the Invoices shall be approved and authorized by the Authorized Directors or Committee Chair.

b. *Invoices for \$5,000.00 and over.* For Invoices over \$5,000.00, the Invoice shall be approved and authorized by the Authorized Directors.

6. **Appropriation Required.** Prior to executing any Contract or making payment of any Invoice, the person authorized to award and approve such Contract or Invoice shall verify with the District's accountant that sufficient funds are available within the District's accounts and are budgeted appropriately to pay such sums. All Contracts approved pursuant to this Resolution are subject to appropriation and budget requirements in accordance with Colorado law.

7. **Prohibitions.** Notwithstanding any authorization in this Resolution to the contrary, directors of the District and employees of the District shall not:

a. Engage in a substantial financial transaction for his private business purposes with a person whom he inspects or supervises in the course of his official duties;

b. Perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent;

c. Accept goods or services for his or her own personal benefit offered by a person who is at the same time providing goods or services to the local government for which the official or employee serves, under a contract or other means by which the person receives payment or other compensation from the local government, unless the totality of the circumstances attendant to the acceptance of the goods or services indicates that the transaction is legitimate, the terms are fair to both parties, the transaction is supported by full and adequate consideration, and the official or employee does not receive any substantial benefit resulting from his or her official or governmental status that is unavailable to members of the public generally; or


d. Be interested in any contract made by them in their official capacity, as set forth in Section 24-18-201, C.R.S, as may be amended from time to time.

8. **Term.** This Resolution shall be effective immediately, supersede any previously adopted Resolution of the District Concerning Authorization for Approval of Contracts and Payment of Claims, and shall remain in full force and effect until such time as it is repealed by the Board.

[Signature page follows.]

APPROVED AND ADOPTED THIS 11th DAY OF September, 2018.

SOUTHLANDS METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado



President


ATTEST:



Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

Signature page to Resolution Concerning Authorization for Approval of Contracts and Payment of Claims.

EXHIBIT A

General Contract Approval Amounts and Procedure

Estimated Cost of Item (Goods or Services)	Purchasing Method to Use	Position with Approval Authority
\$1,000.00 or Less	Informal Purchases <i>Written quotes are not required</i>	District Manager or any Director
\$1,001.00 - \$4,999	Informal Purchases <i>Minimum of 1 written quote</i>	Authorized Directors or Committee Chair District Manager notifies Board of expenditure approval
\$5,000 - \$9,999	* Informal Bids <i>Written specifications and a minimum of 2 written quotes required; contract or contract addendum required</i>	Authorized Directors or Committee Chair District Manager notifies Board of expenditure approval
\$10,000 and over	*Formal Competitive Bids/Proposals <i>Written specifications and a minimum of 3 formal written quotes required; contract required</i>	Board of Directors

*** Requirement for three bids does not apply to landscape maintenance work orders approved under a master Landscape Maintenance Contract.**

Notes:

All bids/quotes/proposals may be public information and may be released to the public following bid award. The District may determine to not release trade secrets or other confidential commercial, financial or personal information.

1. Retain all written bids/quotes/proposals as required by retention schedule.
2. Any payments to be made under a bid/quote/proposal may not exceed amounts appropriated as set forth in the District's approved budgets.
3. A signed copy of any written bid/quote/proposal must be submitted to the District Manager and General Counsel.