

RESOLUTION NO. 2022-R-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY ADOPTING A PROCUREMENT POLICY.

WHEREAS, the Board of Directors of the Authority previously approved and adopted Resolution No 2021-R-03, captured January 28, 2021, regarding the updated Procurement Policy.

WHEREAS, the Board of Directors of the Authority wishes to update the Authority's procurement policies.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY THAT:

SECTION 1: The Authority hereby approves and adopts the Procurement Policy attached hereto as **Exhibit "A"** (the "Procurement Policy").

SECTION 2: The Procurement Policy shall supersede and replace the Prior Policy in all respects and, therefore, the Prior Policy is hereby repealed, revoked, and rescinded. In addition, the Procurement Policy shall supersede and replace Article III of the Code of Ethics and, therefore, Article III of the Code of Ethics is hereby repealed while the remaining provision of the Code of Ethics shall continue in full force and effect. The Procurement Policy shall supersede and replace the Wage Rate Resolution in all respects and, therefore, the Wage Rate Resolution is hereby repealed, revoked, and rescinded. Finally, any other prior resolutions, orders, policies, or procedures of the Authority that are inconsistent or in conflict with this Resolution or the Procurement Policy approved and adopted hereunder are hereby repealed to the extent of such inconsistency or conflict.

SECTION 3: This Resolution shall be and remain in full force and effect from and after the date of its passage, approval, and adoption until repealed, revoked, rescinded, amended, or modified by appropriate action of the Board of Directors of the Authority.

SECTION 4: If any provision of this Resolution or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this Resolution that can be given effect without the invalid provision or application, and to this end, the provisions of this Resolution are hereby declared to be severable.

SECTION 5: The President of the Board of Directors of the Authority is hereby authorized to sign, and the Secretary of said Board is hereby authority to attest, this Resolution on behalf of said Board and the Authority. This Resolution shall become effective upon its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the San Jacinto River Authority on this 25th day of August 2022.

ATTEST:



Wil Faubel, Board Secretary

SAN JACINTO RIVER AUTHORITY



Ronnie Anderson, Board President



Exhibit “A”



Procurement Policy

August 25, 2022

APPROVED:


Signature

August 25, 2022

Date

General Manager

Title

PROCUREMENT POLICY

I. PURPOSE

The San Jacinto River Authority (Authority) shall purchase all goods and services, in compliance with all applicable regulatory and statutory requirements, at the best value for the Authority. Procurement by the Authority will be guided by statutes, policy, procedures, and best practices. The Authority will promote competition, fairness, stewardship, and transparency in the procurement of goods and services.

II. DEFINITIONS; STATUTORY REFERENCES

A. Definitions.

1. **Amendment.** A written alteration that is issued to modify or amend the terms and conditions of a Contract or Purchase Order.
2. **Change Order.** A written alteration that is issued to modify or amend a Contract or Purchase Order, by increasing or decreasing the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished.
3. **Construction Services.** Construction Services means labor, services, and materials provided in connection with the construction, reconstruction, rehabilitation, improvement, extension, expansion, modification, repair, or any other improvements to real property, works, improvements, facilities, plants, equipment, and related improvements and appurtenances for the Authority.
4. **Contract.** A mutually-binding, written legal document obligating the vendor or Contractor to furnish goods and/or services and obligating the Authority to pay for the goods and/or services as specified. This may be an authorized Purchase Order in the absence of any other legal document executed by the Parties.
5. **Contractor.** A person or firm that enters into a Contract with the Authority for Construction Services.
6. **Emergency.** A situation requiring immediate purchase of goods and/or services in order to protect and preserve the public health and welfare or the facilities/infrastructure of the Authority, or to avoid an unreasonable economic loss to the Authority.
7. **Engagement Letter.** Contracting mechanism customarily used for certain Professional Services, such as legal, accounting, and financial advisory services.

8. **Equipment.** Tangible property (other than land, buildings, or infrastructure) that is used in the operations of the Authority.
9. **General Manager (GM).** The General Manager of the Authority, or designee.
10. **General Services.** Any services provided to the Authority other than Construction Services or Professional Services.
11. **High Technology Procurement.** The procurement of equipment, goods, or services of a highly technical nature, including: software, firmware for data processing equipment; telecommunications equipment and radio and microwave systems; electronic distributed control systems including building energy management systems; and technical services related to these items.
12. **Master Professional Services Agreement (MPSA).** General Contract (not project-specific) with a Professional Services provider indicating the common terms and conditions applicable to all subsequent Work Orders.
13. **Materials.** A substance from which something is made or can be made, such as building materials, paper, plastic, or other materials.
14. **Professional Services.** Services rendered by a person or firm that require specific education, experience, or licensure for one to attain competence and which call for a high order of intelligence, skill, and learning, including, but not limited to, those services identified under Section 2254.002, Texas Government Code.
15. **Professional Services Agreement (PSA).** Project-specific Contract with a Professional Services provider indicating the common terms and conditions applicable to all subsequent Work Orders.
16. **Purchase Order (PO).** A document issued to a specific vendor by Purchasing staff setting forth the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, and other terms and conditions related to provision of goods and/or services in the absence of any other legal document executed by the Parties). A PO records the financial obligation of the Authority to pay for the goods or services.
17. **Salvage.** Personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.
18. **Supplies.** General-purpose, consumable items that may be stocked for recurring use.
19. **Surplus Property.** Used or new personal property that retains some usefulness (for its original purpose or another purpose) and that is no longer required for or exceeds the Authority's foreseeable needs.

20. Work Order (WO). Contracting mechanism under a Professional Services Agreement or Master Professional Services Agreement by which the scope, fee, and schedule for individual project assignments are defined.

B. Statutory References. All references herein to federal or state laws or regulations shall mean and refer to such laws or regulations as amended from time to time.

III. POLICY

A. Procurement of Materials, Supplies, and Equipment.

- 1. Quotes/Solicitations.** Quotes/informal solicitations on uniform specifications must be solicited from three vendors for the procurement of Materials, Supplies, and Equipment under a Contract requiring the expenditure of over \$25,000.00. The GM will establish procurement procedures for the procurement of Materials, Supplies, and Equipment under a Contract requiring the expenditure of \$25,000.00 and below.
- 2. Budgeted Procurement.** The Board of Directors authorizes the GM to approve and execute Contracts and related documents authorizing the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of Materials, Supplies, and Equipment.
- 3. Unbudgeted Procurement.** A Contract requiring the expenditure of over \$75,000.00 for Materials, Supplies, and Equipment that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget requires approval by the Board of Directors.
- 4. Amendments and Change Orders.** The Board of Directors authorizes the GM to approve and execute Amendments and Change Orders to a Contract for the procurement of Materials, Supplies, or Equipment without further approval by the Board of Directors if the underlying Contract is (i) related to the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of Materials, Supplies, and Equipment, and (ii) any increase in the expenditure of funds is available in the currently approved operating budget for the procurement of Materials, Supplies, and Equipment. If, however, a Contract approved and executed by the GM requiring an expenditure of less than \$75,000.00 for Materials, Supplies, and Equipment that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget will, after approval of a proposed

Amendment or Change Order, require an expenditure over \$75,000.00 for such Materials, Supplies, and Equipment, then the Amendment or Change Order requires approval by the Board of Directors.

B. Procurement of General Services.

- 1. Outsourcing Assessment.** Prior to contracting for General Services, the GM and designated staff will conduct a needs assessment that identifies why current staff availability, expertise, or any other particular factors of a project require engaging outside providers.
- 2. Quotes/Solicitations.** Quotes/informal solicitations on uniform specifications must be solicited from three vendors for the procurement of General Services under a Contract requiring the expenditure of over \$25,000.00. The GM will establish procurement procedures for the procurement of General Services under a Contract requiring the expenditure of \$25,000.00 and below.
- 3. Budgeted Procurement.** The Board of Directors authorizes the GM to approve and execute Contracts and related documents authorizing the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of General Services.
- 4. Unbudgeted Procurement.** A Contract requiring the expenditure of over \$75,000 for General Services that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget require approval by the Board of Directors.
- 5. Amendments or Change Orders.** The Board of Directors authorizes the GM to approve and execute Amendments or Change Orders to a Contract for the procurement of General Services without further approval by the Board of Directors if the underlying Contract is (i) related to the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of General Services, and (ii) any increase in the expenditure of funds is available in the currently approved operating budget for the procurement of General Services. If, however, a Contract approved and executed by the GM requiring an expenditure of less than \$75,000.00 for General Services that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget will, after approval of a proposed Amendment or Change Order, require an expenditure over \$75,000.00 for such General Services, then the proposed Amendment or

Change Order requires approval by the Board of Directors.

C. Procurement of High Technology.

1. **Quotes/Solicitations.** Sections 252.021(a) and 252.042 of the Texas Local Government Code apply to high technology procurements.
2. **Budgeted Procurement.** The Board of Directors authorizes the GM to approve and execute Contracts and related documents authorizing the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of High Technology.
3. **Unbudgeted Procurement.** A Contract requiring the expenditure of over \$75,000.00 for High Technology that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget requires approval by the Board of Directors.
4. **Amendments or Change Orders.** The Board of Directors authorizes the GM to approve and execute Amendments or Change Orders to a Contract for the procurement of High Technology without further approval by the Board of Directors if the underlying Contract is (i) related to the expenditure of funds that have been itemized, categorized, or otherwise described or contemplated in the currently approved operating budget for the procurement of High Technology, and (ii) any increase in the expenditure of funds is available in the currently approved operating budget for the procurement of High Technology. If, however, a Contract approved and executed by the GM requiring an expenditure of less than \$75,000.00 for High Technology that is not itemized, categorized, or otherwise described or contemplated in the currently approved operating budget will, after approval of a proposed Amendment or Change Order, require an expenditure over \$75,000.00 for such High Technology, then the proposed Amendment or Change Order requires approval by the Board of Directors.

D. Procurement of Professional Services.

1. **Outsourcing Assessment.** Prior to contracting for Professional Services, the GM and designated staff will conduct a needs assessment that identifies why current staff availability, expertise, or other particular factors of a project require engaging outside providers.
2. **Procurement of Architectural, Engineering, or Surveying Services.** In accordance with Section 2254.004 of the Texas Government Code, when procuring architectural, engineering, or land surveying services, or when any

portion of a project includes these services, the GM and designated staff shall: (i) first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications, and (ii) then attempt to negotiate with that provider a Contract for a fair and reasonable price.

- 3. Procurement of Outside Legal Services.** In accordance with Section 49.057(d) of the Texas Water Code and Section 1201.027 of the Texas Government Code, when selecting attorneys, Authority staff shall follow Subchapter A of Chapter 2254, Texas Government Code. The GM is authorized to engage outside legal counsel when necessary to support the legal representation of the Authority; however, the GM will consider the expertise, cost, and the potential for conflicts of interest (as described in the Texas Disciplinary Rules of Professional Conduct) of any firm or attorney being considered.
- 4. Procurement of Other Professional Services.** In accordance with Section 2254.002 of the Texas Government Code, when procuring professional services not covered under Section 2254.004 of the Texas Government Code, the GM and designated staff shall select the most highly qualified provider of those services: (i) on the basis of demonstrated competence and qualifications to perform the services, and (ii) for a fair and reasonable price.
- 5. Maintenance of a List of Pre-Qualified Firms.** In accordance with Rule 292.13 of Chapter 292, Title 30 of the Texas Administrative Code, a list shall be maintained of at least three qualified persons or firms for each area of Professional Services utilized by the Authority. The pre-qualified persons or firms shall be sent a request for proposals/qualifications for any new Engagement Letter over \$25,000.00, or any new PSA or MPSA under which the sum of all Work Orders is expected to exceed \$25,000.00.
- 6. Required Use of Licensed Professional Engineers and/or Architects.** Below are the current Texas Board of Professional Engineers and Land Surveyors (TBPELS) and Texas Board of Architect Examiners (TBAE) requirements for when it is necessary to utilize a Professional Engineer and/or Registered Architect on a project as of the date of issuance of this policy. This may be accomplished by utilizing a third party Licensed Professional Engineer and/or Architect if Authority staff are not able to perform such duties.
 - 6.1.** A Professional Engineer's services and seal are required for a public works project:
 - If electrical or mechanical engineering is involved; *and*
 - If the completed project is expected to exceed \$8,000.00;

- or -

- If no electrical or mechanical engineering is involved; *and*
 - If the completed project is expected to exceed \$20,000.00.
- Repair, replacement, or maintenance projects may be exempt from these requirements if no engineering expertise is required, which will be determined by Authority staff on a case-by-case basis.
- 6.2.** A Registered Architect's or approved Professional Engineer's services and seal are required for public works projects:
- If the project is a public building; *and*
 - The public building is to be used for education, assembly or office occupancy; *and*
 - The public building is new and construction costs exceed \$100,000.00;
- or -
- The project is an alteration or addition to an existing public building and construction costs exceed \$50,000.00 and the alteration or addition requires removal, relocation, or addition of walls or partitions or alteration or addition of an exit.
- 6.3.** If a project involves only the alteration of an existing building and the alteration does not involve a substantial structural or exit way change to the building, the project is exempt from these requirements. Applicability will be determined by Authority staff on a case-by-case basis.
- 7. Award of Contracts.** The selection and award of a Professional Services Contract, including a PSA, MPSA, or Engagement Letter, shall be subject to all applicable requirements of the general and special laws of the State of Texas including, but not limited to, the provisions of Chapter 171 of the Texas Local Government Code and Chapter 2254 of the Texas Government Code.
- 7.1.** Fees for Professional Services may not exceed any maximums provided by law.
- 7.2.** PSAs and MPSAs must be approved by the Board of Directors if the total value of all anticipated Work Orders is expected to exceed \$75,000.00. The Board of Directors may authorize a not-to-exceed amount for a PSA or MPSA.
- 7.3.** If the Board of Directors authorized a not-to-exceed amount for a PSA or MPSA, then individual Work Orders do not need to be approved by the Board of Directors if the aggregate amount is within the authorized not-to-exceed amount. If the Board of Directors does not authorize a not-to-exceed amount, each individual Work Order exceeding

- \$75,000.00 must be approved by the Board of Directors.
- 7.4. PSAs and MPSAs wherein the sum of all combined Work Orders is anticipated to be \$75,000.00 or less may be approved by the GM and do not require approval by the Board of Directors.
 - 7.5. Individual Work Orders for a value of \$75,000.00 or less may be approved by the GM and do not require approval by the Board of Directors.
 - 7.6. If a PSA or MPSA was not originally approved by the Board, it must be brought to the Board of Directors for approval when the sum of all Work Orders exceeds \$75,000.00.
 - 7.7. Engagement Letters must be approved by the Board of Directors if the total value of services for a specific engagement is expected to exceed \$75,000.00. The GM may approve Engagement Letters when the total value of services for a specific engagement is anticipated to be \$75,000.00 or less.
8. **Amendments to Work Orders Related to Contracts for Professional Services.**
- 8.1. **Amendments to a PSA, MPSA, or Engagement Letter.** Except as provided in paragraph G.1, below, any Amendment to the terms and conditions of a PSA, MPSA, or Engagement Letter must be approved by the Board if the Board of Directors approved the original PSA, MPSA, or Engagement Letter. Otherwise, the GM may approve an Amendment to the terms and conditions of a PSA, MPSA, or Engagement Letter.
 - 8.2. **Work Orders over \$75,000.00.** For a Work Order previously approved by the Board of Directors, the GM may approve individual written Amendments up to \$50,000.00. Any individual Amendment greater than \$50,000.00 must be approved by the Board of Directors. The GM may approve individual Amendments of \$50,000.00 or less up to an aggregate sum of 25 percent of the original Work Order or \$500,000.00, whichever is less. Any Amendment in excess of said aggregate limit shall be approved by the Board of Directors.
 - 8.3. **Work Orders of \$75,000.00 and less.** When the original Work Order amount plus all Amendments is \$75,000.00 or less, the GM may approve a written Amendment. When an Amendment results in a revised Work Order amount that exceeds \$75,000.00, the Board of Directors must approve such Amendment prior to commencement of the services associated with the Amendment.

- 8.4. Division of Amendments and Work Orders.** Staff may not intentionally divide Amendments and Work Orders to avoid approval by the Board of Directors.
- 9. Review of Professional Services Contracts.** Unless otherwise stipulated and approved in the original Contract document, staff is required to review Professional Service Contracts (including Engagement Letters) a minimum of every three (3) years, and renegotiate a new Contract or re-procure as necessary.
- E. Procurement of Construction Services.**
- 1. Advertised Solicitation.** Construction Services Contracts of more than \$75,000.00 require formal advertising and must follow either the competitive bidding requirements in Chapter 49 of the Texas Water Code or an alternative procurement method in Chapter 2269 of the Texas Government Code.
- 1.1. Competitive Bidding.** Construction Services Contracts of more than \$75,000.00 require formal advertising with sealed competitive bids in accordance with the competitive bidding procurement method prescribed under Chapter 49 of the Texas Water Code; provided, however, that any contracting and delivery method authorized under Chapter 2269 of the Texas Government Code may be used as an alternative to said competitive bidding procurement method.
- 1.2. Alternative Procurement Methods.** The GM may designate for use any of the alternative procurement methods prescribed in Chapter 2269 of the Texas Government Code, when in the best interests of the Authority. Chapter 2269 of the Texas Government Code supersedes the competitive bidding requirements in Chapter 49 of the Texas Water Code when utilizing such an alternative procurement method.
- 2. Informal Solicitation.** For Construction Services Contracts over \$25,000.00 and equal to or less than \$75,000.00, written competitive quotes on uniform written specifications must be solicited from at least three Contractors. Formal advertising is not required.
- 3. Bonds.**
- 3.1. Security for Bid/Offer.** In accordance with Section 49.271(c) of the Texas Water Code, for Construction Services Contracts over \$50,000.00, Authority staff shall require each Contractor who submits a bid or offer to submit a certified or cashier's check from a responsible bank in the State of Texas equal to at least two percent of the total amount of the

bid/offer, or a bond of at least two percent of the total amount of the bid/offer, issued by a surety legally authorized to do business in the State of Texas, as a good faith deposit to ensure execution of the Contract.

- 3.2. Performance Bond.** In accordance with Chapter 2253 of the Texas Government Code, for Construction Services Contracts over \$100,000.00, a performance bond is required in the full amount of the Contract and shall be conditioned on the faithful performance of work in accordance with the plans, specifications, and Contract documents.
- 3.3. Payment Bond.** In accordance with Chapter 2253 of the Texas Government Code, for Construction Services Contracts over \$25,000.00, a payment bond is required in the full amount of the Contract and is solely for the beneficiaries who have a direct contractual relationship with the Contractor, and any subcontractor to Contractor, to supply public work, labor, Equipment or Materials.
- 4. Subdivide Work.** Authority staff may not intentionally subdivide work to avoid the advertising requirements.
- 5. Substituted Items on Bids.** Authority staff may not accept a bid that includes substituted items unless the substituted items were included in the original bid and all bidders had the opportunity to bid on the substituted items or unless notice is given to all bidders at a mandatory pre-bid conference. This paragraph does not apply when an alternative procurement method in Chapter 2269 of the Texas Government Code is used.
- 6. Wage Rates.** Authority staff must require the use of the general prevailing rate of per diem wages for each craft or type of worker in the locality in which a construction project for the Authority is to be performed and the general prevailing rate of per diem wages for legal holiday and overtime work by using the prevailing wage rates determined by the United States Department of Labor under with the Davis-Bacon Act (40 U.S.C. Section 276a *et seq.*).
- 7. Award of Contracts.** The selection and award of Construction Services Contracts shall be subject to all applicable requirements of the general and special laws of the State of Texas including, but not limited to, the provisions of Chapter 49 of the Texas Water Code and/or Chapter 2269 of the Texas Government Code.

 - 7.1.** Construction Services Contracts where the total value is anticipated to exceed \$75,000.00 must be approved by the Board of Directors.

7.2 Construction Services Contracts where the total value is anticipated to be \$75,000.00 or less may be approved by the GM and do not require approval of the Board of Directors.

8. Amendments and Change Orders.

8.1. Amendments to a Construction Services Contract. Except as provided in paragraph G.1., below, any Amendment to terms and conditions of a Construction Services Contract must be approved by the Board if the Board of Directors approved the original Contract. Otherwise, the GM may approve Amendments to the terms and conditions of a Construction Services Contract.

8.2. Change Orders to Contracts of \$75,000.00 and less. When the original Construction Services Contract amount plus all Change Orders is \$75,000.00 or less, the GM may approve a written Change Order provided the Change Order does not increase the total amount set forth in the Construction Services Contract to more than \$75,000.00. When an individual Change Order exceeds \$50,000.00 (additive or deductive) or results in a revised total Construction Services Contract amount that exceeds \$75,000.00, the Board of Directors must approve such Change Order prior to commencement of the services or work as modified by the Change Order.

8.3. Change Orders to Contracts over \$75,000.00. The GM may approve individual written Change Orders provided each individual Change Order does not exceed \$50,000.00 (additive or deductive). A Change Order in excess of \$50,000.00 (additive or deductive) must be approved by the Board of Directors prior to commencement of the services or work as modified by the Change Order. The GM may approve multiple individual Change Orders of \$50,000.00 or less up to an aggregate sum of 25% of the original Construction Services Contract or \$500,000.00, whichever is less. Any change in excess of said aggregate limit shall be approved by the Board of Directors.

8.4. Limit on Changes. The aggregate sum of Change Orders may not increase the original Construction Services Contract price by more than 25% unless due to (i) unanticipated conditions encountered during construction, (ii) renovation or changes in applicable regulatory criteria, or (iii) to facilitate project coordination with other political entities.

8.5. Final Closeout. The final Change Order closing out the Construction Services Contract where the final quantities are adjusted to equal the actual quantities is not considered a Change Order for purposes of this

section.

- 8.6. Division of Amendments and Change Orders.** Staff may not intentionally divide Amendments and Change Orders solely to avoid approval by the Board of Directors.

F. Exemptions from Competitive Procurement.

1. Emergency Procurements.

1.1 Purchases made because of public calamity, or purchases made to preserve or protect the public health or safety of Authority facilities or residents, or purchases made due to unforeseen damage to public property, is exempt from competitive solicitation.

1.2 For all purchases of goods or services, the requirement to obtain prior approval of the Board of Directors is waived in the event that the Authority experiences an Emergency that, in the judgment of the GM may create a serious health hazard or unreasonable economic loss to the Authority. In the event that a purchase is authorized in response to an Emergency, as outlined in this section, the General Manager shall, within three working days of the authorization, provide a description of the conditions requiring such action and the terms of the purchase to an officer of the Board of Directors. A report shall also be provided to the Board of Directors at its next ensuing meeting.

2. Sole Source Procurement(s). Purchases of goods or services, for which there is only one source due to patents, copyrights, natural monopolies; gas, water, or other utility services; captive replacement parts or components for equipment, or any purchase for which it is otherwise impracticable to obtain competition is exempt from competitive solicitation. The GM shall develop and implement a procedure for review and approval of any justification for sole source procurement of materials, supplies, equipment, or services.

3. Interlocal Agreements and Cooperative Purchasing Programs. Purchases of goods or services under an approved Interlocal Agreement and/or cooperative purchasing program satisfies the requirement to seek competitive bids/proposals for the Authority.

4. Security and Surveillance Systems. Purchases of security or surveillance system or components of or additions to Authority facilities relating to security or surveillance, including systems used for the prevention of terrorist acts or incidents or acts of war, is exempt from competitive solicitation, if the GM finds that doing so would compromise the safety and security of Authority facilities or residents.

5. **Land or Right-of-Way.** The purchase or sale of land or right-of-way is not subject to competitive procurement.
6. **Public Auction.** Materials, Supplies, or Equipment purchased at an auction that is open to the public are not subject to competitive procurement.

G. Disposal of Salvage & Surplus Property.

1. **Policy.** It is the Authority's goal in selling or disposing of Salvage and Surplus Property to attempt to realize the maximum financial benefit that can be achieved within a reasonable period of time and with a minimum staff and administrative burden.
2. **Real Property.** The declaration of any Authority interest in real property as Surplus Property, and sale, transfer, or other disposition of any Authority interest in real property shall be approved by the Board.
3. **Personal Property.** The Board hereby delegates to the General Manager the authority to declare any Authority personal property to be Salvage or Surplus Property, and to dispose of such Salvage or Surplus Property in accordance with the provisions set forth hereinbelow. The General Manager's declaration and disposition of Salvage or Surplus Property shall be documented on a Salvage/Surplus Property Form.
4. **Disposal by Transfer or Exchange.** The General Manager may dispose of Salvage or Surplus Property by transfer or exchange to another political subdivision or an assistance organization (as defined in Government Code Ch. 2175) for like fair market value, which value may be determined by the General Manager.
5. **Disposal by Competitive Bidding, Auction, or Direct Sale.** If Salvage or Surplus Property is not disposed of by transfer or exchange, the General Manager shall sell the Salvage or Surplus Property by competitive bid, auction, or direct sale to the public, potentially a sale using an internet auction site. The General Manager shall determine which method of sale shall be used based on the method that is most advantageous to the Authority under the circumstances.

H. Delegation of Authority.

1. **Execute Documents.** The Board of Directors authorizes the GM to approve and execute Contracts, Contract renewals, Contract time extensions, Amendments, Change Orders, Purchase Orders, and other documents for expenditures which the Board of Directors is not required to approve.

2. **Alternative Procurement Method.** If a method of procurement other than competitive sealed bids or competitive sealed proposals is allowed by law, the Board of Directors authorizes the GM to determine which procurement method provides the best value for the Authority. The General Manager's determination shall be made prior to advertising.
3. **Procurement Manual.** The Board of Directors authorizes the GM to develop procedures concerning the form and substance of administrative actions necessary for the procurement of Materials, Supplies, Equipment, General Services, Professional Services, Construction Services, exempt procurement(s), and any other procurements necessary to conduct the day-to-day operations of the Authority which must be designed to achieve the best value for the Authority and that are consistent with this Resolution and all the applicable requirements of general and special laws of the State of Texas, including the Authority's enabling legislation.