

ARTICLE XX

Contracts for products and services; in writing; bids; exceptions.

Section 1. Contracts in Writing All contracts as further described in this section or any contract that is not to be fully performed within 1 year after the making thereof for the purchase, lease, or renting of materials or equipment to be used by the association in accomplishing its purposes under this SECTION chapter or the governing documents, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the association that exceeds 3 percent of the total annual budget of the association, including reserves, the association must obtain at least two competitive bids for the materials, equipment, or services. Nothing contained in this section shall be construed to require the association to accept the lowest bid.

Section 2. Exceptions Notwithstanding the foregoing, contracts with employees of the association, and contracts for attorney, accountant, architect, community association manager, engineering, and landscape maintenance services are not subject to the provisions of this section.

Section 3. Timing A contract executed before April 1, 2011, and any renewal thereof, is not subject to the competitive bid requirements of this section. If a contract was awarded under the competitive bid procedures of this section, any renewal of that contract is not subject to such competitive bid requirements if the contract contains a provision that allows the board to cancel the contract on 30 days' notice. Materials, equipment, or services provided to an association under a local government franchise agreement by a franchise holder are not subject to the competitive bid requirements of this section. A contract with a manager, if made by a competitive bid, may be made for up to 3 years.

Section 4. Emergency Nothing contained in this section is intended to limit the ability of an association to obtain needed products and services in an emergency.

Section 5. Availability This section does not apply if the business entity with which the association desires to enter into a contract is the only source of supply within the county serving the association.

Section 6. Eligibility Any contractor, providing services with the exception of accounting, financial services, community association management, and trash pickup, must possess an Arizona Registrar of Contractors license in good standing suitable for the commercial services being provided.