

**THE AMERICAN LEGION**  
**DEPARTMENT OF TEXAS**  
\_\_\_\_\_ Post \_\_\_\_\_

RESOLUTION NO: \_\_\_\_\_

TITLE: Contract Regulations

ORIGIN: Post Finance Committee

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WHEREAS, Prudent management dictates that organizations survey the market periodically to ensure that they are receiving the best terms; and

WHEREAS, The American Legion, Department of Texas, \_\_\_\_\_ Post \_\_\_\_\_ enters into numerous contracts, with the approval of the Post Executive Committee; and

WHEREAS, Some of these contracts are large enough to have a substantial economic impact on the finances of The American Legion, Department of Texas, \_\_\_\_\_ Post \_\_\_\_\_; and

WHEREAS, Some of these contracts currently have automatic renewal clauses which could extend the contacts indefinitely; and

WHEREAS, Certain contractors attempt to achieve an exclusive position, or propose contracts containing non-competition provisions, either of which can be detrimental to The American Legion, Department of Texas, \_\_\_\_\_ Post \_\_\_\_\_ and/or its members; and

WHEREAS, The Post Finance Committee believes that more control over contracts with the potential for substantial financial impact is desirable; now, therefore, be it

**RESOLVED, By \_\_\_\_\_ Post \_\_\_\_\_ of The American Legion, Department of Texas in regular meeting assembled in \_\_\_\_\_, Texas, January 23 – 25, 2009, That the contracting policy of The American Legion, Department of Texas, \_\_\_\_\_ Post \_\_\_\_\_ shall be adopted to include the following provisions:**

- 1. No contract, except as recommended by the Post Finance Committee, and approved by the Post Executive Committee may have a duration of more than three (3) years, which period shall include any and all provisions for renewal or extension.**
- 2. No contract may contain a clause granting an exclusive to any contractor or vendor, or contain statements of exclusivity or non-competition, without the specific approval of the Post Executive Committee by resolution, and such requests for exclusivity or non-competition shall be supported by specific findings, recommendations, and appropriate documentation.**
- 3. The Post Executive Committee hereby advises all Post Committees that before entertaining any resolution extending the contract term of any contract subject to subparagraph (1) hereof beyond five years total duration, it will require a specific report**

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**and recommendation reflecting the results of a thorough review of market conditions and contract terms, and/or review of requests for proposal which demonstrates that said recommendation is in the best interest of The American Legion, Department of Texas, \_\_\_\_\_ Post \_\_\_\_\_ and such extension, if any, shall be effected by the execution of a new signed contract, the duration of which may not exceed five years.**