OBJECTIVE

Establish procedures for Contract Documentation and changes to Contracts for Goods, Services, and non-construction related Professional Services.

CONTRACT DOCUMENTATION

(i) Original Contract
The original of all Contracts and leases for Goods and Services, including Professional Services procured through the Purchasing Department and entered into by the Aviation Authority.

(ii) Maintaining Contract Documentation
The Purchasing Department shall maintain the original Contract and Contract master records as described above, and shall record any changes that occur to those Contracts. Those changes shall include, but are not limited to, Contract Amendments, Contract Renewals, Contract Extensions, Contract Assignments, Contract increase of funds, use of Contracts by multiple Aviation Authority Departments, and Contract termination. The Purchasing Department will assign a number to each Contract for tracking purposes within the Purchasing Systems. The Requesting/User Department should maintain a copy of Contracts and leases.

(iii) Contract Execution
When Contracts or changes to Contracts are prepared for signature, they must be forwarded to the Director of Board Services with appropriate documentation for tracking when they are to be executed by the Chief Executive Officer.

(iv) Contract Tracking
The Director of Board Services maintains a tracking system of all Aviation Authority Contracts and reports to the Aviation Authority Board, as required, those Contracts and reports that do not require approval by the Aviation Authority Board.

(v) Insurance Certificate Tracking
The Purchasing Department, in conjunction with the Risk Management Department, will oversee Insurance Certificate Renewal Notices, prior to the ending term of the Insurance Certificate for each year that the applicable Contract is in effect.

(vi) Surety Bonds or Letters of Credit
During the initial term of a Contract and prior to renewing or amending any Contract, the Purchasing Department must receive updated Surety Bond or letter of credit information from the Contractor's Surety Agent or bank verifying that the Bond(s) or Letter(s) of Credit are valid and will, in association with the

renewal or amendment, be updated to reflect the correct term of the Contract.

CONTRACT CHANGES

(i) Contract Amendments

Changes to the original scope of work in a Contract, or work that may be added to a Contract, require a Contract Amendment. Changes will be initiated by the Requesting Department who will prepare a justification and obtain department authorization. The Purchasing Department will process the request and will assist in obtaining approvals discussed in Policy 450.04, General Procedures and Approval Authorizations, in the Section titled Approval Authority for Award of Procurements. Upon approval, a written Contract Amendment will be developed by the Purchasing Department, approved by legal counsel and executed by authorized signatories for both parties (Aviation Authority and Contractor) prior to implementation of the change. Changes in price will be negotiated by the Purchasing Department and the Requesting Department or as designated by the Chief Executive Officer.

(ii) Contract Renewals

When written in the original Contract, the Aviation Authority may exercise a renewal option upon completion of the original term or any previous renewal term of the Contract. As a part of the Contract renewal process, the Contractor may request a price increase based upon escalation clause(s) in the Contract. The Purchasing Department shall verify with the Requesting/User Department the need to renew the Contract and, with their approval, shall notify the Contractor of the upcoming option to renew. The Contractor must agree to the renewal and request any price adjustment in writing. When written agreement to renew is received from the Contractor, a Contract renewal option will be prepared by the Purchasing Department for appropriate approvals and for signature by the Contractor and the Aviation Authority.

(iii) Contract Extensions

When there are no remaining options to renew a Contract, and the Aviation Authority determines it is in its best interest to extend a Contract, the Requesting Department shall notify the Purchasing Department. The Requesting Department shall prepare a justification approved by the Department Director for the extension and forward it to the Purchasing Department. The Purchasing Department will assist the Requesting Department in obtaining appropriate approvals in accordance with the Approval Authority Section of Policy 450.04, General Procedures and Approval Authorizations. If the extension is approved, the Purchasing Department shall prepare the Contract

Amendment for signature by the Contractor and the Aviation Authority.

(iv) Contract Assignments
In the event that a Contractor desires to assign a Contract to a third party, the Purchasing Department shall prepare documents required for appropriate approvals defined in the Approval Authority Section of Policy 450.04, General Procedures and Approval Authorizations, and for signature by the new contracting entity and the Aviation Authority. The Purchasing Department shall monitor receipt of updated insurance and Surety Bond or letter of credit.

(v) Contract Increase in Funds
When unforeseen or unpredicted events occur, Departments may request additional funds which will increase the original Contract value. All requests for additional funds which increase the original Contract value will be made in accordance with the approval requirements defined in the Approval Section of Policy 450.04, General Procedures and Approval Authorizations.

(vi) Contract Termination
When the Aviation Authority determines that it is not in its best interest to renew a Contract, or determines that it must terminate a Contract with or without cause, the Purchasing Department shall consult with legal counsel, obtain approvals from the Chief Executive Officer, and proceed with a written letter of termination to the Contractor after review by legal counsel. The Purchasing Department, in conjunction with the Requesting/User Department and legal counsel, shall determine if the Aviation Authority will proceed to collect on any Surety Bond(s) or letter(s) of credit issued by the awarded Contractor that are due to the Aviation Authority for financial loss or potential damages and will work with legal counsel to collect the Surety Bond(s) or letter(s) of credit.

See Also Policy 450.04, General Procedures and Approval Authorizations

APPROVAL AND UPDATE HISTORY

Last Approval Aviation Authority Board: May 15, 2019
Chief Executive Officer: December 12, 2014

Supersedes All Previous

Deborah W Silvers
Deborah Silvers
Jun 5 2019 12:59 PM

DocuSign