

POLICY 450.04: APPROVAL AUTHORIZATIONS AND DOCUMENTATION

OBJECTIVE Establish limits of authority for the approval of purchases and the award of Contracts for Goods and Services. Additionally, this policy addresses the documentation of procurements in the Aviation Authority's ERP System.

POLICY For Policy: The Aviation Authority's policies regarding Approval Authorizations and Documentation are included herein, in Policy 450.04.

DEFINITIONS See definitions as described in 450.01, Procurement Introduction and Definitions

GENERAL RULES All purchases require a Contract executed by both parties, and/or a Purchase Order or a Blanket Purchase Release to be issued prior to commencement of delivering goods or rendering services by any Vendor, except P-Card purchases, and emergency purchases.

Amounts to be considered toward the thresholds:

- Executed Contracts: the value of the entire contract, including Amendments. Purchase Orders without a separate Contract: the value of the PO.
- Blanket Purchase Agreements: the value of the full term of the Blanket Purchase Agreement.

Purchases shall not be split in order to circumvent policy. Consecutive contract amendments, when the services or goods covered by the amendments were reasonably known before the amendment was proposed, will not be approved. Vendors should reasonably anticipate the total value of the amendments for multiple months and request those increased contract values in a single amendment.

APPROVAL OF PROCUREMENT METHODS

At the time of procurement initiation, the method of procurement will be established as follows:

- Single/Sole Source procurement method:
 - Purchases between \$65,000 and \$250,000 require approval by the Vice President of Procurement Services.
 - Purchases over \$250,000 require approval by the Chief Executive Officer.
- Direct Negotiation Following a Solicitation method requires approval by the Vice President of Procurement Services in any amount.
- Direct Negotiation with or without Solicitation methods require approval by the Chief Executive Officer in any amount.
- Emergency Purchases do not require approval of the method prior to the purchase due to the urgent nature of such purchases.
- Owner Direct Purchase method requires approval by the Vice President of Procurement Services once, at the beginning of each project, in any amount.
- Buying Used or from Auction method requires approval by the Vice President of Procurement Services in any amount.
- Invitation For Bids, Invitation to Negotiate, Request for Proposals, Statement of Qualifications, Multi-Step Process methods require approval by the Vice President of Procurement Services in any amount.
- Request for Quotes, Other Entity Contracts / Piggybacks, Exempt Purchases:
 - Purchases between \$65,000 and \$250,000 do not require approval.
 - Purchases in excess of \$250,000 require approval by the Vice President of Procurement Services.

The CEO reserves the right to make final approval for any procurement method.

FINAL APPROVAL AUTHORITY

Final approval authority of purchases is delegated as follows:

1. For new procurements up to \$250,000:
 - For purchases based on Request for Quotes, Invitation for Bids or Non-Competitive procurements the final approval authority is designated by the Vice President of Procurement Services.
 - For purchases based on Request for Proposals, Invitation for Negotiations, and Statement of Qualifications approval by the Procurement Committee is required.
2. For new procurements in excess of \$250,000:
 - For purchases based on Invitation for Bids and Non-Competitive procurements, approval by the Aviation Authority Board is required based on a recommendation from the Vice President of the User Department with concurrence by the Vice President of Procurement Services.
 - For purchases based on Request for Proposals, Invitation for Negotiations, and Statement of Qualifications approval by the Aviation Authority Board is required based on a recommendation from the Procurement Committee.
3. Contract Amendments:
 - When a single Amendment value is less than \$250,000 and the cumulative value of Amendments since the last Aviation Authority Board approval is less than \$250,000, approval by the Vice President of Procurement Services is required.
 - When a single Amendment value is less than \$250,000 and the cumulative value of Amendments since the last Aviation Authority Board approval is in excess of \$250,000, approval by the Aviation Authority Board is required based on a recommendation from the Procurement Committee.
 - Authority Board approval is in excess of \$250,000, approval by the Aviation Authority Board is required based on a recommendation from the Procurement Committee.

4. Authority Board approval is in excess of \$250,000, approval by the Aviation Authority Board is required based on a recommendation from the Procurement Committee.
 - For new procurements and contract amendment of \$1,000,000 or more, the item shall be placed on the Aviation Authority Board Agenda as a separate line item in the New Business Section.

For example:

Event	Amount	Cumulative Amount to determine approval	Approval
Amendment One	\$50,000	\$50,000	VPPS
Amendment Two	\$60,000	\$110,000	VPPS
Amendment Three	\$150,000	\$260,000	Committee then Board
Amendment Four	\$50,000	\$50,000	VPPS
Amendment Five	\$400,000	\$450,000	Committee then Board

REQUISITIONS

Departments shall enter Requisitions into the ERP System to initiate the procurement process. A Project Intake Form (PIF) or additional back-up documentation may be required by the Procurement Agent based on complexity. If the value of the procurement cannot be reasonably known, a Requisition may be entered at \$0.01 to initiate the process. Requisition approval authority is designated by the Chief Executive Officer.

PURCHASE ORDER/CONTRACT PURCHASE AGREEMENT/BLANKET PURCHASE AGREEMENT/RELEASE EXECUTION

Following the final approval, the proper procurement document is generated in the Aviation Authority's ERP System. Authority to execute Purchase Orders, Blanket Purchase Agreements/Releases and Contract Purchase Agreements is delegated to Procurement Services Staff as follows:

1. For procurements up to \$250,000:
 - Assistant Managers
 - Senior Managers
 - the Assistant Vice President of Procurement Services
 - the Vice President of Procurement Services.

2. For procurements in excess of \$250,000:

- Senior Managers
- The Assistant Vice President of Procurement Services
- the Vice President of Procurement Services.

Blanket Purchase Agreement terms may be extended at the Procurement Agent's discretion, if the vendor is honoring the pricing originally provided, as long as approved funds are available. Additionally, the value of Blanket Purchase Agreements which were based on one (1) quote may be increased up to \$65,000, and Blanket Purchase Agreements which were based on at least two (2) quotes may be increased up to the formal competitive threshold at the Procurement Agent's discretion.

**BLANKET PURCHASE
RELEASES**

Blanket Agreement Release approval authority is designated by the Chief Executive Officer.

**CONTRACTS,
AMENDMENTS AND
RELATED DOCUMENTS**

Original Contract:

The original of all Contracts signed by two parties (other than Purchase Orders and Blanket Purchase Agreements and Releases) procured through the Purchasing Department and entered into by the Aviation Authority shall be stored and maintained in electronic format by the Purchasing Department; however, the User Department is the owner of the contract.

Changes to Contracts:

The User Department shall initiate any change needed to its contacts. The Purchasing Department shall record any changes that occur to its 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.

Contact / Contract Amendment Execution:

Contracts / Amendments procured under Policy Series 450 shall only be executed by the Vice President of Procurement Services, or the Chief Executive Officer for purchases up to \$250,000 (per document, not cumulative). In excess of \$250,000 the Chief Executive Officer shall execute. Execution of any contract documentation must occur following final approval and satisfactory legal review.

Execution of documents generated in the ERP system is addressed above; see section “PURCHASE ORDER / CONTRACT PURCHASE AGREEMENT / BLANKET PURCHASE AGREEMENT / RELEASE EXECUTION” above. A non-binding Letter of Intent may be executed by the Vice President of Procurement Services.

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.

Surety Bonds or Letters of Credit:

During the initial term of a Contract and prior to renewing or amending any Contract which includes a surety bond / letter of credit, 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.

Per Operational Policy 450.01, for record keeping purposes, documents may be stored in electronic format only.

REFERENCE Policy 450.01, Procurement Introduction and Definitions

APPROVAL AND UPDATE HISTORY

LAST APPROVAL Aviation Authority Board: December 13, 2023
Chief Executive Officer: April 6, 2023

SUPERSEDES All previous