

POLICY 450.03: NON-COMPETITIVE PROCUREMENTS

OBJECTIVE

Establish policies for the procurement of Goods, Services, and non-construction related Professional Services with limited or no competition under Aviation Authority Policy 450 Series.

This policy does not prohibit competition if determined to be in the best interest of the Aviation Authority.

POLICY

The Aviation Authority's policies regarding Non-Competitive Procurements are included herein, in Policy 450.03.

DEFINITIONS

See definitions as described in 450.01, Purchasing Introduction and Definitions.

SCOPE

The provisions of this policy section shall apply to the procurement of Goods and Services, when competition is not practical, feasible, possible or desirable. Amounts to be considered when estimating the value of a procurement:

- Executed Contracts: the value of the entire contract term, including options for extension, if any.
- 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.

SINGLE OR SOLE SOURCE PURCHASES (SGS/SSP)

The Aviation Authority may acquire Goods and Services, or Professional Services pursuant to a Single or Sole Source process. The Requesting Department must complete a Single or Sole Source Request electronically through a Workflow, stating in detail the justification for purchases in excess of \$65,000. The Vice President of Procurement Services has the authority to approve this procurement method for purchases up to \$250,000. Approval by the Chief Executive Officer is required if the purchase value is in excess of \$250,000.

The Aviation Authority shall electronically post to the Aviation Authority's website, for a minimum of fifteen (15) business days prior to award, a Notice of Intent to Award, which contains the

specifications or scope of work for the Goods or Services to be procured. If an objection is received to a Notice of Intent for a purchase valued less than \$250,000, the Vice President of Procurement Services has the authority to proceed with or cancel the Single or Sole Source procurement, or, for purchases valued over \$250,000, the Chief Executive Officer shall make the determination to proceed with this method or to cancel.

**DIRECT
NEGOTIATIONS
FOLLOWING A
SOLICITATION**

If the completion of a Competitive Award solicitation process under Operational Policy 450.02, Competitive Procurements, either:

- produces one responsive and responsible Offeror, or
- fails to produce a responsible or responsive Offeror, or
- fails to produce a qualified Offeror, or
- for which all submissions were rejected for any reason,

the Aviation Authority may procure the Goods, Services, or Professional Services that were the subject of such solicitation by Direct Negotiation with any provider of such Goods, Services, or Professional Services.

Direct Negotiation Following a Solicitation method requires approval by the Vice President of Procurement Services in any amount.

**DIRECT
NEGOTIATIONS
WITHOUT
SOLICITATION**

The Chief Executive Officer may purchase Professional Services, not to exceed \$250,000 per award, by directly negotiating or through other non-competitive methods pursuant to the procedures and guidelines set forth in Organizational Policy 110.01, Chief Executive Officer.

**EMERGENCY
PROCUREMENT (EP)**

The Aviation Authority may acquire Goods, Services, or Professional Services without issuing a competitive solicitation pursuant to an Emergency Situation as described in Operational Policy 450.01, Procurement Introduction and Definitions.

An Emergency Situation is defined in Operational Policy 450.01 as a condition, malfunction, or occurrence in which the immediate procurement of an item (i.e. Good, Services, or Professional Service) is essential to comply with regulatory requirements, or prevent injury to the life, health, or safety of passengers, employees, contractors or the public; or to the operations of Aviation Authority airports. The acquisition of goods and services may be made based on the

determination of the Vice President or above of the User Department, with prompt, written notification to the Chief Executive Officer and Vice President of Procurement Services by the Vice President of the User Department. Such acquisition is necessary to remedy or lessen the harmful effects of any actual or threatened occurrence, which may interfere with the conduct of normal business operations, or remedy conditions, which may pose an imminent or existing threat to the health, safety or welfare of persons or property, or poses a threat of substantial financial loss, within Aviation Authority operations.

Ratification of all emergency procurements shall be through a Workflow, initiated by the User Department, and, at a minimum, includes approval by the Vice President of the User Department, the Vice President of Procurement Services, and the Chief Financial Officer. In addition, Emergency Procurements in excess of \$65,000 require Workflow approval by the Chief Executive Officer.

If the total value of the emergency procurement exceeds \$250,000, ratification by the Aviation Authority Board is required following the Workflow process.

**PROCUREMENT
CARD**

Procurement card purchases are addressed in Operational Policy 450.10, Procurement Card.

**PROCUREMENT FOR
AVIATION
AUTHORITY OWNED
HOTEL FACILITY**

Due to the nature of the goods and services provided by the Aviation Authority owned hotel, the hotel management may designate items of specific brand and model for purchase, and the Aviation Authority shall use whatever process it deems appropriate to best procure such designated items, even if this results in limited or no competition.

**USE OF AVIATION
AUTHORITY OWNED
HOTEL AND OTHER
ON-SITE FACILITIES**

Aviation Authority events involving lodging, catering, or use of meeting rooms may be conducted in the Aviation Authority owned on-site hotel, or other on-site facilities without seeking competitive bids or proposals.

**STANDARDIZATION
(STN)**

In order to achieve a more efficient and economical operation or due to safety considerations, consistency or uniformity of certain goods and services is advantageous, and the Authority may adopt a single product or a group of products or services to be utilized throughout the Aviation Authority facilities.

This policy in no way prohibits the use of goods or the utilization of services, which adhere to the same specification, serve the same purpose as a previously standardized good or service, if it is in the best interest of the Aviation Authority.

Approval of Standardization does not involve approval of expenditure. Each procurement made under an approved Standardization is subject to individual approval of the expenditure.

To establish standards, the End User Department's Vice President requests approval by the Procurement Committee.

OWNER DIRECT PURCHASES (ODP)

The Aviation Authority may purchase materials and supplies to be used on behalf of the Aviation Authority directly from a supplier of a contractor to whom the Aviation Authority has awarded a contract. The Aviation Authority may determine that it is in its best interest to purchase materials or supplies directly from suppliers or subcontractors designated by the contractor which was competitively awarded work, rather than to reimburse the contractor for the costs of those materials or supplies, which would include sales tax. The awarded contract amount is reduced by the amount of the Purchase Order(s) issued, plus the applicable sales tax.

The Aviation Authority shall consider eligibility for grants and Passenger Facility Charge (PFC) funding in determining the extent to which direct procurement from the supplier is in the Aviation Authority's best interest and whether inclusion of the item in the base Contract or as an alternative is required.

EXEMPT PURCHASES (EX)

It is the policy of the Aviation Authority that the competitive procurement process is waived for certain purchases due to the nature of the goods and/or services.

The exemptions are as follows:

- Art, Artistic and Related Services (including Photography, Videography, Art cleaning, relocation, repair, and handling)
- Contracts, where exceptions are provided by State or Local Law
- Dues, Memberships and Subscriptions
- Education and Professional Training
- Employee Benefits and health related services procured through a quotation and negotiating process conducted by an

expert in the field or to maintain continuity of employee-health records

- Government regulated telecommunication services
- Insurance procured through a negotiating process.
- Items or services for resale or to generate revenue, other than those covered by Policy 450.05, Disposal of Surplus Property, Scrap, and Trash
- Legal Services
- Local Public Transportation Tickets and Passes
- Medical Services
- OEM Items for an established system or equipment
- Periodicals
- Performance and Entertainment Services
- Procurements from and agreements with non-profit organizations and government entities
- Procurements of supplies or services for maintenance, when the service originally was estimated to be below the competitive threshold, however, during the performance of service, it was discovered that additional repair is needed, and the need for this additional repair could have not been reasonably foreseen (A justification memo by the Vice President of the User Department is required)
- Postage
- Professional Training to maintain certifications included in an Aviation Authority job description or to enhance job performance
- Repair services for wrecked or damaged equipment and vehicles which have been designated for repair by the Vice President of Risk Management, and insurance restrictions apply
- Storage

- Travel Expenses, as governed by Organizational Policy 430.02, Authorized Travel Expense and Subsistence
- Utilities, including related goods and services

BRAND SELECTION

The Aviation Authority reserves the right to select certain Manufacturers / Brands. Manufacturer / Brand selection will be determined based on market research, GOAA's own experience, other Airport's experience, Consultant's recommendations, and specifications by other governmental entities operating at GOAA, etc. While this selection is not a form of non-competitive procurement, it may reduce the number or sources to procure from.

CONFIRMING PURCHASE ORDERS

Confirming Purchase Orders is a violation of this Policy, except for Emergency Procurements. If a requisition is submitted for a Confirming Purchase Order, outside the EP Workflow process, the Requisition must have supporting documentation attached from the Vice President of the User Department.

BUYING USED OR FROM AUCTION

Procurement of used equipment or vehicles is permissible when it is in the best interest of the Aviation Authority, as determined by the Vice President of the User Department after a thorough inspection and evaluation of the subject equipment or vehicle, and the Vice President of Procurement Services concludes that the price of such equipment or vehicle is fair and reasonable. No vehicle or equipment shall be purchased at auction unless the auction is generally and widely advertised in advance to the public, and open to all appropriate Bidders. The User Department shall request pre-approval by the Aviation Authority Board over \$250,000.

BINDING INSURANCE

In order to reduce exposure to any adverse event that could negatively affect insurance quotes or terms, the Chief Executive Officer may bind insurance upon concurrence of the Aviation Authority Board Chairman and receipt of the written recommendation of the Aviation Authority's insurance consultant to bind insurance based on current market conditions. The insurance program shall be presented to the Aviation Authority Board for ratification at the next regularly scheduled meeting following the binding.

ONLINE REVERSE AUCTION

The Aviation Authority reserves the right to utilize this procurement method when advantageous. The process will be specified in the Solicitation Documents.

REFERENCE

110.01, Chief Executive Officer
430.02, Authorized Travel Expense and Subsistence
450.01, Procurement Introduction and Definitions
450.02, Competitive Procurements
450.05, Disposal of Surplus Property, Scrap, and Trash

APPROVAL AND UPDATE HISTORY

LAST APPROVAL

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

SUPERSEDES

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