

# NORTHWEST ARKANSAS REGIONAL AIRPORT AUTHORITY

## POLICY & PROCEDURES

Last revised September 30, 2015

PURCHASING: PUR-1

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### PUR-1.1: RESPONSIBILITY

The ultimate responsibility for the administration of the purchasing system of the airport rests with the Senior Management, subject to the policies of the Airport's Board of Directors and Arkansas statutes. It has been determined that all purchases are to be made in accordance with this policy.

Purchases of \$25,000 or more that are not included in the annually approved operating budget require Board of Director's approval and formal bid procedures.

Purchases more than \$1,000 but less than \$25,000 require informal bid procedures, Airport Director, and Finance Director approval.

Purchases more than \$75 but less than \$1,000 requires Airport Director approval and the Finance Director approval.

Purchases less than \$75 require a petty cash disbursement and Airport Director or Finance Director approval.

Use of the GSA Purchasing Program or the State of Arkansas Purchasing Contract may be utilized without the requirement of informal bid procedures documentation up to \$25,000.

Contracts for which funds are designated in an approved annual budget shall not require approval by the Board of Directors and may be executed by the Executive Director, the Airport Director or the Finance Director.

### PUR-1.2: FORMAL BIDS

Formal bids and contract procedures shall be followed for purchase of items with an estimated cost over \$25,000.

### PROCEDURES

Prior to Bid Opening An advertisement, technical specifications, bid form, and any special conditions shall be completed. A funded expense code shall be assigned to cover the anticipated cost. A draft copy of the bid package shall be submitted to the Airport Director and Finance Director for assigning of a bid number, and the list of the prospective bidders who wish to receive copies. The Airport Director shall ensure that bid opening dates, advertising dates, etc., are properly coordinated. The advertisement shall be placed and a bid file maintained.

Bid Opening. The Airport Director or designee shall receive all sealed bids. All present shall sign a bid attendance sheet reflecting their name, company or business affiliation. Upon opening of bids, the Airport Director or designee shall read the submitted bids to all present and then prepare a bid analysis spreadsheet. Once this has been completed, the Airport Director, Finance Director, Executive Director, or other staff or consulting staff shall review the bids and attached spreadsheet to ensure that all requirements have been met.

Bid opening procedures shall be as follows:

- a. All bids shall be received on the due date and at a time established in the "Invitation to Bid" by the Airport Director and/or its designee.
- b. One minute prior to the bid opening, the Airport Director or designee shall announce to interested parties that the receiving of bids shall be closed in one minute.
- c. The Airport Director or designee shall circulate an attendance sheet at the bid opening for all present to sign. The Airport Director or designee shall determine that there are at least two Airport employees present at all bid openings.
- d. The Airport Director or designee shall open bids and read aloud the bid quotations, including all pertinent information in the bid response.
- e. It shall be the Airport Director's or designee's responsibility to determine the sequence of the items to be read from each bid.
- f. At the conclusion of the reading, the Airport Director or designee shall announce that all bids shall be reviewed for compliance. Interested parties may secure a bid job sheet by providing the Airport Director with a self-addressed, stamped envelope.
- g. The Airport Director or designee may allow interested parties to review bid quotations under the Airport staff's supervision at the end of the bid opening.
- h. Once the bid opening process is completed, it shall be the Airport Director's responsibility to assign an individual or forward the bids to the appropriate individual who shall be responsible for a bid spread tabulation sheet. When the spreadsheet is completed, the Airport Director shall review it prior to forwarding copies to interested parties and Airport officials.

**PUR-1.3**

**INFORMAL BIDS**

Informal bidding (quotations) is a process for receiving quotations for items for purchases under \$25,000.

**PROCEDURES**

Purchases Under \$1,000. For purchases under \$1,000, at least two (2) informal telephone quotations, a listing from two official price guides, or the best available price shall be obtained. This includes one item purchases. Aggregate

amount purchases under \$500 for small items such as misc. office supplies are excluded from this procedure, as are petty cash purchases. This procedure does not include items already purchased under a Standing Purchase Order.

Purchases Between \$1,000 and \$25,000. For purchases between \$1,000 and \$25,000, three (3) informal quotations (by telephone, in person, or other method of communication must be followed by a written presentation), or quotes from official price guides (catalogs, internet, etc., if available) shall be required. Information obtained shall be recorded and attached to the Purchase Requisition Request Form. Upon receipt of the quote, the Airport Director or designee shall summarize and review proposals/quotes. When the selected proposal/quote meets all departmental, legal, insurance and administrative requirements, the Airport Director shall request the issuance of a purchase order upon the concurrence of the Finance Director for verification of compliance with the approved budget and availability of funds. Copies of the award shall be forwarded to: The vendor, Finance Director and file via issued purchase order.

Use of the GSA Purchasing Program or the State of Arkansas Purchasing Contract may be utilized without the requirement of informal bid procedures documentation up to \$25,000.

Purchases of Surplus or Used Equipment. Used and surplus equipment can normally be evaluated through comparison of similar year, make, model, and condition factors. Since these are variables, it is not possible to "bid" for this type of purchase. Current retail value books and Internet services should be used to provide information necessary to determine a "reasonable market value" for individual purchases. At a minimum, two vendors or dealers should be located and similar equipment should be compared to researched prices.

#### **PUR-1.4**

#### **PROFESSIONAL SERVICES SELECTION**

Based on qualifications and performance evaluation criteria, the Airport shall competitively select professional services done for or on behalf of the Airport. The cost of legal, architectural, engineering and land surveying services shall not be considered as an evaluation element during the selection process of the three (3) highest qualified firms. Cost shall be considered as one of the selection criteria for other professional services required.

It is the policy of the Airport to publicly announce requirements for the competitive selection of professional services as referenced above, and to negotiate contracts for such services on the basis of demonstrated competence and qualifications for the type of professional services required, provided that the services are rendered at fair and reasonable prices.

## PROCEDURES

The competitive selection for such services shall be conducted by a review committee, which may include Board Members, the Chairman, Airport Staff, outside professionals, and individuals with expertise in the community. The review committee for each proposed contract may establish the qualifications and evaluation criteria necessary for the specific services to be provided, or Airport Staff may complete this function.

The RFP or RFQ shall outline the structure of the selection committee and shall state the point ranges, which shall be used to select the firm.

The Airport Staff shall cause to be advertised in a newspaper of general circulation a notice that the Airport has a need to contract for a particular professional service and shall invite all interested parties to submit, to the extent permitted by the ethical standards of that profession, a statement of their qualifications and other relevant information based on the evaluation criteria specifically developed for the proposed services to be provided.

## SELECTION PROCESS

In evaluating the qualifications of each firm, the review committee shall consider the assignment of point ranges for each element from 15% to 45%, so that the total of the four to five elements combined equals 100% (the fifth element would be price in all non-professional services selections):

- a. The specialized experience and technical competence of the firm with respect to the type of professional services required;
- b. The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
- c. The past record of performance of the firm with respect to such factors as control of costs, quality of work and ability to meet schedules and deadlines; and
- d. The firm's proximity to and familiarity with the area in which the project is located.

The review committee shall evaluate all statements of qualification and other submittals and may conduct interviews with selected firms. The method of selection shall be for each committee member to rate the firms based on the points established in the RFP or RFQ. The firm receiving the highest number of 1<sup>st</sup> place votes shall be selected. In the event of a tie, the firm receiving the highest number of 1<sup>st</sup> and 2<sup>nd</sup> place votes shall be selected. If a process again results in a tie, the committee shall hold further discussions, followed by a re-vote.

The review committee or its designee shall then negotiate a contract with the highest

qualified firm for the services to be rendered. In making such determination, the review committee or its designee, shall take into account the scope, complexity, and professional nature of the services to be rendered.

Should the review committee, or its designee, be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price determined to be fair and reasonable to the Airport, negotiations with that firm shall be formally terminated. The review committee, or its designee, shall then undertake negotiations with the second most qualified firm. Should the review committee, or its designee, be unable to negotiate a satisfactory contract with any of the selected firms, then the review committee shall reevaluate the necessary legal, architectural, engineering or land surveying services, including the scope and reasonable fee requirements.

#### **CONTRACT REVIEW/RECOMMENDATION**

The selection committee may forward a recommendation to the Board of Directors prior to entering into formal negotiations for the cost of services. In this event, the recommendation of a contract award (after negotiation) shall become an agenda item for the Board of Directors at the next meeting.

#### **CONTRACTS UNDER \$50,000 OR INCLUDED IN AN APPROVED BUDGET**

The requirement for a review committee may be waived and the review of qualifications as hereinabove stated shall be delegated to the Airport Staff who shall review and approve or disapprove all professional service contracts in an amount of fifty thousand dollars (\$50,000.00) or less. If no annual statements of qualification are on record the Airport Staff shall solicit qualification statements from appropriate legal, architectural, engineering or land surveying firms for review. Specialized consultants whose expertise are not widely available can be contracted with directly after review and approval of senior management.

#### **USE OF SELECTED JOB ORDER CONTRACTORS AND TASK ORDER APPROVAL AUTHORITY**

Job Order Contractor (JOC) selection shall conform to the requirements of this policy. Selection of JOC Contractor's and approval of the base contract rests with the Board of Directors.

The following schedule of values is assigned for various levels of approval *prior* to the execution of any task order for a JOC project:

Projects included in a current approved budget document that are within 10% (up or down) of the JOC's proposed price up to \$100,000 – approval by members of senior airport staff.

Projects included in a current approved budget document that are within 10% (up or down) of the JOC's proposed price between \$100,000 and \$250,000 – approval by a majority vote of the Operations Committee at a regularly convened meeting of the Committee with the committees' actions reported to the Board of Directors at their next regular meeting.

Projects included in a current approved budget document that are over \$250,000 require the approval of the Operations Committee and full Board of Directors.

### **EMERGENCY PURCHASES**

From time to time a mechanical failure, act of nature, or accident may require the immediate repair or replacement of equipment or facilities. Additionally, certain items may be available only through a sole source. In these instances, informal quotes may be used to facilitate replacement or repairs of facilities or equipment up to the cost of fifty thousand dollars (\$50,000). If time is not of the essence, or items are available from multiple sources, standard purchasing policy requirements shall be followed.