

Alabama State Port Authority

Procurement Policy



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Authorized By:

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1. Background and Goals

This Policy Manual is to be used for the procurement of supplies and services for the Alabama State Port Authority (the “Authority”), and to assist in the purchasing process so that personnel can perform their functions effectively.

The procurement of goods and services is governed by the following Policies and Procedures adopted by the Board of Directors (the “Board”) of the Authority pursuant to Section 41-4-124(e) of the Code of Alabama. This section, as amended, allows procurement by the Authority to be solely governed by procedures adopted by the Board, with the initial resolution (2023-33) being adopted on April 26, 2023. A supplement to the Authority’s procedure was approved by the Board (Resolution 2024-19) on February 28, 2024, to accommodate the McDuffie Coal Terminal’s unique operation.

The goal of this policy is for the procurement of the proper goods and services, while obtaining the best possible price, without sacrificing quality or continuity. All of this is being done to ensure a timely supply of the needed goods and services for the Authority. All parties involved in the negotiation, performance, and administration of the policy are required to act in a fair and honest manner. Compliance with this policy is mandatory for all employees. If a Purchasing department is not in place, Finance, under the direction of the Chief Financial Officer (CFO), will be responsible for maintaining and implementing the processes defined within this policy.

2. General Purchasing

a. Definitions

AUTHORITY. The Alabama State Port Authority, an enterprise agency of the State of Alabama.

BIDS. The response submitted by a bidder to an Invitation to Bids

BUSINESS. Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or other private legal entity.

CAPITAL EQUIPMENT. Tangible personal property that can be appraised for value, is not disposable or consumable, is stand alone, and has a useful life of one year or more.

CHANGE ORDER. A written order signed by the procurement officer, as defined, directing the contractor to make changes which the changes clause of the contract authorizes the procurement officer to order without the consent of the contractor.

CHIEF FINANCIAL OFFICER. The person serving as the Chief Financial Officer of the Authority.

CODE OF ALABAMA. The Code of Alabama, 1975, or any successor official codification of the laws of the State.

CONSTRUCTION. The installation, repair, renovation, or maintenance of the Authority buildings, structures, sewers, waterworks, roads, curbs, gutters, side walls, bridges, docks, and viaducts as well as any other improvement to be constructed, installed, repaired, renovated, or maintained on Authority property.

CONTRACT. All types of agreements, regardless of what they may be called, for the procurement of supplies or services.

CONTRACT MODIFICATION. Any written or oral alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

CONTRACTOR. Any person having a contract with the Authority.

DATA. Recorded information, regardless of form or characteristic.

DESIGNEE. A duly authorized representative of a person.

DIRECTOR. The person serving as the Director of the Authority.

ELECTRONIC. Electrical, digital, magnetic, optical, or other similar technology.

ELECTRONIC SIGNATURE. An electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

EQUIPMENT. Major items that are not expendable except through depreciation or wear and tear, and which, although they may be fixed or positioned in prescribed places, do not lose their identity or become integral parts of other items or installations.

INVITATION TO BID. All documents, whether attached or incorporated by reference, utilized for soliciting sealed bid responses.

PERSON. An individual, corporation, association, partnership, limited liability company, union, committee, club, other organization, or group.

PREFERRED SUPPLIER. A person that is granted preference priority as determined by the Authority.

PROCUREMENT. Buying, purchasing, renting, leasing, or otherwise acquiring any supplies or services. The term includes all functions that pertain to the obtaining of any supply or service, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. The term does not include the leasing of real property.

PROCUREMENT OFFICER. Reporting to the CFO, a person duly authorized by the Authority to oversee contracts and make written determinations with respect to those contracts. The officer will oversee the process of identifying, sourcing, and acquiring goods and services for the Authority at the best value or qualification. The

officer will ensure procurement adheres to Authority policies. If not filled, the position of Procurement Officer will be deemed to be the CFO of the Authority.

PROFESSIONAL SERVICES. The services of physicians, architects, engineers, environmental specialists, landscape architects, land surveyors, geoscientists, attorneys, teachers, artists, appraisers, and other individuals, or business entities offering the services of those individuals, who possess a high degree of scientific or specialized skill and knowledge where the experience and professional qualifications of the service provider are particularly relevant to the provision of the required service.

PROPOSAL. An offer to provide goods or services. A proposal may or may not be in response to a Request for Proposals issued by the Authority.

PURCHASE DESCRIPTION. The words used in a solicitation to describe the supplies or services to be purchased. The term includes any specifications attached to, or made a part of, the solicitation.

PURCHASING HIERARCHY. Matrix of approvals within Oracle, based on the organization chart of the Authority, showing the dollar amount that individuals can approve for purchases.

REQUEST FOR PROPOSALS. All documents, whether attached or incorporated by reference, used for soliciting proposals.

RESPONSIBLE BIDDER OR OFFEROR. A person who has the capability in all respects to perform fully the contract requirements and who in the Authority's opinion has the integrity and reliability to assure good faith performance.

RESPONSIVE BIDDER OR OFFEROR. A person who has submitted a bid or offer that conforms in all material respects to the invitation for bid or request for proposal.

SERVICES. The furnishing of labor, time, or effort by a contractor. The term does not include the delivery of a specific end-product, other than reports that are merely incidental to the required performance.

SMALL PURCHASE. The amount below which procurement procedures for small purchases may be used, defined on date of approval as \$99,999.99 and below.

SOLICITATION. Any request to submit quotes, bids, or offers to the Authority for the procurement of supplies or services. The term includes invitations to bid and requests for proposals.

SPECIFICATION. Any description of the physical or functional characteristics, or of the nature of a supply or service, and may include a description of any requirement for inspecting, testing, or preparing a supply or service for delivery.

SUPPLIES. All tangible personal property, including equipment. The term does not include land or a permanent interest in land.

b. PURCHASING THRESHOLDS

Small purchases	\$1 to \$99,999.99
Secure quotes	\$100,000 to \$249,999.99
Bid	\$250,000+

i. Small purchases

Expressly subject to exceptions below, these are supplies, services, and equipment up to \$99,999.99. The department seeking to purchase will submit a Small Purchase Order form to the Accounts Payable department along with an invoice. The approved signature will have the ability to make purchases as stated within the purchasing hierarchy of the Authority. Once Accounts Payable receives the invoice and approved Small Purchase Order form, the invoice will be entered into Oracle as a straight pay and will not need to be matched. Coding is very important on small purchase order forms.

ii. Secure quotes

If a project or item falls in the price range of this category, and expressly subject to exceptions below, we will request and receive three quotes (written or email) from suppliers as our due diligence prior to making a selection. An approach to selecting the quote that provides the best value to the Authority will be taken. This may be the lowest quote, but that is not a prerequisite for selection. In addition to price, consideration will be given to prior experience with the customer as well as the timeliness of providing the required goods or services. All received quotes will be kept on file with the buyer. Where

purchase orders are required, Accounting will follow their normal process. Once the purchase order is approved, Accounting will match the invoice to purchase order for payment. If a purchase order is not required, a check request form will need to be submitted and signed by the approving manager with purchasing hierarchy authority.

iii. Bid

While the Authority is not required to always seek bids, competitive bids may be sought at the discretion of the Authority. Expressly subject to the exceptions below, bid documents will be created and will include a description and contractual terms applicable and posted to the Authority's website. Sealed bids will be delivered at the designated time. Bids will be opened publicly with the name of each bidder and amount of each bid. Bids will be evaluated based on the requirements established in the Professional Services Section and Construction Section of this policy. A Bid Summary and Bid Tabulation will be created and sent to the CFO and Director for signature. Once signed, the Notice of Intent to Award Documents will be created and sent to the responsible bidder. The bidder has ten (10) business days to respond with performance bond, labor & material bond, acknowledgement of change orders, contract, certificate of insurance, disclosure statement, certificate of compliance and verification of membership in the E-Verify program. When the bid documents are returned to the Authority, the Certificate of Insurance is sent to Risk Management for verification and acceptability. The contract is sent to the Director for final approval. Once all has been verified and signed, a Notice to Proceed letter will be sent to the responsible bidder indicating their start date and completion date.

c. EMERGENCY PROCUREMENTS

Emergency procurements may be made when needed for the safe operation of the Authority. Emergency procurements made hereunder shall be made with as much competition as is practicable under the circumstances. A written or electronic determination of the basis for the emergency and for the selection of the contractor shall be included in the contract file.

d. SOLE SOURCE

Competition is highly encouraged to demonstrate transparency to the public and to acquire the services which best meet our requirements. At times, a contract may be

awarded for a supply or service where a sole source meets the needs of the Authority. Such events require approval by the Chief Operating Officer (COO), the CFO, and the Director of the Authority, or a designated delegate as defined in the Delegation of Authority (Section i). The required approval will be done in writing when it is determined that there is only one source for the required supply or service. The McDuffie Coal Terminal operates in a unique manner as spelled out in Section 4 of this policy. In any event, sole source contracts may not exceed one year unless the CFO determines in writing that there continues to be only one source for the required supply or service. The declaration of a sole source purchase will be exercised judiciously and always in good faith.

e. VENDOR PREQUALIFICATION

Prospective suppliers can be prequalified for particular types of supplies or services. To be prequalified, the proposed vendor shall provide the CFO with details on their company including financial information, and a track record of providing the requested supplies and services. The prequalification information can be written or by email to the CFO.

f. MINORITY BUSINESSES

The Authority will provide equal access to qualified Minority and Women-Owned Business Enterprises (M/WBE) and to Small and Disadvantaged Business Enterprises (DBE). DBE is defined as for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

The Authority requires its contractors and subcontractors not to discriminate on the basis of race, color, religion, national origin, or sex in the award and performance of contracts.

g. INVOICING

Purchasing entities will process payment requests with the accounting department. It is the responsibility of the purchasing entity to ensure that the expense budget, purchase order, or contract balances exist, and the proper vendor code is used. Failure to adhere to these requirements may cause a delay in payment.

It is the responsibility of the purchasing entity to ensure that appropriate signatures and approvals are applied to each document and supporting information. Appropriate signatures are considered a handwritten signature or an acceptable electronic signature.

h. ETHICAL PURCHASING

Failure to follow policies regarding Federal grant requirements can result in a wide range of sanctions for the organization including disallowed costs, denied reimbursement requests, debarment from all Federal funding and, in some circumstances, criminal charges.

The Code of Alabama, Title 36, Public Officers and Employees, Chapter 25 – Code of Ethics for Public Officials, Employees, etc. outlines the expectations and requirements for public employees, with specific attention to conflicts of interest, use of official position for personal gain, and requirement for contracting officials.

A conflict of interest arises when the employee, officer, or agent of the Authority, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these persons, has a financial or other interest in or would receive a tangible personal benefit from a firm considered for a contract. If it is determined that a conflict of interest has arisen, the Director of the Authority will decide on the appropriate course of action to be taken. The decision of the Director of the Authority shall be final and conclusive unless fraudulent.

i. DELEGATION OF AUTHORITY

Delegation of Authority (DOA) is the formal written conveyance from one person to another to bind the Authority to a legally enforceable obligation. DOA should delegate to the next higher level within the structure of the organization when possible. Pursuant to such, DOA records must be provided to the Procurement Officer if purchases are made during that time.

3. Professional Services Contracts

Overarching Guidelines Professional services (all kinds of professionals – includes lawyers, teachers, artists, engineers, architects, appraisers, accountants, etc.) will be obtained based on a Qualifications-Based Selection (QBS) criteria, and not on the basis of low bid or cost. Only after a firm is selected, based on its qualifications, will negotiations proceed based on price / design fee. Further, it is the policy of the Authority to promote competition and transparency in the award of professional service contracts through the use of a competitive Request for Qualifications/Request for Proposal process to the maximum extent practicable within the following framework:

Contract Amount	Acquisition Method
\$1 - \$99,999.99	Sole Source permitted. Competition is highly encouraged to demonstrate transparency to the public and to acquire the services which best meet our requirements.
\$100,000 or more	Requires public competition using either a one-step (RFQ) or two-step (RFQ/RFP) process.

Single and Multiple Award - Indefinite Delivery / Indefinite Quantity Contracts (IDIQ or On Call Contracts)

Indefinite delivery, indefinite quantity (IDIQ) contracts provide for an indefinite quantity of services for a fixed period of time. They are used when the Authority can't determine, above a specified minimum, the precise quantities of professional services that the Authority will require during the contract period. IDIQs help streamline the contract process and speed service delivery.

The use of IDIQ contracts is encouraged when the need for a particular professional service (Engineering, Legal, Accounting, etc.) is periodic and recurring, but cannot be precisely quantified as to what specific projects the services will be required for or exactly when those services will be needed. IDIQ contracts are essential for rapid response following a natural disaster such as a hurricane, or in response to rapidly developing business opportunities.

Professional Services IDIQ contracts will be awarded based on a qualification-based selection criteria for a period of one (1) year, renewable in one (1) year increments up to five (5) years maximum.

IDIQ contracts will either be for a single award (one firm) (SATOC), or multiple award (MATOC) (multiple firms) depending on the quantity and type of professional services required.

The Technical Services Division typically will maintain the following MATOC or SATOC contracts in-place to meet the engineering, architectural, environmental, and surveying requirements of the Port Authority:

Type of Professional Service	Type of IDIQ	Joint Capacity over 5-year life of IDIQ
Engineering Services, General Port Engineering	MATOC	\$15,000,000
Surveying and Mapping	SATOC	\$5,000,000
Engineering Services, Rail	SATOC	\$5,000,000
Engineering/Architecture Services, Buildings	MATOC	\$7,000,000
Environmental Services	MATOC	\$5,000,000

While IDIQ, or “on-call” contracts will be the standard practice by which the Authority will access professional services, any single professional service which is less than \$99,999.99 can be acquired without competition, based on a professional qualifications' basis.

Stand-alone Professional Service Contracts

For projects which are very large, or require a unique, specialized set of professional skills, a stand-alone RFQ or RFQ/RFP process will be used. This process will be used for any project for which the Authority believes requires a specialized set of professional skills that its existing IDIQ contracts do not provide. If the total contract cost for a single project exceeds \$3,000,000, a stand-alone contract will be completed in all cases.

Licensure Requirements for Professional Engineers, Architects and Surveyors

The code of Alabama requires that a firm, company, partnership, or corporation may engage or offer to engage in the practice of professional engineering, architecture or professional land surveying; provided, the managing agent of the corporation or firm or partners of the partnership and all personnel of the corporation, partnership, or firm who act in its behalf as professional engineers, architects or professional land surveyors are licensed in the State of Alabama and that the corporation, partnership, or firm has been issued a certificate of authorization by the Alabama Board of Engineers and Land Surveyors.

Professional Services Checklists

The following checklists/forms/agreements will be used with Professional Services contracts:

Appendix 1	Alabama Port Authority General Professional Services Agreement
Appendix 2	Alabama Port Authority Construction & Design Professional Services Agreement
Appendix 3	Professional Services RFQ / RFP Process Checklist
Appendix 4	Professional Services Payments Checklist
Appendix 5	Professional Services Close-out Checklist
Appendix 6	Professional Services MATOC Task Order Contractor Selection Worksheet

4. McDuffie Terminal

Due to the uniqueness of the McDuffie operation, the Authority finds it necessary to adopt a more flexible process for sourcing goods and services as a general course of action. In many cases, low bid often gets awarded the projects, and vendors on state contract are used as a regular course of business. However, the RFQ and bidding process for a complex facility like McDuffie is time consuming and limits the ability to keep equipment and processes running as planned. This is largely due to the facility's uniqueness of operation, specialized equipment, and parts inventory. In order to allow for McDuffie to operate at peak levels, a supplement to the Authority's procedure was approved by the Board of Directors (Resolution 2024-19). The revised approach alleviates the need for a statement of necessity where previously required, and allows for the following:

- Vendors, parts, equipment, and services will be selected based on the best fit-for-purpose, vendor performance history, and availability, which may not always be the lowest price. This is because of the required standardization of equipment and parts and the business-critical, time-sensitive nature of repairing and restoring equipment across McDuffie.
- RFQs will be issued to source and select one or more qualified vendor(s) to operate under a managed service contract to supply parts and services in a sole-source type relationship.
- To support continuous terminal operations, critical replacement parts will be identified so that they may be purchased in advance to prevent large blocks of unplanned downtime due to equipment failure.
- Purchases under this procedure will not require statements of necessity as this section serves as an overriding statement of necessity.

5. IT Software and Equipment

Equipment and Software Policy Purpose

The purpose of this section is to establish guidelines and procedures for the procurement of IT equipment and software within the Authority. This section aims to ensure the security, efficiency, and appropriate management of IT equipment owned and managed by the Authority, to protect the Authority's investment in hardware, and to maintain the security of the Authority's network.

- **Hardware (pc's, tablets, servers, printers, cameras, tv's, etc.)**
 - a. Use existing vendors/partners under that state contract umbrella if applicable.
 - b. For total spend and/or complex projects over \$100,000, IT may consider bidding out due to availability, timing, and uniqueness of equipment specs.
- **Software**
 - a. Standard everyday tools like Adobe, Microsoft, DocuSign, and Zoho will be sourced through state contract umbrella agreements if applicable.
 - b. Additional licenses for ERP level solutions like Oracle, UKG, or SplashBi will be sourced through existing agreements.
 - c. New software/solutions never used at the Authority:
 - i. IT will evaluate software options, creating a short list of viable vendor solutions, having vendor provide proof of concept demonstrations based on criteria provided, and requesting informal bid proposals.
 - ii. Reference calls to other customers for the short-listed solutions will be made.
 - iii. Proposals will be evaluated by IT, and the other department(s) benefiting from the tool, on overall implementation price, annual expense run rate, total cost of ownership, and the merits of the solution versus the desired need. Final selection will be a joint IT/Departmental decision based on a combination of all the factors noted above, but not always based on the lowest price.
- **Services**
 - a. Ongoing Maintenance and Support
 - i. Use existing vendors/partners under that state contract umbrella if applicable.
 - ii. For new support, leverage state contract vendors and others that supply the specific need. Evaluation would be done similar to

software in that all factors (annual expense, implementation, customer reference calls, etc.) will be used to select a provider.

b. Professional/Consulting Services

- i. Referring largely to short-term, non-recurring engagements or professional services beyond the IT department's skillset.
- ii. Initial sourcing will focus on vendors under a state contract umbrella if applicable. Consult IT staff with previous working knowledge either at the Authority or with other businesses for vendors who have a proven track record of delivering projects and support services. For larger projects (e.g. new ERP software implementation), IT may consider bidding out, but that is not the standard procedure.

6. Construction Contracts

Contracting Licensure Requirements General Contractors who undertake to construct or superintend the construction, alteration, maintenance, repair, rehabilitation, remediation, reclamation, or demolition of any building, highway, sewer, structure, site work, grading, paving or project or any improvement where the cost of the undertaking including labor and materials is \$50,000 or more must hold a current license from the State Licensing Board for General Contractors with classification as specified in the bid documents.

Low Bid vs. Best Value

Low Bid

Construction will be obtained through a competitive, sealed bid process. The contract will be awarded to the lowest responsible and responsive bidder meeting bid specification unless the Authority finds that all bids are unreasonable or that it is not in the Authority's interest to accept any of the bids. "Responsible Bidder" is defined as "a person who has the capability in all respects to perform fully the contract requirements and who in the Authority's opinion has the integrity and reliability to assure good faith performance". "Responsive Bidder" is defined as "a person who has submitted a bid or offer that conforms in all material respects to the invitation for bid or request for proposal".

Best Value

Construction will be obtained through a competitive bid process. The selection process for construction services using the Best Value process considers not only total construction cost, but other non-cost factors, with the overarching goal of selecting the firm deemed most likely to deliver a successful project at a reasonable cost. While construction will generally be obtained through a competitive bid process to promote transparency and competition, the following table outlines when sole-source acquisition is permitted:

Contract Amount	Acquisition Method
\$1 - \$99,999.99	Sole Source permitted. Competition is highly encouraged to demonstrate transparency to the public and to acquire the services which best meet our requirements.
\$100,000 or more	Requires public competition using either Low Bid or Best Value process

- Appendix 1 Standard Division II Construction Contract Documents
- Appendix 2 Low Bid Process Checklist
- Appendix 3 Best Value Bid Process Checklist
- Appendix 4 Construction Award Checklist
- Appendix 5 Construction Project Management Checklist
- Appendix 6 Construction Project Closeout Checklist

7. Enforcement

The Procurement Officer will interpret, and enforce this policy. The Procurement Officer shall obtain advice from knowledgeable personnel, as needed, relating to standards or specifications when in question. Any questions regarding the Procurement Officer's interpretation and/or application of the policy may be taken to the CFO for review and consideration.

8. Conflicts and Resolutions

Conflicts shall be reviewed and decided upon by the CFO and Procurement Officer. Protests must be filed in writing with the CFO within 14 days of the date of award or notification of intent to award, whichever is earlier.

The CFO, or his or her designee, may settle and resolve the protest of an actual or prospective bidder or offeror concerning the solicitation or award of a contract in accordance with guideline adopted by the Authority. If the protest is not resolved by mutual agreement within 10 days after the protest is filed, the CFO, or their designee, shall commence an administrative review of the protest and issue a decision in writing within 14 days of the review.

In the event of a timely protest or an appeal, the Authority may not proceed further with the solicitation or with the award of the contract until five days after notice of the final decision is provided to the protestor, except that solicitation or award of a protested contract is not stayed if the CFO, after consultation with the Director of the Authority, or their designee, makes a written determination that the solicitation or award of the contract without further delay is necessary to protect the best interests of the State.

A party that receives an adverse decision from the CFO may appeal the decision to the Director of the Authority. An appeal to the Director of the Authority shall be made in writing within five days of receipt of the adverse decision from the CFO. The Director of the Authority shall hold unlawful and set aside any decision issued by the CFO that the Director finds to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. The Director of the Authority shall issue a written decision within 14 days of receipt of the appeal. A copy of the decision shall be mailed or otherwise furnished immediately to the parties. The decision of the Director of the Authority shall be final and conclusive unless fraudulent.