Alabama Port Authority

Procurement Policy

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Chapter 1 Background and Goals

This Policy Manual is to be used for the procurement of supplies and services for the Alabama 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. A revised Procurement Policy was approved by the Board (Resolution 2024-30) on May 21, 2024. This revision addressed new purchasing thresholds, the various types of procurement and detailed more specialized processes that occur. The Board approve another revision to the policy on February 24, 2026 (Resolution 2026-04). This revision included a decrease in purchasing thresholds, removal of the section for McDuffie Coal Terminal's procurement procedures, and clarification regarding signing authority and e-filing of contracts.

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.

Chapter 2 General Purchasing

This section establishes the general procurement framework and threshold requirements governing the acquisition of supplies and services for the Authority. The policies and procedures set forth herein are intended to serve as the overarching guide for all procurement activities conducted by the Authority. Where a specific type of procurement — including, but not limited to, professional services, information technology, and construction — requires procedures that deviate from or supplement the general requirements outlined in this section, such requirements shall be defined and governed by the applicable individual section of this policy. In the event of a conflict between this section and a specific procurement section, the provisions of the specific section shall control.

2-1 Definitions

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

BEST VALUE. The overall combination of cost, quality, qualifications, schedule, technical capability, experience, life-cycle cost, risk, operational impact, and other factors determined by the Authority to provide the greatest overall benefit in response to a solicitation. Best Value does not require award to the lowest-priced offeror; rather, it reflects the Authority's determination of which proposal offers the most advantageous solution considering all relevant evaluation factors as defined in the solicitation. In a Best Value procurement, the Authority seeks to award a contract to the offeror whose proposal gives the greatest confidence that the requirements will be best met at an affordable, fair, and reasonable cost, consistent with the Best Value Source Selection Processes and Techniques established in this policy.

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.

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.

DELEGATION OF AUTHORITY. The formal written conveyance of authority from one person to another to bind the Authority to a legally enforceable obligation. Delegation of Authority (DOA) should delegate to the next higher level within the organizational structure of the Authority when possible. DOA records must be provided to the Procurement Officer for any purchases made under a delegated authority.

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. 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, certified public accountants (CPAs), auditors, financial advisors, investment advisors, bond counsel, economic consultants, maritime consultants, real estate consultants, grant consultants, 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 $49,999.99 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.

SUPPLEMENTAL AGREEMENT. A written order issued by the Authority to an existing contract, directing changes to the scope of work, contract price, or period of performance. A Supplemental Agreement shall be signed by both the Director and the CFO of the Authority. A Supplemental Agreement shall only be issued where a change to an existing contract is required; new or additional procurement needs that fall outside the scope of the original contract shall be procured through the appropriate procurement method as defined in this policy.

2-2 Purchasing Thresholds

Procurement Method	Dollar Threshold
Small Purchases	$1 to $49,999.99
Request for Quotations (RFQ)	$50,000 to $99,999.99
Formal Solicitations	$100,000+

a. Small Purchases

Expressly subject to exceptions below, these are supplies, services, and equipment up to $49,999.99. The department or person seeking to submit a purchase requisition will submit a requisition in Oracle and route to their supervisor. Once the requisition is approved, the buyer will then receive it, create the purchase order, the purchase order will be approved, and the order will be processed by the buyer. The buyer will follow through with the order and provide the customer (requestor) with status during the process. The buyer will also complete and follow-up with whom we are purchasing from as necessary.

b. Request for Quotations (RFQ)

This section governs procurements falling within the $50,000 to $99,999.99 threshold. Prior to initiating the formal quote process, individual business units are authorized to conduct market research and obtain one informal quote for the purpose of determining the applicable procurement threshold. Such informal quotes are for internal planning purposes only and do not constitute a formal solicitation. If the results of the market research indicate that the procurement is at or above $100,000, the vendor shall be invited to participate in the formal solicitation process and submit an official proposal in accordance with Section 2-2(c) of this policy.

For procurements that fall within the Request for Quotations threshold, and expressly subject to the exceptions outlined in this policy, the Authority shall request and receive a minimum of three quotes from qualified suppliers, obtained in writing or by email, as due diligence prior to making a selection. Award shall be made to the supplier that provides the best overall value to the Authority. While price is an important factor in the evaluation, the lowest quote is not a prerequisite for selection. In addition to price, consideration shall be given to the supplier's prior experience with the Authority, the quality of the goods or services offered, and the supplier's ability to deliver within the required timeframe.

All quotes received shall be retained on file by the buyer and maintained in the centralized contracts repository in accordance with Section 2-4 of this policy. Where a purchase order is required, the Accounting department shall follow standard purchase order processing procedures. Upon approval of the purchase order, Accounting shall match the invoice to the purchase order prior to processing payment. Where a purchase order is not required, a check request form shall be completed and submitted with the signature of the approving manager in accordance with the purchasing hierarchy authority established by the Authority.

c. Formal Solicitations

For all procurements at or above $100,000, the Authority is required to utilize a competitive process, except where a Sole Source procurement has been approved in accordance with Section 2-7 of this policy. The Authority recognizes two methods to govern the competitive process: Sealed Bidding and Negotiated Procurements. The nature and complexity of the procurement shall determine which method is most appropriate. The Procurement Officer, in consultation with the requesting department, shall make the determination as to the appropriate procurement method.

Solicitation documents shall be created and posted to the Authority's website and shall include a complete description of the required goods or services, all applicable contractual terms and conditions, and the evaluation criteria by which responses will be assessed. A Pricing Summary shall be prepared and submitted to the CFO and Director for signature. Once signed and approved, the Notice of Intent to Award shall be issued to the responsive responsible contractor in line for the award. The responsive responsible contractor shall have ten (10) business days from receipt of the Notice of Intent to Award to submit the following documents:

- Performance Bond
- Labor and Material Bond
- Acknowledgement of Supplemental Agreements
- Executed Contract
- Certificate of Insurance
- Sales and Use Tax Exemption Certificate
- Disclosure Statement
- Certificate of Compliance
- Verification of Enrollment in the E-Verify Program
- Executed Non-Disclosure Agreement, where applicable

Upon receipt of all required documents, the Certificate of Insurance shall be forwarded to Risk Management for verification and approval. The executed contract shall be submitted to the Director for final approval and signature. Once all documents have been verified and executed, a Notice to Proceed shall be issued to the awarded contractor specifying the start date and required completion date. All bid documents, tabulations, and supporting correspondence shall be maintained in the centralized contracts repository in accordance with Section 2-4 of this policy.

1. Sealed Bidding

Sealed Bidding shall be used when the requirements of the procurement can be clearly and completely defined in the bid documents, and where award can be made principally on the basis of price to the lowest responsible and responsive bidder. Bid solicitation documents shall be prepared by the Procurement Officer and posted to the Authority's website for public notice. All bids shall be submitted in sealed form by the designated deadline. Bids shall be opened publicly at the date, time, and location specified in the solicitation, with the name of each bidder and the amount of each bid read aloud and recorded. No bids shall be accepted after the designated closing time.

Award shall be made to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements set forth in the solicitation, unless the Authority determines that all bids are unreasonable or that it is not in the Authority's best interest to accept any bid received. A Bid Tabulation documenting all bids received shall be prepared by the Procurement Officer and submitted to the CFO and Director for signature prior to the issuance of the Notice of Intent to Award. Members of any panel convened to review and evaluate sealed bids shall be required to execute a Non-Disclosure Agreement prior to participating in the evaluation process.

2. Negotiated Procurements (RFP/RFQ)

Negotiated Procurements shall be used when the nature of the procurement is such that the Authority's requirements cannot be fully defined in advance, when factors other than price are significant in the evaluation and selection process, or when the use of Sealed Bidding is determined to be impracticable or not

in the best interest of the Authority. Negotiated Procurements shall be conducted through the issuance of a Request for Proposals (RFP) or a Request for Quotations (RFQ), as appropriate.

The RFQ shall be prepared by the APA buyers utilizing the customary APA request for quotation process. RFP shall be prepared by the Procurement Officer and posted to the Authority's website for public notice. All RFP solicitations shall include, at a minimum, a description of the scope of work or services required, the evaluation criteria and relative weighting to be applied, all applicable terms and conditions, and the deadline and instructions for submission of proposals.

RFP Proposals shall be evaluated by a technical and pricing review panel designated by the Procurement Officer. All panel members shall execute a Non-Disclosure Agreement prior to participating in the evaluation process. Award shall be made to the responsive responsible offeror whose proposal is determined to provide the best overall value to the Authority. Following evaluation and selection, the Procurement Officer shall prepare a written evaluation summary documenting the basis for the award recommendation and submit it to the CFO and Director for approval. All proposals received, evaluation scoring sheets, and supporting documentation shall be retained in the centralized contracts repository in accordance with Section 2-4 of this policy.

3. Rebalancing Bids

In the event the Authority determines that the bid of the apparent lowest responsible and responsive bidder is mathematically unbalanced such that it creates a material risk of advance or disproportionate payment, the Authority reserves the right (but not the obligation), in its sole discretion, to conduct discussions with the apparent lowest responsible and responsive bidder and to request that the apparent lowest responsible and responsive bidder submit a revised Schedule of Values or revised unit prices ("Rebalanced Bid"). Any such Rebalanced Bid shall be subject to the following conditions: (1) the total bid amount shall not increase as a result of any Rebalanced Bid; (2) the Rebalanced Bid shall not alter the scope of work, modify specifications, change estimated quantities, add or delete bid items, or alter contract time or sequencing requirements; and (3) the Rebalanced Bid shall be limited solely to redistribution of pricing among existing bid items included in the original bid form.

Following the submission of a Rebalanced Bid, the Authority, in its sole discretion, may (1) accept the Rebalanced Bid, (2) reject the Rebalanced Bid and accept the bid of the second lowest responsible and responsive bidder, or (3) reject all bids. If the apparent lowest responsible and responsive bidder declines to submit a Rebalanced Bid or submits a Rebalanced Bid determined unacceptable to the Authority, the Authority may reject the Rebalanced Bid and either proceed to the next lowest responsible and responsive bidder or reject all bids.

2-3 Signing Authority

The only bodied member that has the authority to sign any contract or if it exceeds the threshold for those situations is the Director/CEO of the Authority.

2-4 E-Filing

ALL contracts will be sent to the Procurement Officer for e-filing. All contracts and applicable documents, including but not limited to quotes, bid tabulations, scoring sheets, certificates of insurance, and supporting correspondence, will be maintained in the centralized contracts repository on the Procurement Department's SharePoint site.

2-5 Contract Numbering

All contracts awarded by the Authority shall be assigned a unique contract number by the Procurement Officer at the time of award. Contract numbers shall follow the format:

APA-[TYPE]-[FY]-[###]

Where:

APA identifies the Alabama Port Authority as the contracting entity

TYPE reflects the procurement category using the following codes:

SS – Sole Source

PS – Professional Services

CN – Construction

GS – General Services / Goods (including non-IT subscriptions such as publications, memberships, and industry databases)

IT – Information Technology (including hardware, software, and software subscriptions)

EM – Emergency Procurement

FY reflects the last two digits of the Authority's fiscal year in which the contract is awarded (October 1 – September 30)

reflects a sequential three-digit number assigned by the Procurement Officer, beginning at 001 at the start of each fiscal year and incrementing by type

Example: APA-CN-26-001 designates the first construction contract awarded in fiscal year 2026 (October 1, 2025 – September 30, 2026).

Task orders issued under an IDIQ contract shall be assigned a separate task order number by the Procurement Officer referencing the base IDIQ contract number.

Contract numbering applies to all new awards made on or after the effective date of this policy. Previously awarded contracts are not subject to retroactive renumbering. The Procurement Officer shall maintain a contract log in the centralized contracts repository on SharePoint reflecting all assigned contract numbers, contract type, vendor name, award date, and contract value.

2-6 Emergency Procurements

Emergency procurements may be made when an immediate need arises and the requisition and purchase order procedures established in this Policy cannot reasonably be followed. Qualifying conditions include unsafe conditions affecting the safe operation of the Authority or the safety of personnel; events that will stop or significantly delay Authority operations if the required goods or services are not procured at the time of the occurrence; limited vendor availability that prevents timely procurement through standard procedures; and occurrences outside normal business hours, including times when the buyer's office is closed and on approved state holidays. Emergency procurements made hereunder shall be made with as much competition as is practicable under the circumstances. A Statement of Necessity, signed by the CFO and the Director/CEO of the Authority, documenting the basis for the emergency determination and the justification for contractor selection, shall be included in the contract file.

2-7 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 of this policy. The required approval will be done in writing when it is determined that there is only one source for the required supply or service.

Prior to award of any sole source contract, the Procurement Officer shall prepare a Justification and Approval (J&A) form documenting the basis for the sole source determination, including the specific rationale establishing that only one source is capable of meeting the Authority's requirements. The J&A form shall be signed by the CFO and the Director/CEO of the Authority and shall be maintained on file in the centralized contracts repository in accordance with Section 2-4 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 shall be exercised judiciously and always in good faith.

2-8 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.

2-9 Information Technology

Regardless of dollar value, all IT-related acquisitions must be routed through and approved by the IT Department prior to purchase. This requirement applies to all categories of IT spending, including but not limited to hardware (computers, tablets, servers, monitors, printers, cameras, televisions, and other devices), software (licenses, subscriptions, and applications), and IT services (support, consulting, and implementation). No IT-related purchase shall be initiated or committed to without prior IT Department review and approval, regardless of the procurement method used.

2-10 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.

The Disadvantaged Business Enterprise (DBE) participation requirements set forth in this section apply specifically to procurements funded in whole or in part by federal grants or financial assistance, including funding administered through the U.S. Department of Transportation (DOT), the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), or other applicable federal agencies. DBE participation goals and compliance obligations for federally funded contracts shall be established in accordance with 49 C.F.R. Part 26 and any applicable grant agreement terms. For procurements funded solely

by the Authority without federal financial assistance, the DBE requirements of this section are not mandated but are encouraged as a matter of the Authority's commitment to equitable access and supplier diversity.

2-11 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.

2-12 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. (Verified current and in force as of June 2026.)

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.

2-13 Delegation of Authority

See definition of DELEGATION OF AUTHORITY in Section 2-1.

2-14 Purchase Order Terms and Conditions

All purchases made by the Authority through a Purchase Order (PO) are subject to the Authority's standard Purchase Order Terms and Conditions, as may be updated from time to time. The standard Terms and Conditions are incorporated by reference into every PO issued by the Authority and are binding on the Seller upon full or partial performance. Key provisions include:

- Acceptance: Seller's full or partial performance constitutes acceptance of all PO terms. Any additional or different terms proposed by Seller are rejected unless expressly agreed to in writing by the Authority.
- Delivery: Time is of the essence. Late delivery may result in rejection, cancellation, or other available remedies.
- Inspection and Acceptance: All goods and/or services are subject to inspection upon delivery. The Authority reserves the right to reject non-conforming goods or services. Payment does not constitute acceptance of defective goods.
- Price and Payment: Prices are firm and inclusive of all applicable taxes, duties, and charges unless otherwise specified. Payment terms are Net 30 days from receipt of conforming goods/services and a proper invoice, unless otherwise stated.
- Warranty: Seller warrants that goods and/or services shall be free from defects in material, workmanship, and design, and shall conform to applicable industry standards. Warranty coverage extends twelve (12) months from the date of final acceptance.
- Indemnification: To the extent permitted by law, Seller shall indemnify, defend, and hold harmless the Authority and its officers, employees, and agents from claims arising from Seller's performance under the PO.
- Governing Law and Forum: This PO shall be governed by the laws of the State of Alabama. Any legal action shall be brought in the federal or state courts in Mobile County, Alabama, subject to the Authority's immunity as an agency of the State of Alabama.
- Cancellation: The Authority may cancel a PO at any time with written notice. Seller shall be compensated only for conforming goods delivered and accepted prior to cancellation.

The full Purchase Order Terms and Conditions document is maintained by the Procurement Officer and shall be attached to or incorporated into each PO issued by the Authority. The Procurement Officer is authorized to update the standard Terms and Conditions as needed, subject to review by the Authority's legal counsel.

Chapter 3 Best Value Source Selection Processes and Techniques

For competitive Request for Proposal (RFP) solicitations, the Authority utilizes a Best Value evaluation approach to award contracts to the offeror whose proposal provides the greatest overall confidence that the Authority's defined requirements will be best met at an affordable, fair, and reasonable cost. Unlike lowest-price sealed bidding, this process may result in award to a higher-rated, higher-priced offeror when the Authority determines that the technical superiority, overall business approach, and/or superior past performance of that offeror outweighs the cost difference relative to lower-priced offerors.

The Director of the Authority serves as the Source Selection Officer (SSO) and makes the final contract award determination. The SSO, exercising prudent business judgment, arrives at the award decision through a defined qualitative and quantitative competitive evaluation process as documented by the Authority's Technical Evaluation Team (TET). After conducting a fair and equitable evaluation of all proposals received, the TET reaches consensus as to which offeror has offered the best overall value to the Authority. The TET's findings, evaluation process, recommendations, and supporting basis are documented in a Source Selection Award Memorandum (SSAM), which is approved by the SSO prior to award.

3-1 Tradeoff Process

On most Best Value acquisitions, the tradeoff process will be the most effective method for determining the best value to the Authority and shall be used when it is in the Authority's best interest to consider award to an offeror other than the lowest-priced offeror. Under this process, all competing technical and non-cost factor proposals are first evaluated independently, without knowledge of or regard to cost or pricing. The evaluation of both cost and non-cost factors is then conducted together to determine which offeror's proposal represents the best overall value, consistent with the stated evaluation criteria. The SSO selects the awardee by considering these tradeoffs and applying business judgment to determine the proposal that represents the best value to the Authority.

3-2 Past Performance Evaluation

Past performance is one indicator of an offeror's ability to successfully perform the contract. The RFP shall describe the approach for evaluating past performance. The currency, relevance, source, and context of past performance information, as well as general trends in contractor performance, shall be considered. Offerors may be authorized to address problems encountered on prior contracts and the corrective actions taken. The SSO shall determine the relevance of past performance information, which may include predecessor companies, key personnel experience, and subcontractors performing major or critical aspects of the work.

3-3 Technical Evaluation

When tradeoffs are performed, the TET's source selection records shall include: (i) an assessment of each offeror's ability to accomplish the technical requirements; and (ii) a summary, matrix, or quantitative ranking, with appropriate supporting narrative, of each technical proposal using the stated evaluation factors.

Chapter 4 Professional Services Contracts

4-1 Overarching Guidelines

Professional services (all kinds of professionals – includes lawyers, 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 – $249,999.99	Sole Source permitted. May be directly negotiated without a competitive process. Competition is highly encouraged to demonstrate transparency and to acquire the services which best meet our requirements.
$250,000 or more	Requires public competition using either a one-step (RFQ) or two-step (RFQ/RFP) process.

4-2 Direct Negotiation of Professional Services

Professional services contracts below $249,999.99 may be directly negotiated without a competitive process, consistent with the Authority's policy encouraging competition and transparency. In addition to the general threshold exception, direct negotiation of professional services may be appropriate under the following circumstances, provided the basis for direct negotiation is documented in the contract file:

- Continuation of existing work — the scope represents a logical extension of services already being performed under an existing contract and re-procurement would result in inefficiency or service disruption.
- Specialized expertise — the provider possesses specialized expertise, knowledge, or experience uniquely suited to the Authority's requirements that is not readily available from other sources.
- Emergency — an emergency condition exists that does not allow adequate time for a competitive selection process, as documented by a Statement of Necessity in accordance with Section 2-6 of this policy.
- Unique qualifications — the provider holds unique professional credentials, licensure, or other qualifications that are essential to the work and not possessed by other available providers.
- Compatibility with existing systems — the service requires compatibility with or integration into existing Authority systems, platforms, or infrastructure in a manner that limits the pool of qualified providers.
- Grant requirements — a federal or state grant agreement specifies or restricts the use of a particular provider, or the grant's terms make competitive re-selection impracticable.

The Procurement Officer shall document the basis for direct negotiation in writing and retain it in the contract file. Competition is encouraged even when direct negotiation is permissible, where practical.

4-3 Single and Multiple Award – IDIQ 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
Engineering Services, General Port Engineering	MATOC	$30,000,000
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

4-4 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.

4-5 Licensure Requirements

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.

4-6 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

Chapter 5 IT Software and Equipment

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. Regardless of dollar value, all IT-related acquisitions must be routed through and approved by the IT Department prior to purchase. This requirement applies to all categories of IT spending, including but not limited to hardware (computers, tablets, servers, monitors, printers, cameras, televisions, and other devices), software (licenses, subscriptions, and applications), and IT services (support, consulting, and implementation). No IT-related purchase shall be initiated or committed to without prior IT Department review and approval, regardless of the procurement method used.

5-1 Hardware

- Use existing vendors/partners under that state contract umbrella if applicable.
- For total spend and/or complex projects over $100,000, IT may consider bidding out due to availability, timing, and uniqueness of equipment specs.

5-2 Software

- Standard everyday tools like Adobe, Microsoft, DocuSign, and Zoho will be sourced through state contract umbrella agreements if applicable.
- Additional licenses for ERP level solutions like Oracle, UKG, or SplashBi will be sourced through existing agreements.
- New software/solutions never used at the Authority: 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. Reference calls to other customers for the short-listed solutions will be made. 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.

5-3 Services

a. Ongoing Maintenance and Support

- Use existing vendors/partners under that state contract umbrella if applicable.
- 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

- Referring largely to short-term, non-recurring engagements or professional services beyond the IT department's skillset.
- Initial sourcing will focus on vendors under a state contract umbrella if applicable. For larger projects (e.g. new ERP software implementation), IT may consider bidding out, but that is not the standard procedure.

Chapter 6 Construction Contracts

6-1 Purpose

The purpose of this section is to establish policies and procedures for procuring construction services in a manner that promotes safety, competition, transparency, quality, schedule reliability, fiscal responsibility, and the best overall value to the Alabama Port Authority. Construction procurements shall be conducted using the acquisition method determined by the Authority to provide the greatest overall benefit considering project complexity, schedule, risk, available competition, funding source, and operational impacts.

6-2 Contractor Licensing

All contractors performing work requiring licensure under the laws of the State of Alabama shall possess all required licenses and certifications prior to award of a contract and throughout the duration of the work. General Contractors undertaking construction, alteration, maintenance, repair, rehabilitation, remediation, demolition, grading, paving, utility work, marine construction, or similar improvements shall maintain all licenses required by the Alabama State Licensing Board for General Contractors and any other applicable regulatory authority.

6-3 Construction Procurement Methods

The Authority may utilize any of the following procurement methods when determined to be in its best interest.

a. Competitive Sealed Bid (Low Bid)

Competitive sealed bidding shall generally be used for well-defined construction projects where complete plans and specifications are available and award can appropriately be based upon the lowest responsive and responsible bidder. Award shall be made to the lowest responsive and responsible bidder unless the Authority determines that rejection of all bids is in its best interest. Where the Authority determines that a bid is mathematically unbalanced, the Authority retains the right to request a Rebalanced Bid in accordance with Section 2-2(c)(3) of this policy.

b. Best Value Procurement

Best Value procurement may be utilized when factors other than price are important to successful project delivery. Price need not be the sole determining factor. Evaluation criteria may include: proposed construction cost, technical approach, project schedule, relevant project experience, qualifications of key personnel, safety record, quality control program, past performance, financial capability, equipment resources, claims history, understanding of project risks, DBE/MWBE participation, operational impacts to Port facilities, and any other factors identified in the solicitation.

c. Existing Construction Contracts

The Authority may utilize previously awarded competitively procured contracts, including State Contracts and other cooperative contracting vehicles, without additional competition when determined to be in the Authority's best interest.

6-4 Construction Thresholds

Contract Amount	Acquisition Method
$1 – $249,999	Direct procurement or informal competition as determined appropriate by the Procurement Officer or Chief Engineering Officer.
$250,000 and above	Competitive procurement using Low Bid or Best Value.
Emergency Construction	Emergency Procurement Procedures (see Section 6-6).

The Authority reserves the right to use an alternative procurement method when authorized by law or determined to be in its best interest.

6-5 Best Value Determination

Construction contracts shall be awarded to the contractor offering the Best Value to the Authority. Best Value considers the overall combination of price, safety, quality, schedule, technical capability, contractor experience, financial stability, past performance, risk, operational continuity, life-cycle costs, and any additional evaluation criteria identified within the solicitation.

6-6 Emergency Construction

Emergency construction procurements may be made when immediate action is necessary to protect life or property; restore critical Port operations; prevent environmental damage; restore transportation infrastructure; or respond to hurricanes, flooding, vessel impacts, or other emergencies. Competition shall be obtained to the maximum extent practicable under the circumstances. A Statement of Necessity, signed by the CFO and Director/CEO, documenting the emergency basis and contractor selection justification shall be maintained in the procurement file in accordance with Section 2-6 of this policy.

6-7 Change Orders / Supplemental Agreements

The Authority recognizes that changes during construction are often necessary due to unforeseen site conditions, owner-requested modifications, regulatory requirements, utility conflicts, or design clarifications. All Supplemental Agreements shall be within the general scope of the original contract; properly documented; include justification for cost and schedule impacts; and be approved in accordance with the Authority's Delegation of Authority. Whenever practical, negotiations shall include cost analysis, schedule impact evaluation, and consideration of alternatives.

6-8 Existing Contractor Continuity

The Authority may negotiate modifications, additional phases, or supplemental work with an existing contractor when the work is a logical continuation of the original contract; mobilization efficiencies exist; schedule impacts make re-procurement impractical; the contractor possesses unique project knowledge; or the Authority determines continuation is in its best interest. Such modifications shall comply with applicable funding requirements and delegated approval authorities.

6-9 Federal Funding Requirements

When federal funding is utilized, procurement shall comply with all applicable federal statutes, regulations, grant requirements, and agency-specific guidance. When differences exist between this policy and federal requirements, the more restrictive requirement shall govern.

6-10 Project Closeout

Construction contracts shall not be considered complete until all required closeout documentation has been received, including as applicable: final inspection; punch list completion; release of claims; final payment application; lien waivers; warranty documentation; operations and maintenance manuals; record drawings or as-built drawings; training documentation; and final contractor performance evaluation.

6-11 Standard Construction Documents

The following standard documents shall be utilized for construction procurements unless otherwise approved by the Procurement Officer:

- Standard Construction Contract
- General Conditions
- Supplemental Conditions
- Technical Specifications
- Bid Forms
- Performance and Payment Bond Forms
- Insurance Requirements
- Change Order / Supplemental Agreement Forms
- Construction Closeout Checklist
- Contractor Performance Evaluation Form

Chapter 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.

Chapter 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.