

PORT AUTHORITY OF KANSAS CITY, MISSOURI
PROCUREMENT AND AUTHORIZATION POLICY
August 2014

The Port Authority of Kansas City, Missouri (“Port Authority”) believes in procuring Goods and Services in a fair and open manner to the fullest extent practicable. It is the goal of the Port Authority to procure Goods and Services without arbitrary actions or organizational conflicts of interest and without placing unreasonable requirements on firms to qualify them to do business with the Port Authority. Toward that end, the Port Authority has adopted this Procurement Policy, which supersedes all previous procurement policies and takes effect on the date adopted by the Board of Commissioners.

This Procurement Policy is intended to implement the provisions of the Revised Statutes of Missouri (“RSMo”) as may be amended at any time, including RSMo §68.055, which sets out the general statutory authority for Port Authority procurement of Goods and Services, as well as Chapters 34 and 67.

This Procurement Policy applies to the procurement of all Goods and Services unless a funding source mandates specific procedures for letting contracts as a condition to receipt of funds which are inconsistent with the procedures of this Procurement Policy, in which case the Port Authority may use the procedures required by the funding source.

It is the policy of the Port Authority to procure Goods and Services by one of the following methods, as described in more detail in the sections below:

1. Micro-Purchase Procedure (“MPP”) - \$3,000.00 or less.
2. Small Purchase Procedure (“SPP”) - between \$3,000.01 and \$100,000.00
3. Request for Proposals (“RFPs”) – \$100,000.01 and over.
4. Non-Competitive Proposals (“NCPs”)
 - a. Non-Competitive Proposal/Emergency - \$0 to \$25,000.00
 - b. Non-Competitive Proposal/Public Exigency - \$0 to \$25,000.00.
5. Qualifications-Based Selection Method (“QBS Method”) - \$3,000.01 and over.
6. Cooperative Procurement Purchases – Any amount.
7. Procurement of Construction Contracts – Any amount.
8. Indefinite Delivery/Indefinite Quantity (IDIQ) Task Order Contract – Any amount.

Definitions

The following definitions apply to this Procurement Policy:

Architectural Services: Any service as defined in RSMo 327.091, which includes any person who practices as an architect who renders or offers to render or represents himself or herself as willing or able to render service or creative work which requires architectural education, training and experience, including services and work such as consultation, evaluation, planning, aesthetic and structural design, the preparation of drawings, specifications and related documents, and the coordination of services furnished by structural, civil, mechanical and electrical engineers and other consultants as they relate to architectural work in connection with the construction or erection of any private or public building, building structure, building project or integral part or parts of buildings or of any additions or alterations thereto; or who uses the title "architect" or the terms "architect" or "architecture" or "architectural" alone or together with any words other than "landscape" that indicate or imply that such person is or holds himself or herself out to be an architect.

Board: The Board of Commissioners for the Port Authority of Kansas City, Missouri.

Construction Services: Activities undertaken to complete the construction, reconstruction, improvement, enlargement or alteration of any fixed work that relates to the implementation of a Contract, including environmental remediation and demolition, but excluding Professional Services.

Contract: Any contract or agreement for Goods and Services to which the Port Authority is a party.

Contractor: Any Person who enters into a Contract.

Cooperative Procurement Program: RSMo Chapters 34 and 67 authorize political subdivisions to participate in a joint purchasing program with the State of Missouri.

Emergency: An "Emergency" exists when there is a threat to human life or substantial threat to property, public health or public safety or when immediate expenditure is necessary in order to protect against severe loss of or damage to property, or to prevent or minimize a serious disruption in services.

Engineering Services: Any service as defined in RSMo §327.181 which includes any person who practices as a professional engineer who renders or offers to render or holds himself or herself out as willing or able to render any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences to such services or creative work as consultation, investigation, evaluation, planning and design of engineering works and systems, engineering teaching of advanced engineering subjects or courses related thereto, engineering surveys, the coordination of services furnished by structural, civil, mechanical and electrical engineers and other consultants as they relate to engineering work and the inspection of construction for the purpose of compliance with drawings and specifications, any of which embrace such service or work either public or private, in connection with any utilities, structures, buildings, machines, equipment, processes, work systems or projects and including such architectural work as is incidental to the practice of engineering; or who uses the title "professional engineer" or "consulting engineer" or the word "engineer" alone or preceded by any word indicating or implying that such person is or holds himself or herself out to be a

professional engineer, or who shall use any word or words, letters, figures, degrees, titles or other description indicating or implying that such person is a professional engineer or is willing or able to practice engineering;

President: The President of the Port Authority.

Goods and Services: “Goods” means all equipment, supplies or materials to be purchased by the Port Authority. “Services” means all work to be done by or on behalf of the Port Authority, including Construction Services and Professional Services. Use of the phrase “Goods and Services” is to be interpreted as meaning either “Goods” or “Services” as appropriate.

Land surveyor: Any service as defined in RSMo §327.272 which includes any person who practices in Missouri as a professional land surveyor who uses the title of "surveyor" alone or in combination with any other word or words including, but not limited to "registered", "professional" or "land" indicating or implying that the person is or holds himself or herself out to be a professional land surveyor who by word or words, letters, figures, degrees, titles or other descriptions indicates or implies that the person is a professional land surveyor or is willing or able to practice professional land surveying or who renders or offers to render, or holds himself or herself out as willing or able to render, or perform any service or work, the adequate performance of which involves the special knowledge and application of the principles of land surveying, mathematics, the related physical and applied sciences, and the relevant requirements of law, all of which are acquired by education, training, experience and examination, that affect real property rights on, under or above the land and which service or work involves:

- (1) The determination, location, relocation, establishment, reestablishment, layout, or retracing of land boundaries and positions of the United States Public Land Survey System;
- (2) Monumentation of land boundaries, land boundary corners and corners of the United States Public Land Survey System;
- (3) The subdivision of land into smaller tracts;
- (4) Creating, preparing, or modifying electronic or computerized data relative to the performance of the activities in subdivisions (1) to (3) of this subsection;
- (5) Consultation, investigation, evaluation, planning, design and execution of surveys;
- (6) The preparation of any drawings showing the shape, location, dimensions or area of tracts of land;
- (7) Monumentation of geodetic control and the determination of their horizontal and vertical positions;
- (8) Establishment of state plane coordinates;
- (9) Topographic surveys and the determination of the horizontal and vertical location of any physical features on, under or above the land;
- (10) The preparation of plats, maps or other drawings showing elevations and the locations of improvements and the measurement and preparation of drawings showing existing improvements after construction;
- (11) Layout of proposed improvements;
- (12) The determination of azimuths by astronomic observations.

Micro-Purchase Procedure (MPP): A procurement of Goods and Services that is governed by Missouri Revised Statute §34.040 and is for procurement of Goods and Services that do not cost more than \$3,000.00 and do not require the use of competitive solicitation.

Non-Competitive Proposal: A procurement through solicitation of a proposal from only one source. The twenty five thousand dollar (\$25,000) upper limit it is set by RSMo §68.057.

Person: One or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint stock companies, limited liability companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, fiduciaries and other organizations; except “Person” does not include any local, state or federal governmental entity.

Professional Services: Advisory or consulting activities including, but not limited to, architectural, engineering, surveying, legal, accounting, marketing, environmental studies and financial services, but excluding Construction Services.

Proposal: Any offer or list of qualifications submitted to the Port Authority in response to a Request for Proposals or otherwise.

Proposer: Any person who submits a Proposal in response to a Request for Proposals or otherwise.

Public exigency: An unforeseen occurrence or condition; a perplexing contingency or complication of circumstances; or a sudden or unexpected occasion for action. The twenty-five thousand dollar (\$25,000) upper limit it is set by RSMo §68.057.

Qualifications-Based Selection Method: A procurement of architectural, engineering and land surveying services pursuant to RSMo §8.285-8.291.

Request for Proposals (RFP): An invitation for suppliers, through a bidding process, to submit a proposal on specific Goods or Services in excess of the amount required on the SPP of \$100,000.00 (sum set by 24 C.F.R §85.36, and 41 U.S.C §403(11)), includes Invitations to Bid.

Request for Qualifications (RFQ): An invitation for submission of a statement of qualifications.

Small Purchase Procedure (SPP): A procurement of Goods and Services to be paid for with funds other than federal funds that is not expected to cost more than \$100,000.00, which is the simplified acquisition threshold fixed by 41 U.S.C. §403(1)(pursuant to 24 CFR §85.36).

Section 1 - Micro-Purchase Procedure (“MPP”)

Required Solicitation:

MPP may be used to procure any Goods and Services that are not expected to cost more than \$3,000.00 without soliciting competitive quotations if the costs of such Goods and Services are reasonable. Action to verify price reasonableness need only be taken if information indicates that the price is unreasonable, or no comparable pricing information is readily available.

Required Authorization:

Use of MPP Procurement shall be authorized by the President, the Chairman, or the Chairman's Designee if the President and the Chairman are unavailable. It is the Port Authority's intent not to approve the use of multiple MPP contracts per party/per year. Board approval is required for three or more MPP contracts per party/per year.

All MPP contracts should be reported to the Port Authority Board of Commissioners by providing the Board of Commissioners with a copy of the MPP Procurement Checklist/Authorization form (located in the Procurement Policy Manual) at the next regularly scheduled Board meeting.

Section 2 - Small Purchase Procedure ("SPP")

SPP may be used to procure any Goods and Services other than engineering, land surveying, architecture, and construction where the cost is expected to exceed the MPP amount of \$3,000.01 but not the SPP maximum amount of \$100,000.00.

When using SPP, the following requirements apply:

Required Solicitation:

1. Quotations will be obtained from an adequate number of sources to promote competition to the maximum extent practicable; provided, however:
Solicitation of at least three sources should be considered to promote competition to the maximum extent practicable;
2. Solicitations may be made to any or all potential Contractors on a pre-existing list of Persons capable of providing the desired Goods and Services, including any such list maintained by the Port Authority, or may be made to any or all Persons deemed appropriate by the Port Authority based on any reasonable criteria; provided, however:
 - a. Quotations must not be solicited based on personal preference; or
 - b. Solicitation must not be restricted to suppliers of well-known and widely distributed makes or brands;
3. Any purchase where the estimated expenditure shall be twenty-five thousand dollars (\$25,000) or over, shall be advertised for bid in at least two (2) daily newspapers of general circulation in such places as are most likely to reach prospective bidders per RSMo §34.040.
4. Post a notice of the proposed purchase in the office; and
5. Solicitations of quotations or offers will notify potential quoters or offerors of the basis on which the award will be made (price alone or price and other factors, e.g., past performance and quality);
6. Before making an award, the contracting officer must determine that the proposed price is fair and reasonable;

7. Solicitations for offers and responses to the solicitation must be made in writing either electronically or by paper.

Required Authorization:

Written approval from the Chairman of the Board of Commissioners is required in order to enter into any Contract for Goods and Services in which the cost exceeds Twenty Five Thousand Dollars (\$25,000.00) amount but is less than Fifty Thousand Dollars (\$50,000.00).

Port Authority Board of Commissioners' authorization by Resolution is required prior to contract execution when the cost is equal or greater than \$50,000.

Any such Contract must be reported to the Port Authority Board of Commissioners at the next regularly scheduled meeting.

Section 3 - Requests for Proposals ("RFP") – For Contracts Other Than Those For Construction, Engineering, Land Surveying, and Architecture, That Exceed \$100,000.00.

• **Required Solicitation:**

RFPs must be used when the anticipated cost of the Goods and Services to be procured is expected to exceed the SPP amount of One Hundred Thousand Dollars (\$100,000.00).

RFPs must be publicized and may either be:

1. Delivered to firms selected based on any reasonable criteria deemed appropriate by the Port Authority for the Goods and Services sought;
2. Delivered to any or all potential Contractors on a pre-existing list of Persons capable of providing the desired Goods and Services, including any such list maintained by the Port Authority, or may be made to any or all Persons deemed appropriate by the Port Authority based on any reasonable criteria;
3. Delivered to any Persons deemed qualified after evaluating responses to a Request for Qualifications ("RFQ") previously delivered by the Port Authority to select Persons.
 - a. Except in the case of architectural, engineering and land surveying services (which are subject to the QBS Method described in Section 5 below), RFQs are only an *optional* preliminary step used to identify Persons qualified for a particular procurement; submitted qualifications may be used as a basis for requesting Proposals from specific Proposers.

When RFPs are used, the following requirements apply:

1. The RFP must be in writing (electronic or paper);
2. Proposals must be solicited from an adequate number of qualified sources (minimum 3);
3. RFPs must identify all expected evaluation factors;

4. If the estimated amount of the contract is expected to be One Hundred Seventeen Thousand Dollars (\$117,000.00) or greater, the RFP must include the Port Authority's Affirmative Action requirements;
5. As the expenditure is over twenty-five thousand dollars (\$25,000), notices shall be advertised for bid in at least two (2) daily newspapers of general circulation in such places as are most likely to reach prospective bidders per RSMo §34.040.
6. Any response to an RFP will be honored to the maximum extent practical;
7. The Port Authority will have a method for conducting technical evaluations of the Proposals received and for selecting awardees; The Port Authority will create an ad-hoc committee of people with knowledge of subject matter of the Proposal for evaluation.
8. Awards will be made to the responsive Proposer whose Proposal is most advantageous to the Port Authority, with price and other factors considered; and
9. Notwithstanding the foregoing, the Port Authority may reject any or all Proposals in its discretion.

Required Authorization:

A Port Authority Board of Commissioners' authorization by Resolution is required prior to contract execution.

Section 4 - Non-Competitive Proposals ("NCP")

As described more fully in this section, procurement of Goods and Services by an NCP may be used when:

1. The Goods and Services are reasonably available only from a single source; or
2. A Public Exigency or Emergency exists.

A. Non-Competitive Proposal/Emergency

Required Solicitation:

In the event of an Emergency, a non-competitive solicitation procedure for the procurement of Goods and Services up to Twenty-Five Thousand Dollars (\$25,000.00) is authorized.

Required Authorization:

Use of the non-competitive solicitation procedure and contract execution requires authorization from the President, and Chair of the Finance and Administration Committee, in the form of execution of the Non-Competitive Proposal/Emergency Checklist and Authorization Form.

The Non-Competitive Proposal/Emergency Checklist and Authorization Form should be presented to the Board at the next regularly scheduled Board meeting

B. Non-Competitive Proposal/Public Exigency

Required Solicitation:

In the event of a Public Exigency (where a delay from competitive solicitation cannot be permitted), the use of a non-competitive solicitation may be used to procure Goods and Services, except for land surveying, architecture, and engineering, the cost of which is from \$0, up to Twenty-Five Thousand Dollars (\$25,000.00).

Required Authorization:

Use of the non-competitive solicitation procedure and contract execution requires authorization from the President, and Chair of the Finance and Administration Committee, in the form of execution of the Non-Competitive Proposal/Public Exigency Checklist and Authorization Form.

Section 5 - Qualifications-Based Selection Method (“QBS Method”) For Architectural, Engineering and Land Surveying Services.

Required Solicitation:

The QBS Method applies to architectural, engineering and land surveying services, pursuant to RSMO §8.285-8.291. Under the QBS Method, the Port Authority is required to negotiate Contracts for architectural, engineering and land surveying services only on the basis of demonstrated competence and qualifications for the type of services required. Only after a firm is selected on the basis of qualifications are a scope of work and fee negotiated. There is no monetary limit for QBS as cost is negotiated after selection based on qualifications.

The following procedures apply to solicitations for architectural, engineering and land surveying services.

The Port Authority will:

1. Publicize or deliver Requests for Qualifications to select firms and evaluate the responses to the Requests for Qualifications together with those statements of qualifications and performance data of firms, if any, already on file with the Port Authority;
2. When soliciting RFQs for services similar to those for which an RFQ has already been issued by the Port Authority, the Port Authority may utilize the firms that are current (qualifications updated within the past two (2) years) and on file with the Port Authority in the evaluation and ranking process.
3. After evaluating the firms, list three (3) firms that are highly qualified;
4. Select the firm considered best qualified and capable of providing the desired Services;
5. The Port Authority shall prepare a written description of the scope of the proposed Services, as a basis for negotiation;
6. Negotiate a Contract for the Services with the firm selected;

7. If the Port Authority is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated. The agency shall then undertake negotiations with another of the qualified firms selected. If there is a failing of accord with the second firm, negotiations with such firm shall be terminated. The agency shall then undertake negotiations with the third qualified firm.

If the Port Authority is unable to negotiate a contract with any of the selected firms, the agency shall reevaluate the necessary architectural, engineering or land surveying services, including the scope and reasonable fee requirements, again compile a list of qualified firms (either firms on file or that respond to another Request for Qualifications), and proceed with the process of evaluation and negotiation again.

According to Statute the Port Authority shall use the following evaluation criteria:

1. The specialized experience and technical competence of the firm with respect to the type of services required;
2. 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;
3. 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;
4. The firm's proximity to and familiarity with the area in which the project is located.

The qualification based requirement of this Section is met in a design-build Contract if qualification of architectural and engineering Services to be provided in the Contract is one of the criteria used in selection of the design-build Contractor.

Regardless of the initial dollar amount of any Contract entered into under this Section, the Port Authority may elect to use the same firm on a subsequent phase or for additional work without a new qualification based selection process. If the Port Authority and the firm cannot agree on reasonable compensation for a subsequent phase or additional work, the Port Authority will utilize the process set out in this Section to select a firm.

If the estimated cost of the contract will exceed One Hundred Seventeen Thousand Dollars (\$117,000.00) or the President has established Affirmative Action goals for the contract, the RFQ should describe the Port Authority's Affirmative Action requirements.

Required Authorization:

Written approval from the Chairman of the Board of Commissioners is required in order to enter into any Contract for Goods and Services in which the cost is greater than Twenty-Five Thousand Dollars (\$25,000.00) amount but is less than Fifty Thousand Dollars (\$50,000.00).

Written approval from both the President and either Committee Chair or presiding Committee Chair is required in order to enter into any Contract for Goods and Services in which the cost is equal to or greater than Fifty Thousand Dollars (\$50,000.00).

Any such Contract must be reported to the Port Authority Board of Commissioners at the next regularly scheduled meeting.

Section 6 – Cooperative Procurement Purchases.

RSMo Chapters 34 and 67, authorize political subdivisions and quasi-public governmental bodies to work cooperatively to solicit for a variety of equipment or materials. These cooperatives are designed to get a better price for members by purchasing in larger quantities than any of the members could alone. Consequently, procurement through the Missouri Cooperative Procurement Program organized by the State of Missouri and administered by the Office of Administration, Division of Purchasing and Materials Management shall be authorized on any Port Authority project. However, when expending funds derived from any state or federal grants, this procurement method should be verified by the granting authority prior to items being purchased.

Required Solicitation:

Solicitation is performed by the State of Missouri as administrator of the program. As such, none is needed by the Port Authority, however any local vendors who are on the City of Kansas City, Missouri certified MBE/WBE list and capable of providing the goods or services should be notified of the opportunity to bid.

Required Authorization:

1. Purchases below \$25,000 require approval of the President.
2. Purchases between \$25,001 and \$49,999 require written approval from the Chair.
3. Purchases over \$50,000 require board approval.

Section 7 -- Procurement of Construction Contracts.

Missouri Prevailing Wage Law requires the Port Authority to obtain the Jackson County Prevailing Wage forms and incorporate the appropriate wage rates into all Construction contracts.

The Jackson County Prevailing Wage form is located at:

http://www.labor.mo.gov/dls/wageandhour/prevailingwage/prevailing_wage.asp.

The Invitation for Bid should state the Missouri's prevailing wage rate will be paid.

Required Solicitation:

Construction contracts estimated to cost equal to or less than \$24,999.99 shall be procured through the solicitation of bids from an adequate number of sources to promote competition to the maximum extent practicable. Solicitation from at least 5 sources should be considered to promote competition to the maximum extent practicable, with at least 2 of the 5 sources contacted coming from the City of Kansas City, Missouri certified MBE/WBE list.

Construction contracts equal to or greater than \$25,000.00 shall be procured by sealed bids (through formal advertising). Bids shall be publicly solicited and a firm-fixed price contract awarded to the responsible bidder, whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. In order for sealed bidding to be feasible, the following conditions should be present:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two or more responsible bidders are willing and able to compete effectively and for the business;
3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

The following requirements apply to the use of sealed bids:

1. The invitation for bids will be publicly advertised in a newspaper of general circulation, and at the Port Authority's discretion, a newspaper of general circulation among contractors for a minimum of twenty (20) days.
2. Bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
3. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
4. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
5. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is the lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
6. Any or all bids may be rejected if there is a sound documented reason.

Required Authorization:

Written approval from the Chairman of the Board of Commissioners is required in order to enter into any Contract for Goods and Services in which the cost is equal to or greater than Twenty-Five Thousand Dollars (\$25,000.00) and less than Fifty Thousand Dollars (\$50,000.00).

Any such Contract must be reported to the Port Authority Board of Commissioners at the next regularly scheduled meeting.

Port Authority Board of Commissioners' authorization by Resolution is required prior to contract execution when the cost is equal to or greater than Fifty Thousand Dollars (\$50,000.00)

If the estimated cost of the Construction contract will exceed Three Hundred Thousand Dollars (\$300,000.00), the Invitation to Bid should describe the Port Authority's Affirmative Action requirements.

Section 8- Indefinite Delivery/Indefinite Quantity (IDIQ) Task Order Contract.

IDIQ Task Order Contracts may be used to procure Goods and Services of an indefinite quantity of services during a fixed period of time. This contract should only be used when it is not possible or practical to predetermine, above a specified minimum, the precise quantities of supplies or services required during the contract period. IDIQs help streamline the contract process and speed service delivery.

Required Solicitation:

IDIQ contracts must be bid out as if they were greater than \$25,000.

Required Authorization:

IDIQ Contracts will require Board approval in order to enter into any Contract for Goods and Services. Once an IDIQ contract has been approved by the Board, any subsequent renewal will not require a new RFP process, but will require Board approval. All Task Orders shall be reported to the Commission on a monthly basis.

4. Task Orders below \$25,000 will require approval of the President.
5. Task Orders between \$25,001 and \$49,999 will require written approval from the Chair.
6. Task Orders over \$50,000 will require board approval.