



PROCUREMENT PROCEDURES FOR CHAPTER 68 BOND FINANCED SALE-LEASEBACK PROJECTS

Port KC periodically issues its bonds for the purposes of sponsoring and financing port improvement projects consisting of improvements to property owned by Port KC and leased to a developer (“Developer”), with such improvements being performed by contractors under contracts let by Developer. The procedures established herein shall be applicable to the entirety of any bond-financed project.

A. General Rules

A Developer should not begin procuring its contractors until Port KC’s Board of Commissioners has considered and elected to adopt a resolution expressing its intention to issue bonds in support of the port improvement project. Project demands and compressed timelines may occasionally result in a Developer electing to begin contractor procurement at an earlier stage. Any Developer electing to do so is proceeding at its own risk. The procurement of a contractor pursuant to these Procurement Procedures does **not** indicate that Port KC has approved or will approve a project for development finance assistance, nor does it create any enforceable rights or expectations by any Developer. Every project must proceed through Port KC’s established processes, which include a financial analysis, consultation with the impacted taxing jurisdictions and the adopting of multiple resolutions by Port KC’s Board of Commissioners, before any incentives may be approved. In the event a Developer elects to assume those risks, the Developer must refrain from making any false or misleading representations about Port KC’s commitment to participate in the project.

In the event that (a) Developer shall have preselected its general contractor or (b) the general contractor holds an ownership interest in Developer and will simultaneously serve as the general contractor with respect to a particular port improvement project, then these Procurement Procedures shall be applied solely with respect to first-tier subcontractor procurements only. All subsequent tiers shall thereafter be contracted in such manner as the general contractor and/or applicable first-tier subcontractor shall elect to utilize pursuant to their agreement.

In the event that Developer has not preselected its general contractor with respect to a particular port improvement project, then these Procurement Procedures shall be applied solely with respect to the general contractor procurement only. All subcontracts, of ever tier, shall thereafter be awarded in such manner as Developer and/or the general contractor shall elect to utilize pursuant to their agreement.

B. Solicitation Limited to Prequalified Contractors

Port KC has elected to prequalify a pool of contractors in multiple construction trades for the purpose of ensuring maximum competition with respect to the award of such contracts. Except as otherwise provided for in paragraph C, only contractors listed on Port KC’s Prequalified Contractors List as of the date the request for bids or proposals is released or posted are eligible to submit a bid or proposal on any scope(s) of work solicited pursuant to

these Procurement Procedures. If Developer or its general contractor, as applicable, anticipates that entities not currently on the list may wish to submit a bid or proposal, they are strongly encouraged to contact Port KC and complete the necessary prequalification process. Port KC's Prequalified Contractor List is available for review by sending an inquiry to info@portkc.com or by phone at 816-559-3750.

The following procedures shall be strictly adhered to by Developer or its general contractor, as applicable:

1. A full and complete electronic copy of the request for bids or proposals shall be provided to Port KC at least three (3) business days prior to release. In the event the bid or proposal materials will be made available via an online platform, a link to the same shall be provided to Port KC, in lieu of the electronic copy, at least three (3) business days prior to being posted.
2. The location where the request for bids or proposals materials can be accessed by potential bidders or proposers and the name and email address of a contact person shall be provided to Port KC at least three (3) business days prior to being released or posted.
3. Port KC shall be notified of the date that the request for bids or proposals will be released or posted.
4. The request for bids or proposals shall remain open for not less than twenty (20) calendar days.
5. The request for bids or proposals shall convey such information as is necessary for potential bidders or proposers to structure a responsive bid or proposal, and shall include, at a minimum, the project timeline and applicable due dates, scope of work, bid or proposal specifications, and any minimum required qualifications.
6. All bid or proposal openings shall be open to the public.
7. A list of the bidders or proposers electing to respond shall be provided to Port KC within three (3) business days of bid or proposal opening.
8. Any contract shall be awarded to lowest responsible bidder or best proposer as determined by the procuring party. In the event the selected bid or proposal is not the lowest in price, the procuring party shall document, in writing, the rationale for its decision.
9. The identity of any contractor proposed to be utilized and the rationale for their selection (if not the lowest in price) shall be provided to Port KC, in writing, not less than five (5) business days prior to executing any contract. Port KC shall have the right to reject any potential contractor in its reasonable discretion. Any contractor that is rejected by Port KC shall be replaced with the next lowest responsible bidder or best proposer, or the procuring party may elect to resolicit bids or proposals following these procedures.

Developer shall maintain, or require its general contractor to maintain, all procurement records for the duration of any bond-financed project and shall make or cause such records to be made available for inspection by Port KC upon request.

C. Exception to Prequalified Contractors Limitation

Port KC may elect to authorize the solicitation of contractors not on Port KC's Prequalified Contractors List on any one or more of the following grounds:

- i. No qualified or acceptable bids or proposals were received from entities listed on Port KC's Prequalified Contractors List;
- ii. The services are outside the general and specialty construction divisions in which Port KC prequalifies contractors;
- iii. The nature of the services must, for warranty purposes, be performed by a licensed vendor, none or not more than one of which is included on Port KC's Prequalified Contractors List;
- iv. The nature of the services are highly specialized and require expertise not reasonably anticipated to be possessed by a sufficient number of entities on Port KC's Prequalified Contractors List as to ensure fair competition;
- v. Any other reason deemed reasonable in Port KC's sole and subjective discretion.

No solicitation of contractors not on Port KC's Prequalified Contractors List shall be undertaken unless and until Developer or general contractor, as applicable, shall have submitted a "Request to Solicit Outside Port KC's Prequalified List" attached hereto and incorporated herein as **Appendix I**, and such request shall have been approved by Port KC. The approval or disapproval of any such request shall be made by Port KC in its sole and subjective discretion.

The failure of a contractor to complete the prequalification process and be added to Port KC's Prequalified Contractors List shall not constitute grounds for the approval of a Request to Solicit Outside Port KC's Prequalified List.

In the event that Port KC elects to approve a Request to Solicit Outside Port KC's Prequalified List, the same solicitation procedures as detailed in Paragraph B shall be applicable.

D. Port KC Public Notification

Port KC shall send an email notification to the entities listed on Port KC's Prequalified Contractors List when a request for bids or proposals has been released or posted and will publicly post notice of the same on its website and any other social media it may elect to utilize for such purposes.

E. Preparation of Procurement Documents

Developer or its general contractor, as applicable, shall prepare, or cause to be prepared, all procurement documents using such templates as is standard practice in the applicable industry.

F. Procurement Period

Prior to the bid or proposal opening, Developer or its general contractor, as applicable, shall not discuss the procurement with any potential bidder or proposer except in the manner authorized herein. Developer or its general contractor, as applicable, shall attend any applicable pre-bid or pre-proposal meetings and shall be prepared to respond to inquiries from potential bidders and proposers at such time. All subsequent communications, answers to questions, or clarifying statements shall be prepared by Developer or its general contractor, as applicable, and simultaneously made available to all potential bidders and proposers.

G. Award of Contracts

Developer or its general contractor, as applicable, shall be solely responsible for the award, negotiation and execution of any contract pursuant to these Procurement Procedures.

Developer or its general contractor, as applicable, shall have the right to reject any bid or proposal that does not comply with the procurement documents or is otherwise determined to be non-responsive.

Any contracts awarded pursuant to these Procurement Procedures shall be between Developer or its general contractor, as applicable, and the selected bidders and/or proposers. Port KC shall not be a party to any contract between Developer and its general contractor, or any contract with any subcontractor of any tier.

H. General Contractor Adherence to Procedures

Developer shall cause its general contractor to comply with these Procurement Procedures, if applicable.

I. Revocation/Revision of Procurement Procedures

As Chapter 68 Bond Financed Sale-Leaseback Projects are funded with public revenues, it is imperative to Port KC that all procurements be conducted with the highest regard for fairness and transparency. Port KC reserves the right to revoke or revise these Procurement Procedures at any point, and to require that all procurements be hosted by Port KC utilizing such procedures as it may reasonably elect to implement in the event Port KC determines Developer or its general contractor, as applicable, are not strictly adhering to the terms hereof.

APPENDIX I

**REQUEST TO SOLICIT OUTSIDE PORT KC'S
PREQUALIFIED CONTRACTORS LIST**

Project Title _____

Developer and/or
General Contractor _____

1. I am the duly authorized representative of Developer and/or General Contractor and am authorized to request this approval on its behalf.

2. Developer and/or General Counsel hereby request that Port KC approve the solicitation outside of Port KC's Prequalified Contractors List for the following scope(s) of services:

3. Solicitation outside of Port KC's Prequalified Contractors List is necessary because: (check applicable reason(s)):

_____ No qualified or acceptable bids or proposals were received from firms listed on Port KC's Prequalified Contractors List.

_____ The services are outside the general and specialty construction divisions in which Port KC prequalifies contractors.

_____ The nature of the services must, for warranty purposes, be performed by a licensed vendor, none or not more than one of which is included on Port KC's Prequalified Contractors List.

_____ The nature of the services are highly specialized and require expertise not reasonably anticipated to be possessed by a sufficient number of entities on Port KC's Prequalified Contractors List as to ensure fair competition.

_____ Other: _____

4. Developer and/or General Counsel acknowledges and agrees to be bound by the procurement requirements contained in the Procurement Procedures for Chapter 68 Bond Financed Sale-Leaseback Projects in the event this Request to Solicit Outside Port KC's Prequalified Contractors List is approved.

Dated: _____

By:

Title:

(Do Not Write in This Space: Port KC Use Only)

_____ **Approved** _____ **Disapproved** **Date:** _____

By: