

# **Grand Junction Regional Airport Purchasing and Procurement Policy**

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## **I. Purpose of Policy**

- A. It is the policy of the Grand Junction Regional Airport Authority (the “Airport”) that goods and services be purchased through a process of evaluation of competitive pricing to obtain the highest quality at the lowest reasonable cost. In addition, goods and services will be sourced through ethical business standards, documented sourcing research, and where outlined below, competitive bidding.
- B. Purchasing's authority is delegated from the Board of Commissioners in accordance with the statutes, regulations, and administrative rules of the Airport Authority, State and Federal agencies.
- C. These Rules apply to all purchases of goods and services regardless of funding source.
- D. All goods and services will be purchased based on a budget approved by the Board of Commissioners.

## **II. Ethic Responsibility**

- A. All parties involved in the negotiation, performance, or administration of Airport contracts are bound to act in good faith. Any person employed by the Airport who purchases goods and services, or is involved in the procurement process for the Airport, shall be held to the highest degree of trust and shall be bound to the Grand Junction Regional Airport’s Code of Professional Conduct. Implied duties of good faith and fair dealing shall be deemed to be contained in every contract and agreement of the Airport and shall apply to both parties.

## **III. Petty Cash Procedures**

- A. Petty Cash shall be used for small purchases, such as postage and incidental supplies, freight and express, and similar items that cannot be obtained from vendors or suppliers, which the Airport has established an account.
- B. A single transaction shall not exceed \$50.00.
- C. Petty Cash shall not be used for cashing checks, making loans, or for salary advances.
- D. The Finance and Accounting Manager shall establish a Petty Cash Fund in the amount of \$300.00.
- E. The Finance and Accounting Manager shall appoint a custodian of the Petty Cash Fund. The Petty Cash Fund shall be in the sole custody of a single employee and

no other official or employee shall have access to the fund except for periodic audits and cash count in the presence of the Custodian.

- F. The Finance and Accounting Manager may act as Custodian in the absence of the appointed Custodian. However, when it is necessary to transfer the custodianship of the Petty Cash Fund, either temporarily or permanently, the Petty Cash Fund shall be audited and reconciled by an employee other than the Custodian and the Petty Cash Fund shall be reimbursed prior to the transfer. The transfer shall be documented by letter from the Finance and Accounting Manager.
- G. The Petty Cash Fund shall be maintained on a current basis and reconciled monthly.
- H. The Custodian must assure that the Petty Cash Fund is secure at all times.
- I. Employees shall secure approval from the Custodian of the Petty Cash Fund prior to committing or making a purchase.
- J. Employees shall not take advanced petty cash from the premises after work hours and, if not used on the day of issue, shall return the funds back to the Custodian of the Petty Cash Fund.
- K. No item will be reimbursed from petty cash beyond 30 days after the date of purchase. All petty cash forms and authorizations must be completed in ink, and only the original receipt will be accepted for proof of purchase.
- L. Upon presentation of an invoice or sales receipt signed by the authorized employee, the Custodian of the Petty Cash Fund shall make reimbursement.
- M. All purchases must have Department Manager approval, and Department Manager's must verify the receipt and use of goods.
- N. The Petty Cash Fund shall be balanced and replenished monthly or more often, if needed, but shall always be done on the last day of the fiscal year.
- O. The Finance and Accounting Manager shall examine the Petty Cash Fund periodically and randomly to avoid abuse and misuse. An audit of the Petty Cash Fund and associated reports shall be performed annually by the Finance and Accounting Manager.

## **IV. Purchasing Procedures**

### **A. Goods, Materials, Supplies and Services for Operational Needs**

The following procedures apply:

1. Purchases under \$1,000
  - No written quotes required.
  - No pre-approval of purchase required.
  - Post purchase approval of supervisor is required.
2. Purchases equal to/over \$1,000 and under \$2,500
  - Pre-approval of purchase is required by Department Manager.
  - No written quotes required, but are encouraged as a best practice.
3. Purchases equal to/over \$2,500 and under \$10,000
  - Written price or rate quotations shall be obtained from an adequate number of qualified sources. It is highly encouraged that three (3) quotes are obtained.
  - Pre-approval of purchase is required by Airport Manager.
4. Purchases equal to/over \$10,000 and under \$50,000
  - Written price or rate quotations shall be obtained from an adequate number of qualified sources. It is highly encouraged that three (3) quotes are obtained.
  - All purchases must be approved, prior to purchase, by the Board of Commissioners.
5. Purchases equal to or over \$50,000
  - All purchases equal to or over \$50,000 must be acquired in accordance with all local, State and Federal law. Refer to Section V, Procurement Procedures for additional information.
6. Bulk Fuel Purchasing
  - Employees purchasing fuel shall make their best effort to ensure the Airport is receiving the best possible price for fuel, but shall not be required to obtain three quotes.
  - Board approval shall be required for bulk fuel purchases over \$50,000.
7. Government Purchasing Programs
  - The Airport recognizes the potential costs savings from utilizing government purchasing programs and encourages the use of such programs to receive guaranteed pricing.
  - Purchases made through government purchasing programs are exempt from price quotation requirements for purchases under \$10,000.

## B. Corporate Credit Cards

1. Corporate credit cards are used only for conducting the business of the Airport.
2. Corporate credit cards are the property of the Airport, and will be surrendered immediately upon termination of employment, or immediately upon the request of the Board Chairman or Airport Manager.
3. Any employee issued a corporate credit card shall execute a Corporate Credit Card Agreement, prior to the issuance of the card.
4. Purchases via a corporate credit card are subject to the same purchasing and procurement rules contained herein.

## C. Retained Professional Services

1. For Retained Professional Services (i.e. Engineering, Planning and Environmental, Information Technology, etc...), with the exception of Legal Services and accounting services, the following procedures apply:
  - Services Under \$10,000
    - Formal Task Order, that includes an approved scope of work and fees.
    - All task orders must be pre-approved by the Airport Manager.
  - Services Over \$9,999 and Under \$50,000
    - Formal Task Order, that includes an approved scope of work and fees.
    - All task orders must be pre-approved by the Board of Commissioners.
  - Services equal to or over \$50,000
    - Formal Task Order, that includes an approved scope of work and fees.
    - All task orders must be pre-approved by the Board of Commissioners.
    - When required or requested, an Independent Fee Estimate will be obtained.

## D. Verification of Receipt of Purchases

1. Department Managers are responsible for the verification of receipt of goods, materials, supplies, and services purchased by personnel in their respective departments.
2. Department Managers must approve and verify receipt of all purchases.

## **V. Procurement Procedures**

It shall be the policy of the Airport to procure goods and services in a manner that affords vendors a fair and equal opportunity to compete. Solicitations should only be issued when there is a valid procurement need. To this end, the Airport shall:

### **A. Methods for Materials/Supplies Procurement Equal to or Over \$50,000**

#### **1. Sole Source Procurement**

- This method of procurement is highly discouraged.
- Justification must be provided in writing. A sole source justification is an explanation and an attestation by the person signing the justification that it has been established that only the chosen item (product, equipment, service), because it has certain specifications that all other items lack, and these specifications are required to meet a stated need. This conclusion must be supported in the justification with evidence that all other potentially competitive items have been investigated with due diligence; i.e. that the person who has specified the item has thoroughly investigated all the available, comparable items (products, equipment, services) and come to the conclusion, based upon known specifications of all the items investigated, that only the chosen item has the specifications which meet the need.
- Note: A sole source item, in the case of a brand name justification, may be biddable if the item is available from more than one supplier.

### **B. Sealed Competitive Bid – RFP/IFB**

1. A RFP/IFB is a method of procurement which results in a contract or purchase order being awarded to the lowest responsible Bidder based on the specifications and terms set forth in the solicitation. An invitation for bids is the preferred solicitation method for purchases of goods over \$50,000, but may be used as a solicitation method for purchases of services for any amount.
2. Typical reasons why an RFP/IFB may be used include:
  - The award will be made on the basis of price alone, specifications and other terms being met; or
  - It is not necessary to conduct negotiations with the responding Bidders about their bids.
3. Solicitation Time: The minimum time for the RFP/IFB shall be in accordance with the governing statute, depending on the procurement type. If no statutes apply directly, then the solicitation must ensue at least fourteen days, prior to the date set forth therein for the opening of bids. Such notice may include publication in a newspaper of general circulation.

### **C. Competitive Proposals – RFQ**

1. A Request for Qualifications (RFQ) is similar to an RFP, but is NOT a source selection method. An RFQ is used to obtain preliminary information about a market, type of available service or a product when there is not enough information readily available to write an adequate specification or work statement. An RFQ may ask for input to assist the Airport in preparing a specification or work statement for a subsequent solicitation and may ask for pricing information only with the provision that such information would be submitted voluntarily. The RFQ shall clearly state that no award will result.
2. Typical reasons why an RFQ may be used include:
  - Professional Services, such as Engineering, Planning, Architectural, etc...

## **VI. Contracts**

- A. Subject to the limitations of this section, any type of contract which will promote the best interests of the Airport may be used Multi-year contracts for goods or services, subject to funding availability, may be approved by the Airport Board but may be subject to term limitations by applicable regulation.
- B. The Airport will not issue contract to any vendor that has been declared ineligible to receive Federal contracts. The Airport will clear all vendors through the Federal government's System for Award Management (SAM), [www.sam.gov](http://www.sam.gov), prior to contract issuance.
- C. Contracted vendors must immediately inform airport management of procurement suspension or debarment. Failure by the vendor to notify airport management of suspension or debarment could be grounds to cancel the contract.

## **VII. Use of Airport Revenue**

- A. There are a variety of Airport Revenues, including Passenger Facility Charges, Customer Fee Charges, Federal, State and local grant funding. Each revenue stream is governed by rules and regulation concerning its use. Refer to the applicable rule or regulation for revenue use. Some of the regulation includes, but is not limited to:
  1. 14 CFR Chapter 1: Policy and Procedures Concerning the Use of Airport Revenue; Proceeds From Taxes on Aviation Fuel.
  2. AAIA: The Airport and Airway Safety and Capacity Expansion Act of 1987.
  3. FAA Authorization Act of 1994.
  4. FAA Reauthorization Act of 1996.
  5. Colorado Revised Statutes.
  6. GJRAA Bylaws and Resolutions.

## **VIII. Emergency Purchases/Exemptions**

- A. When an emergency condition prevents the use of a competitive procurement method, the Airport may conduct procurement on an emergency basis. Emergency

procurements may be negotiated on a sole source or limited competition basis as dictated by the circumstances surrounding the emergency.

- B. An emergency condition justifies the use of an emergency procurement when that condition threatens one (1) or more of the following:
  - 1. The functioning of the Airport;
  - 2. The preservation or protection of property; and/or
  - 3. The health or safety of any person(s) or animal(s).
  
- C. Emergency Procurements do not include:
  - 1. Procurements that need to be rushed because of an avoidable failure to plan ahead;
  - 2. End of the fiscal year procurements; or
  - 3. End of a grant/contract procurement.
  
- D. The Airport may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods, as determined by one of the following designated officials: Board Chairman, Vice Chairman, Airport Manager, Business and Administration Manager, Operations Manager, or Facilities Manager. Any of these officials may declare an emergency, provided that, whenever practicable, approval by the Board Chairman or Vice Chairman shall be obtained prior to the procurement.
  
- E. The emergency procurement shall be limited to the procurement of only the types of items and quantities or time period sufficient to meet the emergent condition and shall not be used to meet long-term requirements.

**IX. Procurement Chart**

Procurement Threshold	Written Quotes	Pre-Approval Required	Required Approvals				RFP/RFQ Required
			Supervisor	Dept. Manager	Airport Manager	GJRAA Board	
<b>Petty Cash</b>							
\$0 to \$50	No	Yes		X			
<b>Goods, Materials, Supplies and General Services</b>							
\$0 - \$999	None	No	X	X			
\$1,000 - \$2,499	None	Yes		X			
\$2,500 - \$9,999	3	Yes			X		
\$10,000 - \$49,999	3	Yes			X	X	
Over \$50,000	N/A	Yes			X	X	Yes
<b>Retained Professional Services i.e. Engineering, IT, Planning *Legal Services Exempt</b>							
\$0 - \$9,999	1	Yes			X		Task Order
\$10,000 - \$49,999	1	Yes				X	Task Order
Over \$50,000		Yes				X	Task Order