

Alabama State Port Authority Procurement Policies and Principles (Procurement Process)

The procurement of any supplies or services by the Alabama State Port Authority (Authority) shall be solely governed by procedures adopted by the Board of Directors of the Authority. (Code of AL, 1975 Section 41-4-124(e)). The procedures adopted shall be consistent with any applicable requirements of the Constitution of Alabama of 1901, or as amended. The adopted procedures shall be established in accordance with the underlying purposes and policies of promoting:

- Responsible and efficient use of the funds of the Authority
- Consistency of application of rules and requirements
- Fairness, competition, transparency, integrity, and value in the procurement process

The vision for the Alabama State Port Authority Procurement Policies and Principles (Procurement Process) is to deliver on a timely basis, the best value product or service to the Authority, while maintaining the public's trust and fulfilling public policy objectives. Best value must be viewed from a broad perspective and is achieved by balancing the many competing interests in the procurement process. Participants in the procurement process should work together as a team and should be empowered to make decisions within their areas of responsibility. The result is a process which works better and costs less.

THE PROCUREMENT PROCESS WILL:

(a) Satisfy the Authority in terms of total cost of ownership, quality, and timeliness of the delivered product or service.

(1) The principal authority for the product or service provided by the Procurement Process are the users and line managers, acting on behalf of the stakeholders.

(2) The Procurement Process must be responsive and adaptive to the Authority's needs, concerns, and feedback. Implementation of acquisition policies and procedures, as well as consideration of timeliness, quality, and total cost of ownership throughout the process, must take into account the perspective of the user of the product or service.

(3) When selecting suppliers to provide products, or contractors to perform services, the Authority will use suppliers or contractors who have a proven track record of successful past performance or who demonstrate a current ability to perform under similar circumstances.

(4) The Authority must not hesitate to communicate with the commercial sector as early as possible in the acquisition cycle to help the Authority determine the capabilities available in the marketplace. The Authority will maximize its use of commercially available products and services in meeting Authority requirements.

(5) It is the policy of the Authority to promote competition in the acquisition process.

(6) The procurement process must be executed in a timely, high quality, and cost-effective manner.

(7) All members of the Acquisition Team are required to employ planning as an integral part of the overall process of acquiring products or services. Although advance planning is

required, each member of the Acquisition Team must be flexible in order to accommodate changing or unforeseen mission needs. Planning is a tool for the accomplishment of tasks, and application of its discipline should be commensurate with the size and nature of a given task.

(b) Minimize administrative operating costs.

(1) In order to ensure that maximum efficiency is obtained, rules, regulations, and policies should be promulgated only when their benefits clearly exceed the costs of their development, implementation, administration, and enforcement. This applies to internal administrative processes, including reviews, and to rules and procedures applied to the supplier/contractor community.

(2) The Procurement Process must provide uniformity where it contributes to efficiency or where fairness or predictability is essential. The Procurement Process should also, however, encourage innovation, and local adaptation where uniformity is not essential.

(c) Conduct business with integrity, fairness, and openness.

(1) An essential consideration in every aspect of the Procurement Process is maintaining the public's trust. Not only must the Procurement Process have integrity, but the actions of each member of the Team must reflect integrity, fairness, and openness. The foundation of integrity within the Procurement Process is a competent, experienced, and well-trained, professional workforce. Accordingly, each member of the Team is responsible and accountable for the wise use of public resources as well as acting in a manner which maintains the public's trust. Fairness and openness require open communication among team members, both internal and external, and the public.

(2) The Procurement Process will foster cooperative relationships between the Authority and its suppliers and contractors consistent with its overriding responsibility to the stakeholders.

(3) Ethical behavior is taken seriously at the Authority as 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 of our organization from all Federal funding and, in some circumstances, criminal charges could result. See the ETHICS section below for further discussion.

(4) The Authority shall exercise discretion, use sound business judgment, and comply with applicable laws and regulations in dealing with current and prospective suppliers and contractors. All current and prospective suppliers and contractors shall be treated fairly and impartially but need not be treated the same.

(d) Fulfill public policy objectives.

(1) The Procurement Process must support the attainment of public policy goals adopted by the State of Alabama, the Authority, and its stakeholders. In attaining these goals, and in its overall operations, the process shall ensure the efficient use of public resources.

(2) The procedures adopted shall be consistent with any applicable requirements of the Constitution of Alabama of 1901, and shall be established in accordance with the underlying purposes and policies of promoting responsible and efficient use of the funds of the

Alabama State Port Authority, providing consistency of application of rules and requirements, and promoting fairness, competition, transparency, integrity, and value in the procurement process.

(3) The Authority aspires to provide economic opportunity for Alabama residents and businesses, stimulate economic development, and where prudent, direct business to entities with relationships with the state and its environs.

(4) This approach is intended to further the Authority's compelling interest to stimulate economic development through the support and empowerment of the state's residents and businesses, ensure that it is neither an active nor passive participant in marketplace discrimination, and promote equal opportunity for all segments of the contracting community.

(5) The Authority will provide assistance to Small and Disadvantaged Business Enterprises (DBE), and endeavor to meet the objective set by the Authority. 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.

In the absence of specific procedures supporting the Alabama State Port Authority Procurement Policies and Principles, the Authority will use as general guidelines the procedures offered within the State of Alabama Department of Finance Administrative Code concerning Procurement. Anywhere these procedures refer to the Chief Procurement Officer (or Head of a Purchasing Agency), this shall refer to the Chief Financial Officer of the Authority. Pending implementation of new procedures, the bid threshold of the State of Alabama (Administrative Code 355-4-3-.04) is specifically adopted.

THE ACQUISITION TEAM

The Acquisition Team consists of all participants in the acquisition process including not only representatives of the technical, supply, and procurement communities but also the stakeholders they serve, and the suppliers and contractors who provide the products and services. The purpose of defining the Acquisition Team is to ensure that participants in the Procurement Process are identified beginning with the Authority and ending with the supplier or contractor of the product or service. By identifying the team members in this manner, teamwork, unity of purpose, and open communication among the members of the Acquisition Team in sharing the vision and achieving the goal of the Procurement Process are encouraged. Individual team members will participate in the Procurement Process at the appropriate time.

The role of each member of the Acquisition Team is to exercise personal initiative and sound business judgment in providing the best value product or service to meet the Authority's needs. In exercising initiative, the Authority's members of the Acquisition Team should determine if a specific strategy, practice, policy or procedure is in the best interests of the Authority, and if not addressed in the Policies and Principles, nor prohibited by law or other regulation, if the strategy,

practice, policy or procedure is a permissible exercise of authority, or should be referred to the Chief Financial Officer for clarification and determination.

The Authority's members of the Acquisition Team must be empowered to make acquisition decisions within their areas of responsibility, including selection, negotiation, and administration of contracts consistent with the Alabama State Port Authority Procurement Policies and Principles. In particular, the contracting officer must have the authority to the maximum extent practicable and consistent with law, to determine the application of rules, regulations, and policies, on a specific contract.

The authority to make decisions and the accountability for the decisions made will be delegated to the lowest level within the Procurement Process, consistent with law.

The Acquisition Team must be prepared to perform the functions and duties assigned. The Authority is committed to provide training, professional development, and other resources necessary for maintaining and improving the knowledge, skills, and abilities for all Authority participants on the Acquisition Team, both with regard to their particular area of responsibility within the Procurement Process, and their respective role as a team member. The supplier and contractor community is encouraged to do likewise.

The Alabama State Port Authority Procurement Policies and Principles outlines procurement policies and procedures that are used by members of the Acquisition Team. The Acquisition Team is encouraged to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. Contracting officers should take the lead in encouraging business process innovations and ensuring that business decisions are sound.

If a policy or procedure, or a particular strategy or practice, is in the best interest of the Authority and is not specifically addressed in the Alabama State Port Authority Procurement Policies and Principles, nor prohibited by law or other regulation, Authority members of the Acquisition Team are encouraged to submit a request for further research and consideration by the Chief Financial Officer who will consult with the Authority's legal counsel and/or appropriate Board Committee.

ETHICS

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

A conflict of interest arises when the employee, officer, or agent, any member of their immediate family, their partner, or an organization which employs or is about to employ any of these parties, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.