

ALBANY COUNTY AIRPORT AUTHORITY
(ACAA)

PROCUREMENT CONTRACT GUIDELINES,
OPERATIVE POLICY,
PETTY CASH ACCOUNTS AND INSTRUCTIONS

Adopted December 14, 2015
(Last Reviewed and Approved December 12, 2016)

ALBANY COUNTY AIRPORT AUTHORITY

**PROCUREMENT CONTRACT GUIDELINES, OPERATIVE POLICY,
PETTY CASH ACCOUNTS AND INSTRUCTIONS**

December 10, 2012

Article I. Purpose and Applicability

- 1.0 These Procurement Contract Guidelines ("Guidelines"), adopted pursuant to Public Authorities Law Sections 2824 and 2872, set forth the operative policies of the Authority and instructions to its officers and employees regarding the use, awarding, monitoring, and reporting of Procurement Contracts.
- 1.1 These Guidelines apply to any Procurement Contract entered into after they become effective pursuant to the provisions of Section 2824 of the Public Authorities Law.
- 1.2 The ACAA reserves the right to contract with other public corporations, state agencies, and the federal government without being bound to these procurement guidelines.

Article II. Definitions

- 2.1 As used in these Guidelines, "**Purchase Order**" or "**Purchase Contract**" means a written order or contract for the acquisition of goods or services of any kind, in actual or estimated amount without limit. Purchase orders may be authorized by receiving telephone or written quotations and shall include the procurement of memberships, incidental equipment and repairs, travel and tuition reimbursement, direct purchases of emergency services, equipment or supplies. A wide variety of goods and services may be acquired using purchase orders.
- 2.2 As used in these Guidelines, "**Procurement Contract**" means a Purchase Order or Purchase Contract for the acquisition of goods or services of any kind, in the actual or estimated amount of \$12,500 or more. A Procurement Contract shall **not** include: an agreement for the purchase of the Authority bonds, purchase of investments, a derivative contract, insurance or indemnification contract, memberships in various industry groups, professional societies, and similar cooperative associations, nor any cooperative projects and procurement activities, conducted or sponsored by such organizations, in which the Authority participates; direct purchase advertising with radio, television or print media; tuition, conferences, seminars and other comparable activities; or transportation or other travel-related expenses.
- 2.3 As used in these Guidelines, "**Professional Services Contract**" means a Procurement Contract to provide a personal service of a consulting, professional, or technical nature to the Authority for a fee, commission, or other compensation by a person or organization.. Such personal service shall be in relation to the Authority's operation, management, and administration of its offices or personnel; acquisition, construction, management, operation, maintenance, or disposition of facilities under its ownership or control; or dissemination of publications or other information. Personal services of a consulting, professional, or technical nature include, but are not limited to, legal, accounting, management consulting, planning, training, statistical, research, public relations, architectural, engineering, surveying, or other similar personal services.
- 2.4 As used in these Guidelines, "**Construction Contracts**" mean Procurement Contracts to perform new construction work.

- 2.5 As used in these Guidelines, "**Other Administrative Contracts**" mean Procurement Contracts to provide services to support the Authority's administrative functions for a fee, commission, or other compensation by a person or organization. Other Administrative Contracts include, but are not limited to, equipment maintenance contracts, building maintenance contracts, leases, insurance, telecommunications, or other similar services, but do not include Personal Services Contracts.
- 2.6 As used in these Guidelines, "**Goods, Materials and Supplies Contracts**" mean Procurement Contracts for the purchase of goods, materials and supplies such as, but not limited to, office supplies, furniture, computer equipment, vehicles, other equipment, commodities and other miscellaneous items of physical property.
- 2.7 As used in these Guidelines, "**Contractor**" means a person or organization that enters into a Procurement Contract with the Authority.
- 2.8 As used in these Guidelines, "**Minority Business Enterprise**" means any business enterprise, including a sole proprietorship, partnership, or corporation, that is:
- (a) at least 51 percent owned by one or more Minority Group Members or in the case of a publicly-owned business at least 51 percent of the common stock or other voting interests of which is owned by one or more Minority Group Members;
 - (b) an enterprise in which the minority ownership is real, substantial, and continuing;
 - (c) an enterprise in which the minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and
 - (d) an enterprise authorized to do business in New York State, independently owned and operated, and not dominant in its field.
- 2.9 As used in these Guidelines, "**Minority Group Member**" means a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:
- (a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;
 - (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;
 - (c) Asian and Pacific Islander persons having origins in any of the Far East, Southeast Asia, the Indian sub-continent or the Pacific Islands; or
 - (d) Native American persons having origins in any of the original peoples of North America.
- 2.10 As used in these Guidelines, "**Women-Owned Business Enterprise**" means a business enterprise, including a sole proprietorship, partnership, or corporation which is:
- (a) at least 51 percent owned by one or more United States citizens or permanent

resident aliens who are women or in the case of a publicly-owned business at least 51 percent of the common stock or other voting interests of which is owned by United States citizens or permanent resident aliens who are women;

(b) an enterprise in which the ownership interest of women is real, substantial, and continuing;

(c) an enterprise in which the women ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and

(d) an enterprise authorized to do business in New York State, independently owned and operated, and not dominant in its field.

2.11 As used in these guidelines, “**Competitive Procurement Method**” shall include: (i) solicitations, bids, requests for proposals, requests for information, requests for quotations and requests for qualifications; (ii) procurement made pursuant to centralized contracts let by other public entities pursuant to a competitive process, including those contracts of the New York State Office of General Services; (iii) procurement of commodities from a Contractor where the price to be charged by the Contractor is less than that which would be charged for the purchase substantially similar in function, form or utility made pursuant to a centralized contract let by the New York State Office of General Services or when other contract terms such as delivery or warranty terms are more economically beneficial; or (iv) any other competitive method of procurement that is consistent with these guidelines.

2.12 As used in these guidelines, “**Authority**” means the Albany County Airport Authority.

Article III. Use of Professional Services Contracts, Other Administrative Services Contracts and Emergencies (Refer to Appendix ‘A’)

3.0 It is the general policy of the Authority to use its own officers, employees and Airport management contractors, in the performance of required professional services and other services insofar as practical. At the same time, the Authority recognizes that it can be preferable to contract for certain personal services for a number of good reasons. In addition, the Authority's development programs usually depend on performance of the work by outside Contractors, and economic development programs may sometimes do so, requiring the use of Contracts.

3.1 Professional Services Contracts or other Administrative Contracts may be entered into for one or more of the following reasons: special expertise or unusual qualifications not available within the Authority; nature, magnitude, or complexity of services provided; lack of resources, support staff, or specialized facilities or equipment within the Authority within the time period during which the services are required; lower cost; short term or infrequent need for the services, insufficient to warrant permanent Authority staffing; performance of a function requiring independence from Authority management (e.g., independent auditors); or distance of the location or locations where the services must be performed from Authority offices or facilities.

3.2 Before entering into a Professional Services Contract or other Administrative Contracts, the Authority should consider whether the contemplated services can be performed adequately, cost-

effectively, and on a timely basis by staff within the Authority.

- 3.3 The role of an airport dictates that the operation be maintained on a continuous basis without interruption. From time to time, the Chief Executive Officer may determine that **Emergency Purchases** or contracts be issued to keep the Airport safe, secure and when it is in the best interest to preserve order or public health and Airport facilities. Also, when the immediate restoration of a condition of usefulness of a building, equipment or roadway or utilities is necessary. Such emergency services exceeding \$50,000 shall be presented to the Authority Board at its next regularly scheduled meeting. Emergency Purchases are a category of "Sole Source".
- 3.4 From time to time the Airport Chief Executive Officer may determine that **Exigent Circumstance** have made the acquisition of particular Products, Goods and or Services urgent to ensure the continued efficient operation of the Airport. Prospect of interruption to or obstruction of the Airport Authority's efficient operation or adequate provision of service, arising from an unforeseen circumstance are examples of Exigent Circumstances. Exigency is a subcategory of "Sole Source" and the Chief Executive Officer may authorize purchases up to \$50,000 in order to relieve Exigent Circumstances.

Article IV. Requirements Regarding Selection of Contractors

- 4.0 The Authority shall use its best efforts to secure offers from Contractors by using a Competitive Procurement Method and to select from such offerers the Contractor offering the most favorable terms, weighing expected ability to perform against projected costs. To this end, the Authority shall:
- (a) solicit offers **in writing** from several persons or organizations known, believed, or reputed to be qualified in the area of supplying the goods, personal services, or other administrative services to be provided or performed, except that for administrative purchases authorized by **Section 4.2**, such quotations may be secured by telephone solicitations where time constraints do not permit securing a written bid and for procurement of catalog and other items generally purchased in the ordinary course of business or which do not require a detailed bid or description of materials or specifications.
 - (b) evaluate those offers received on the basis of such information as the Authority has received on, as may be relevant, each offerer's technical or professional qualifications, financial stability, past performance for the Authority, staff, equipment, and facilities availability, experience, reputation, and other factors bearing on expected capability and quality of performance, possible conflicts of interest, and contract price or fee structure; and
 - (c) document the processes by which a Contractor is selected, by making a record summarizing the nature and scope of the goods, personal services, or other administrative services sought, the name of each person or organization submitting, or requested to submit, a bid or proposal, the price or fee bid, and the basis for selection of the Contractor.
- 4.1 In any instance, the members of the Authority Board may, by Resolution, waive the use of the procedure for selecting Contractors outlined in Section 4.0 if they determine such waiver to be in

the best interest of the Authority.

4.2 The Authority, upon adoption of these Guidelines, hereby waives use of the procedures for selecting Contractors outlined in section 4.0 in those instances when:

(a) the goods, personal services, Authority program work, or other administrative services involved are expected to cost \$5,000 or less;

(b) for any Authority work, the contract is based upon an unsolicited proposal, submitted at the sole initiative of the offerer, not duplicating work then being performed and involving unique, innovative, or unusual meritorious methods or ideas. Proposals in this category exceeding \$50,000 shall require approval of the Authority Board;

(c) the Chief Executive Officer determines that:

(i) the interest of the Authority for timely procurement of the goods, personal services, Authority work, or other vendor involved requires the selection of a Contractor pursuant to emergency procedures, as defined in Article 3.3;

(ii) even though two or more Contractors could supply the required goods, personal services, Authority work, or other administrative service, one particular Contractor has unique or exceptionally scarce qualifications or experience, specialized equipment, or facilities not readily available from other sources, or patents, copyrights, or proprietary data; or

(iii) there is only one source for a required good, personal service, Authority work, or other administrative service;

provided, that in those instances the Authority shall nonetheless make a record summarizing the nature and scope of the goods, personal services, Authority program work, or other administrative service involved, the name of the Contractor, the contract price or fee, and the basis for waiver and selection of the Contractor.

4.3 A contract may be extended with the same terms and conditions contained in the original contract approved and awarded by the Airport Authority. An extension clause must be part of the original contract with the awarded vendor. The Authority, upon adoption of these Guidelines, hereby authorizes the Chief Executive Officer authority to approve contract extensions.

4.4 The Chief Executive Officer may approve an amendment to a contract where the amount of the proposed amendment(s) are within the limits established in Appendix 'B'.

4.5 Independent auditors for the Authority shall be retained only with the prior approval of the members of the Authority.

4.6 The Authority may use its Competitive Procurement Methods to select multiple Contractors to provide goods, personal services, Authority work, and other administrative services. Individual task work orders may be awarded to these Contractors on an as-needed basis.

Article V. Compliance with State Finance Law Sections 139-j and 139-k in the Selection of Contractors; Contractor Responsibilities and Types of Contract Provisions

- 5.0 The Authority shall comply with the requirements of State Finance Law Sections 139-j and 139-k in its selection of Contractors. Solicitations shall identify Authority Contacts, require bidders to disclose any prior determination of non-responsibility, and to provide the other information required by State Finance Law Sections 139-j and 139-k.

The responsibilities of a Contractor, including continuing responsibilities under State Finance Law Sections 139-j and 139-k, shall be detailed in the contract. Contract provisions shall address the nature and scope of the goods, personal services; the standard for performance, if practical; the duration of the work; any relevant time requirements or deadlines; and the amount of compensation to be paid or the price, rates, or fees which will be used to determine such compensation. Personal Services Contracts and other Contracts shall also include provisions on monitoring of the work to be performed; provisions governing the Contractor's use of Authority supplies, facilities, or personnel, if permitted; any provisions required by applicable law; and any other provisions the Authority deems necessary or desirable.

Article VI. Minority and Women-Owned Business Enterprises

- 6.0 It is the policy of the Authority to foster and promote participation of Minority Business Enterprises and Women-Owned Business Enterprises in its procurements and the development of such enterprises and to facilitate a fair share of the awarding of Procurement Contracts to such enterprises. In contracting, the Authority shall use its best efforts to give Minority Business Enterprises and Women-Owned Business Enterprises an opportunity to compete for Authority business, by soliciting or requesting offers from minority and women-owned businesses known to have experience in the type of goods, personal services and other administrative services involved. Written solicitations or requests for bids or proposals for Procurement Contracts should include a statement of the Authority's affirmative action policy. The Authority will consult with the Division of Minority and Women's Business Development and the Authority's DBE Liaison for assistance in identifying such enterprises, and refer to any known list maintained by any other State department or agency that identifies Minority Business Enterprises or Women-Owned Business Enterprises by area of expertise.
- 6.1 In the case of federally funded projects, the Authority shall comply with its Disadvantaged Business Enterprise Program, or any successor program, which may be required as a condition of such federal funding.

Article VII. Discretionary Spending

- 7.0 All discretionary spending must comply with Federal rules and guidance on permitted and prohibited use of airport revenue. The U.S. Congress has established the general requirements for the use of airport revenue and has identified the permitted and prohibited uses of airport revenues. These statutory requirements are incorporated in the standard grant assurances and have been interpreted by the FAA including the FAA's General Counsel's Office, and the FAA's Office of the Secretary, in policy statements and compliance decisions. It is the responsibility of the Albany County Airport Authority to ensure all purchases comply with the FAA rules and guidance established for use of Airport Revenue. Specific guidance from the FAA on the statutes, grant assurances, and policies that outline the permitted and prohibited uses of airport revenue to ensure

that sponsors are not in violation of their federal obligations in the use of their airport revenue are found in FAA Airport Compliance Manual - Order 5190.6B, as may be amended from time to time.

- 7.1 Purchases of goods and services below \$50,000 that are not deemed an emergency or an exigency shall be made in accordance with the chart shown in APPENDIX A, unless an award is made to a firm that is a currently Certified Minority or Woman owned Business Enterprise (MWBE) and which in the judgment of the CEO will be providing goods and services at a fair market value to the Authority and such purchase will assist the Authority in meeting its annual MWBE purchase goal adopted pursuant to Article 15A of the Executive Law.

Article IX. Procurement Cards

- 8.0 The Authority makes limited use of Procurement Cards to situations where it is most practical to make a purchase using a procurement card. Examples of such situations include but are not limited to purchase of travel, lodging, meals and small purchases from vendors where it is not efficient to establish customer credit with the vendor.
- 8.1 Issuance of Procurement Cards will be authorized by the Chief Financial Officer. Procurement Cards may not be used for personal expenses.
- 8.2 The Chief Financial Officer will distribute a monthly report of purchases made by each procurement card holder who must complete and return a completed Credit Card Purchase Report with all receipts attached and a signed affirmation that all charges incurred on the Airport Authority Credit Card assigned to the user as itemized therein are for the approved purposes of the Albany County Airport Authority and are correct as stated. The Chief Executive Officer shall review and approve each procurement card users purchase report.

Article IX. Petty Cash

- 9.0 Petty Cash shall be used for small purchases, such as postage and incidental supplies, freight and express, and similar items for which it is not practical to issue a purchase order or cannot be obtained from Blanket Purchase Contract suppliers. A single transaction shall not exceed \$50.00.
- 9.1 Petty Cash shall not be used for cashing checks for employees or tenants, making loans to employees, or for salary advances.
- 9.2 The Chief Financial Officer shall establish a Petty Cash Fund in the amount of \$250.00.
- 9.3 The Chief Accountant or their designee shall be the 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 except under the conditions set by section 7.4.
- 9.4 The Chief Accountant 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 Chief Financial Officer or the Chief Accountant relieving the old Custodian of responsibility of the Petty Cash Fund and appointing a new Custodian for the Fund.

- 9.5 The Petty Cash Fund shall be maintained on a current basis.
- 9.6 Employees shall secure approval from the Custodian of the Petty Cash Fund or the Purchasing Agent prior to committing or making a purchase. The failure of any employee to obtain prior approval shall result in non-reimbursement of funds to the employee. The approval of a petty cash request shall be based upon the discretionary evaluation of the Custodian. However, the Custodian may make any inquiries, as necessary, to determine if the request should be approved, including a requirement of authorization from the relevant Department Head. Upon an eligible request, the Custodian of the Petty Cash Fund shall be required to issue, in numerical sequence, a pre-numbered voucher documenting the commitment or use of Petty Cash funds. 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. No item will be reimbursed from petty cash beyond 30 days after the date of purchase. Voided vouchers shall be retained for accountability purposes.
- 9.7 All petty cash forms and authorizations must be completed in ink, and only the original receipt will be accepted for proof of purchase.
- 9.8 Upon presentation of an invoice or sales slip signed by the authorized employee, the Custodian of the Petty Cash Fund shall make reimbursement.
- 9.9 The Petty Cash Fund shall be balanced and replenished at least quarterly or more often, if needed, but shall always be done on the last day of the fiscal year.
- 9.10 The Custodian of the Petty Cash Fund shall be required to submit a Petty Cash Report to the Chief Accountant prior to replenishing the Petty Cash fund. At a minimum, the Petty Cash Report shall contain the following information for each transaction:
 1. the voucher;
 2. a brief description of the item(s) and/or purpose;
 3. the date of transaction;
 4. the name of the purchaser;
 5. the amount of the purchase;
 6. any replenishments of cash to the fund since the last reporting period; and
 7. the beginning and ending balance of funds for the reporting period.

The Chief Financial Officer shall issue a check for the total amount of the vouchers and the check shall be cashed for replenishment by the Custodian of the Petty Cash Fund. The Petty Cash voucher, voided vouchers, invoices or other receipts shall be attached to the replenishment voucher check copy. Upon reimbursement of the Petty Cash Fund, all supporting documents shall be canceled to prevent duplicate reimbursement. Cancellation shall be made by entering on each document the date and number of the voucher check issued to reimburse the Petty Cash Fund.

- 9.11 The Chief Accountant or authorized appointee, other than the Custodian, 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 Chief Accountant and a report of findings shall be delivered to the Chief Financial Officer and Chief Executive Officer.

- 9.12 The Petty Cash Reports shall be kept on file for a period of time provided in the applicable Records Retention Policy.
- 9.13 The Custodian of the Petty Cash Fund shall ensure the security of the petty cash. A lockable cash box shall be used and shall be kept in a secure location. Each Custodian shall be issued one key and a spare shall be kept in the key files. No other keys shall be issued. Loss of a key shall necessitate the re-keying of the cash box lock.

Article X. Payment

- 10.0 The Authority utilizes an electronic Requisition and Purchase Order Process. Purchases of Products, Goods and Services must be made on the issuance of a written Purchase Order delivered by the Purchasing Agent or a Contract issued by the Authority.
- 10.1 Payment for all Purchases and Procurement Transactions will be made by the Chief Financial Officer upon receipt of sufficient evidence, including Vendor Invoice, that Goods and/or Services have been received and or properly performed and the purchase of the Goods and or Services complied with this procurement policy and as well as applicable laws, rules, and regulations and terms and conditions imposed by any grant agreement and the Authority's Master Bond Resolution.

Article XI: Compliance With Other Rules & Regulations

- 11.0 Records related to all purchases, procurements and payments will be maintained in accordance with the Records Retention and Disposition Schedule applicable to the Authority as established and maintained by the New York State Archives under Article 57-A, Arts and Cultural Affairs Law which is known as the **Local Government Records Law**.
- 11.1 Annually the Chief Financial Officer shall cause an assessment of the effectiveness of Internal Control to be performed as required by Section 2800 of the Public Authorities Law. Compliance with these procurement guidelines will be included in the annual assessment of the effectiveness of internal control.

Article XII. Miscellaneous Provisions

- 12.0 No violation of or failure to comply with the provisions of these Guidelines shall be deemed to alter, affect the validity of, modify the terms of, or impair any Procurement Contract; nor shall any provision of these Guidelines or any violation of or failure to comply with such provisions be the basis for any claim against the Authority or any member, officer, or employee of the Authority. In any instance where these Procurement Guidelines contain an ambiguity or require clarification, the CEO may revise to provide clarity but shall not materially alter their intent.

- 12.1 The Authority may, from time to time, amend these Guidelines, provided that no such amendment shall be deemed to alter, affect the validity of, modify the terms of, or impair any existing Procurement Contract.
- 12.2 All purchases shall be subject to accounting review for compliance with the Procurement Guidelines and budget. Records shall be maintained for audit and Board review.

APPENDIX A

Albany County Airport Authority Procurement Approval Policy

Procurement Thresholds	Phone Quotes	Written Quotes	Req.for Proposal/ Request for Bid	Approvals (1)		
				CFO	CEO (2)	ACAA Board
Goods, Materials and Supplies						
Petty Cash				√		
\$0 - \$999	1				√	
\$1,000 - \$4,999	3				√	
\$5,000 - \$24,999		3			√	
\$25,000 - \$50,000			√	√	√	
Over \$50,000			√	√	√	√
Other Administrative Contracts						
\$0 - \$999	1				√	
\$1,000 - \$4,999	3				√	
\$5,000 - \$24,999		3			√	
\$25,000 - \$50,000			√	√	√	
Over \$50,000			√	√	√	√
Purchased Services						
\$0 - \$4,999	3				√	
\$5,000 - \$24,999		3			√	
\$25,000 - \$50,000			√	√	√	
Over \$50,000			√	√	√	√
Professional Services						
\$0 - \$24,999					√	
\$25,000 - \$50,000			√	√	√	
Over \$50,000			√	√	√	√
Construction Contracts (POs & Contracts)						
\$0 - \$29,999		3		√	√	
\$30,000 - \$50,000			√	√	√	
Over \$50,000			√	√	√	√
Emergency Contracts						
					* CEO Board Report Required	

(1) All approvals are cumulative, except in cases of ACAA Board approvals which shall be controlling.

(2) CEO shall be provided periodic reports for budget conformity for purchases greater than \$12,500.

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APPENDIX B
Albany County Airport Authority
CEO Approval of Contract Changes

The Chief Executive Officer (CEO) may approve a change in the total amount of a contract approved by the Authority Board where the amount of the proposed change or cumulative changes approved by the CEO do not exceed the following amounts based upon original contract size:

Original Contract Value	Maximum Contract Change Order CEO May Approve is
	Dollar Value
\$1,500,000+	\$50,000 or 2.5% *
\$1,000,000-\$1,499,999	\$37,500
\$500,000-\$999,999	\$32,000
\$250,000-\$499,999	\$25,000
\$0-\$249,999	\$20,000

* Greater of \$50,000 or 2.5%