

STANDARD PROCEDURE

Aviation Authority

SUBJECT: CONTRACT NEGOTIATIONS

Number: S410.13

Effective: 09/19/12

Revised: 05/01/24

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**PURPOSE:** To establish the process for negotiating contracts resulting from sole source purchases, cooperative purchases, Requests for Qualifications (RFQ), Requests for Proposals (RFP), and Invitations to Negotiate (ITN), and where there is only one responsive and responsible response received to an Invitation to Quote (ITQ) or Invitation to Bid (ITB).

**PROCEDURES:**

- A. The Vice President of Procurement will assign a team to negotiate the contract terms and conditions including scope of services, specifications, fees or revenue amounts, as applicable. The team members may be composed of the following, as applicable:
1. The Procurement Agent (PA) assigned to the procurement will chair the negotiation team.
  2. Other Procurement Department representatives.
  3. At least one representative knowledgeable of the scope of services or specifications from the user department (Department) which will have ultimate benefit of or responsibility for the contract.
  4. Project Director for Capital projects and another representative knowledgeable of the project scope.
  5. Legal Affairs.
  6. Business Diversity Manager.
  7. Finance.
  8. Outside professional services.
- B. All written communications during negotiations concerning scope of services, specifications, fees, revenue amounts or other terms and conditions will only be conducted between the PA and the company with which a contract is being negotiated.

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- C. Strategy meetings will be conducted by the team in advance of negotiations and during the course of negotiations to review the contract terms and conditions and to establish the desired outcome and expectations including minimum and maximum financial constraints or targets as necessary.
- D. Depending on the complexity of a particular negotiation the negotiation team may need outside technical assistance. The Department will assist the PA in identifying an appropriate professional for these services. Additionally, if an independent estimate or other professional services are needed, the cost of the independent estimate and/or professional services will be the responsibility of the Department.
- E. Prior to the start of any negotiations, the PA will provide the company with the contract, including the scope of services or specifications, and desired format for submitting the cost/revenue proposal. The company will provide the PA any refinements to the scope of services or specifications and a cost/revenue proposal to include cost of work, overhead, fees and/or revenues, as necessary, in the format requested.
- F. The PA will prepare minutes for all negotiation meetings, maintain a complete file of all documentation associated with the negotiation in the Procurement electronic project file and submit a copy of the minutes to the Department.
- G. Contract Execution:
1. Contracts Requiring Board Approval:  
Upon completion of negotiations, the PA will prepare the contract documents and send to the Business Office Manager to obtain the company's signature and any required insurance and/or bonds.
  2. Contracts Not Requiring Board Approval:
    - a. Upon completion of negotiations, the PA will prepare the contract documents and send to the company to obtain the company's signature and any required insurance and/or bonds.
    - b. Upon receipt of the executed contract documents, send to Legal Affairs through DocuSign for signature as to legal sufficiency, and send to VP of Procurement

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for final signature.

- H. Upon contract award, the PA will provide the company, Records and Information Center, and Department with a copy of the executed contract. The Department will be responsible for administering the contract.

APPROVED: Michael Stephens

DATE: 5/1/24