

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE	5	-	CONTRACTING AND DEBARMENT
PART	5.0	-	CONTRACTING AND PURCHASING
SECTION	5.02	-	PROCUREMENT OF CONTRACTS FOR PUBLIC PROJECTS

PURPOSE: To establish a policy governing the procurement of contracts for Public Projects (as defined below) for the San Diego County Regional Airport Authority (“**Authority**”).

POLICY STATEMENT:

In the procurement of contracts for Public Projects (as defined below), the Authority’s President/Chief Executive Officer or their designee (“**President/CEO**”) shall be responsible for following all procedures required by (1) the Authority, (2) the San Diego County Regional Airport Authority Act, as amended from time to time, and (3) other applicable federal, state and local laws.

This policy is designed to increase the economic impact of Authority funds by fostering effective broad-based competition, and fair treatment of all persons interested in doing business with the Authority. It is the policy of the Authority to maximize opportunities for all businesses in a non-discriminatory manner.

Fair and equitable treatment includes (but is not limited to): fair and equitable contractor selection processes, utilization of prevailing wages, Disadvantaged Business Enterprise goals for federally funded work, opportunities for small business, proper employment of apprentices, equal employment opportunities, payment bonds and safe and healthful working conditions on all contracts executed by the Authority.

(1) Awarding of Contracts for Public Projects.

(a) The following terms shall have the below-specified meanings:

(i) “**Public Project**” means (a) construction, reconstruction, erection, alteration, renovation, improvement, demolition or repair work involving any publicly owned, leased or operated Facility; and (b) painting or repainting of any such Facility.

(ii) “**Facility**” means any plant, building, structure, ground facility, utility system, real property, streets and highways or other public work improvement.

(iii) “**Maintenance Work**” means (a) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated Facility for its

intended purposes; (b) minor repainting; (c) recarpeting; (d) resurfacing of streets and highways at less than one inch; or (e) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

(iv) **"Fee-producing infrastructure project" or "fee-producing infrastructure facility"** means the operation of the infrastructure project or facility will be paid for by the persons or entities benefited by or utilizing the project or facility.

(v) **"Design-Bid-Build (D-B-B)"** is a project delivery method under which the architecture and engineering firm is contracted separately from the construction firm. The construction firm is selected based on low bid or best value.

(vi) **"Design-Build (D-B)"** is a project delivery method under which one entity performs both architecture/engineering and construction under a single contract. Design-build procurements will use a qualifications based selection (QBS) process, or a modified QBS with competitive design and cost components.

(vii) **"Construction Manager at Risk (CMAR)"** is a project delivery method under which the contractor is selected using a QBS or modified QBS with competitive cost components and works with the architect/engineer who is under separate contract with the Authority providing pre-construction services during design, and then constructs the project under a negotiated Guaranteed Maximum Price (GMP) or fixed price.

(viii) **"Multiple Award Task Order Contracting (MATOC)"** is a project delivery method under which multiple contractors are selected using a QBS and contracts are awarded to three or more contractors qualified to compete for Authority projects. Projects awarded under a MATOC type contract can utilize the D-B-B, A+B, or pre-defined Best Value project delivery approaches.

(ix) **"Qualifications Based Selection (QBS)"** is a process where the contractor, or design-build team, is selected based upon the attributes of that entity which is judged, or reviewed, to determine conformity to predetermined standards and requirements that are determined to be in the best interest of the Authority.

(x) **"Guaranteed Maximum Price (GMP)"** is a sum established in an agreement between the Authority and a Design-Build Team, or a Construction Manager at Risk as the maximum compensation for performing specified work, computed on the basis of reimbursable costs plus markups for overhead and profit.

(b) Public Projects or Maintenance Work of \$25,000 or less may be performed by Authority employees, by negotiated contract or by purchase order.

(c) When the estimated contract amount for a Public Project or Maintenance Work is more than \$25,000 but less than or equal to \$250,000, the Authority shall follow the informal procedures set forth below:

(i) The Authority shall competitively solicit bids from three or more qualified contractors.

(ii) The qualified contractors shall be invited to submit bids or pre-defined best-value proposals.

(iii) The notices to contractors must be completed not less than 10 calendar days before bids are due.

(iv) The notice inviting informal bids shall: (a) describe the Public Project or Maintenance Work in general terms; (b) describe how to obtain more detailed information about the Public Project or Maintenance Work; and (c) state the time and place for the submission of bids.

(v) After the time for submission of bids or pre-defined best-value proposals has expired, the President/CEO may award the contract to the bidder whose bid the President/CEO determines to be in the best interests of the Authority, taking into account: (a) the bidder's qualifications, fitness, capacity and experience; (b) factors relating to the public interest; and (c) such other factors as the President/CEO reasonably deems appropriate and in the best interests of the Authority.

(vi) If all bids received are in excess of \$250,000, then the President/CEO may award the contract to a bidder whose bid is under \$275,000, if any, taking into account the factors listed above in Paragraph 1(c)(v). If no bid is under \$275,000, then all bids shall be rejected and the Authority's cost estimate shall be reviewed to determine its reasonableness. If necessary, the cost estimate shall be revised and the project rebid using the procedures appropriate for the revised cost estimate.

(vii) The President/CEO shall notify the Authority's Board of Directors (the "**Board**") at its next meeting of any contracts awarded using the foregoing informal procedures.

(d) When the contract amount for a Public Project or Maintenance Work is more than \$250,000, the Authority shall follow the formal bidding procedures set forth below:

(i) The Authority shall competitively solicit contractors identified by categories of work.

(ii) Notice of the Public Project or Maintenance Work shall be published in a newspaper or electronic media of general circulation that is distributed within the jurisdiction of the Authority at least 14 calendar days prior to opening of bids.

(iii) Notice inviting formal bids or competitive proposals also shall be mailed, or sent electronically, to such construction trade journals as are determined by the President/CEO, at least 30 calendar days prior to the bid opening date.

(iv) After the time for submission of formal bids has expired on Contracts under \$1,000,000, the President/CEO may award the contract to the person or firm whose proposal or response the President/CEO determines to be in the best interests of the Authority, taking into account: (a) the person's or firm's qualifications, fitness, capacity and experience; (b) factors relating to the public interest; and (c) such other factors as the President/CEO reasonably deems appropriate and in the best interests of the Authority; (d) the President/CEO shall notify the Authority's Board of Directors (the "**Board**") at its next meeting of any contracts awarded using the foregoing procedures.

(v) For Contracts equal or exceeding \$1,000,000, after the time for submission bids has expired, the Board may award the contract to the bidder whose bid the Board determines to be in the best interests of the Authority, taking into account: (a) the bidder's qualifications, fitness, capacity and experience; (b) factors relating to the public interest; (c) consideration of schedule and price where time has a financial impact and (d) such other factors as the Board reasonably deems appropriate and in the best interests of the Authority.

(e) Notwithstanding the requirements set forth above in Paragraph d, and subject to federal requirements, the Authority may follow a competitive RFP or RFQ process for design-build, construction manager at risk, multiple award task order form of contracts.

(2) If deemed appropriate and in the best interest of the Authority, the Authority may utilize private investment capital to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, fee-producing infrastructure facilities in accordance with Government Code Section 5956-5956.10.

(3) Federally-Funded Contracts. Notwithstanding any provision in this policy to the contrary, the Authority shall comply with all federal requirements applicable to federally-funded Public Projects, including, without limitation, any terms and conditions that the Federal Aviation Administration (the "**FAA**") requires as a condition to the Authority's receipt of federal funds in connection with the FAA's Airport Improvement Program.

(4) Change Orders.

(a) The President/CEO is authorized to negotiate and execute any change order without Board action for any contract for a Public Project originally awarded following the informal procedures described above in Paragraph 1(b) or 1(c); provided, however, that the Board's approval shall be required for any change order that causes the aggregate amount of the relevant contract (*i.e.*, the original contract amount plus the amount of the change order) to be \$275,000 or greater.

(b) In addition, for any contract for a Public Project originally awarded following the procedures described above in Paragraph 1(d) or 1(e), the President/CEO is authorized to negotiate and execute any change order without Board action for:

(i) Contracts awarded for less than or equal to \$1,000,000, in an amount not to exceed 10% of the original contract award and change order, and extending time for completion for a period not to exceed 90 days;

(ii) Contracts awarded for more than \$1,000,000, but less than or equal to \$5,000,000, in an amount not to exceed 6% of the original contract award, and change order extending time for completion for a period not to exceed 90 days; and

(iii) Contracts awarded for more than \$5,000,000, in an amount not to exceed 4% of the original contract award and change order, and extending time for completion for a period not to exceed 90 days.

Notwithstanding the foregoing, with respect to any contract originally awarded following the procedures described above in Paragraph 1(d) or 1(e), any change order that exceeds the budget approved by the Board for the relevant Public Project shall be presented to the Board for action.

(c) The President/CEO shall notify the Board at its next meeting of any change orders approved by the President/CEO.

(d) The President/CEO may, at their sole discretion, bring any change order before the Board for action.

(e) The Board, at the time of the award of a Public Project, may authorize the President/CEO to execute Change Orders in amounts in excess of the parameters set forth above upon a finding that doing so is in the best interest of the Airport Authority.

(5) Execution of Contracts. The President/CEO shall execute all contracts for Public Projects, except where otherwise provided by law.

(6) Acceptance and Notice of Completion. Upon the completion of a contract for a Public Project, the President/CEO may execute and record the "Acceptance and Notice of Completion," in accordance with applicable law.

(7) Emergency Contracts

(a) Notwithstanding any other provisions of this policy, the President/CEO may make or authorize others to enter into emergency contracts for Public Projects and Maintenance Work if: (i) there exists a threat to public health, welfare or safety; or (ii) a situation exists that makes compliance with the procurement process contrary to the public interest. Emergency contracts shall be made with such competition as the President/CEO deems appropriate under the circumstances.

(b) A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

(c) Emergency contracts authorized by the President/CEO that exceed \$250,000 shall be reported to the Board at its next meeting.

(8) Sole Source Procurement. A contract for a Public Project or Maintenance Work may be awarded without complying with the otherwise applicable competitive procedures under this policy when the President/CEO determines in writing that: (a) there is only one known source for the required supply, service, item or construction; or (b) one source is the only practical way to respond to overriding circumstances that make compliance with the otherwise applicable competitive procedures under this policy not in the best interests of the Authority.

(9) Specifications.

(a) Pursuant to Section 3400 of the California Public Contract Code, the Authority shall not draft RFPs, RFQs or RFBs (i) in a manner that limits the RFP, RFQ or RFB, directly or indirectly, to any one specific concern, or (ii) calling for a designated material, product or service by specific brand or trade name unless the specification lists at least two brands or trade names of comparable quality or utility and is followed by the words “or equal” so that respondents may furnish any equal material, product or service. The Authority shall, if aware of an equal product manufactured in California, name that product in the specification. In those cases involving a unique or novel product application required to be used in the public interest, or where only one brand or trade name is known to the Authority, it may list only one followed by the words “or equal”. Specifications shall provide a period of time prior to or after, or prior to and after, the award of the contract for submission of data substantiating a request for a substitution of “an equal” item. If no time period is specified, data may be submitted any time within 35 days after the award of the contract.

(b) Paragraph 9(a) shall not be applicable if the Authority makes a finding that is described in the RFP, RFQ or RFB that a particular material, product or service is designated by specific brand or trade name for either of the following purposes: (i) in order that a field test or experiment may be made to determine the product’s suitability for future use; or (ii) in order to match other products in use on a particular public improvement either completed or in the course of completion.

(10) Disadvantaged Business Enterprises. The Authority’s procurement of contracts for Public Projects shall be consistent with the FAA’s policies relating to the participation of disadvantaged business enterprises.

(11) Performance and Payment Bonds. Performance and payment bonds or equivalent acceptable security shall be required at the discretion of the President/CEO, or to the extent required by applicable law (including, without limitation, Section 9550 *et seq.* of the California Civil Code).

(a) Bond Must be Delivered Prior to Issuing Contract Document. If required, a performance and payment bond satisfactory to the Authority, executed by a surety company authorized to do business in California or otherwise secured in a manner satisfactory to the Authority, shall be presented to the Authority prior to issuance of a contract document that authorizes the work (i.e. construction).

(b) Substitutes for Bonds Acceptable. Except as required by applicable law, the Authority may accept cash, money order, certified check, cashiers check or irrevocable letter of credit. Such alternate form of security shall be for the same purpose and shall be subject to the same conditions as a performance and payment bond.

(c) Reduction of Bond Amount. The President/CEO may reduce the amount of performance and payment bonds required on a specific contract, except as required by applicable law. Disclosure of the reduction shall be present in the notice inviting bids.

(d) Authority to Require Additional Bonds. Nothing in this section shall be construed to limit the authority of the President/CEO to require a performance bond or other security in addition to those bonds, or in circumstances other than to those specified in this policy.

(12) Indemnification. The President/CEO shall determine the appropriate indemnification provisions to include in contracts for Public Projects and Maintenance Work.

(13) Insurance Requirement. The President/CEO shall determine the appropriate insurance provisions to include in contracts for Public Projects and Maintenance Work.

(14) Compliance with all Applicable Laws. In any situation where compliance with this policy will place the Authority in conflict with any applicable provisions of state or federal law, the Authority shall comply with such provisions, notwithstanding this policy.

[Amended by Resolution No. 2025-0054 dated July 10, 2025.]

[Amended by Resolution No. 2022-0093 dated November 3, 2022.]

[Amended by Resolution No. 2005-0061 dated May 2, 2005]

[Adopted by Resolution No. 2002-02 dated September 20, 2002.]