Port of Corpus Christi Authority

Procurement Policy

I. Purpose

The Port Commission of the Port of Corpus Christi Authority (the "Port Authority") hereby establishes this policy (the "Procurement Policy") for the procurement of goods, services (including construction services), and the disposition of personal property.

II. Policy Statement

It is the policy of the Port Authority that the procurement of goods and services (including construction services) and the disposition of personal property conform to the Port Authority's mission and applicable law in a deliberate, fair, and ethical manner while providing every qualified vendor with an equal opportunity to compete for Port Authority procurements. All procurements shall comply with applicable law, this Procurement Policy, and the Port Authority's Procurement Manual, and in the case of a conflict, the priority of interpretation shall be in the same order listed herein.

III. Policy Authority

This policy complies with the following statutes:

A. Texas Water Code, Chapters 60 and 62

B. Texas Government Code, Chapter 2254, Subchapter A

C. Texas Government Code, Chapter 2054

D. Texas Local Government Code, Chapter 263, Subchapter D

E. Texas Local Government Code, Chapter 271, Subchapters D, F, and G

IV. Code of Ethics

It is essential to our business that all parties act under the highest ethical and legal standards and maintain a reputation for honesty, integrity, and lawful conduct. The Port Authority has established written guidelines for the sound business and ethical practices of Vendors, Port Commissioners and Employees of the Port Authority in conducting its business. These guidelines are detailed in the Vendors Code of Ethics Policy Statement attached hereto as Attachment A.

V. Authority of the Port Commission

A. Port Authority procurement is under the control of the Port Commission, which oversees and approves Port Authority expenditures in conformity with the Texas Water Code, the Texas Government Code, the Texas Local Government Code, and this Procurement Policy. The Procurement Policy is not intended to restrict the authority of the Port Commission to act as may be permitted by law.

B. The Port Commission must approve all Formal Procurement awards by the Port Authority.

VI. Responsibilities of Compliance & Assurance Department

A. The Compliance & Assurance Department shall oversee the procurement of goods and services and the disposition of personal property for the Port Authority.

B. The Compliance & Assurance Department shall perform procurement compliance and administrative duties with transparency and with fair and equal opportunity.

C. The Director of Finance or the Director's designee, in coordination with the requesting department, will collaboratively determine which approved solicitation method will be used to ensure statutory compliance with fair and open competition in the procurement process. If an Alternative Procurement Method is selected, then staff shall request Port Commission approval of the Alternative Procurement Method according to Section IX.B.

D. The Director of Finance or the Director's designee, after considering input from the requesting department, will determine the responsive/responsible status of all bids and proposals.

VII. Adoption of Applicable Procurement Laws

A. This policy supersedes all previous purchasing guidelines and/or purchasing policies adopted by the Port Commission. The Port Commission hereby reaffirms its prior adoption of Texas Water Code Chapter 60, Subchapter N and Subchapter O, for all Formal Procurements.

B. Notwithstanding anything to the contrary contained herein, the Port Authority may participate in cooperative purchasing programs approved by the State of Texas, other Texas local governments, or the United States General Services Administration without seeking competitive bids. Similarly, the Port Authority may purchase information technology products and services under the Texas Department of Information Resources and other Cooperative Contracts without the need for competitive bidding.

VIII. Procurement Communications

A. Bidder/Proposer Restrictions. Except as provided below, during the No-Contact Period, Bidders/Proposers are prohibited from communicating with members of the Port Commission and Port Authority employees regarding a Formal Procurement.

B. Port Commission and Port Authority Staff Restrictions. Except as provided below, during the No-Contact Period, any Port Commissioner and any Port Authority employee contacted by a Bidder/Proposer regarding a Formal Procurement shall instruct the Bidder/Proposer to contact the Director of Finance and shall not otherwise communicate with the Bidder/Proposer regarding such Formal Procurement.

C. Exceptions. Notwithstanding the foregoing, the following types of communications are permitted during the No-Contact Period:

1. Formal responses to the Port Authority's solicitation;

2. Publicly made communications at the Port Authority's pre-bid/pre-proposal conferences, and public meetings of the Port Commission and Port Commission committees;

3. Written questions or clarification requests made to the Director of Finance or designee during the period designated by the Port Authority for such purpose, including questions or requests presented via electronic means;

4. Communications during oral interviews and presentations conducted at the request of the Port Authority to assist with its evaluation of Formal Procurement proposals;

5. Authorized negotiation of the contract that is the subject of the Formal Procurement, engaged in by designated Port Authority employees; and

6. A report of Misconduct to a Port Commissioner or Port Authority employee.

IX. Methods of Making Formal Procurements

A. Customary Formal Procurement Methods. Each Formal Procurement by the Port Authority which is not exempt from the requirements of Subchapter N will be made in accordance with the customary methods of Formal Procurement listed in this Section IX.A., unless the Port Commission determines that making the procurement under one of the purchasing methods described Section IX.B (each an "Alternative Procurement Method") will provide the best value to the Port Authority. The Chief Executive Officer, or his designee, is delegated the authority to determine the customary method of Formal Procurement that provides the best

value to the Port Authority and by its approval of the award of contract, the Port Commission shall ratify such best value determination. Customary methods of Formal Procurements include:

1. Solicitation of "Competitive Sealed Bids," for construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property and repair of facilities, including as may be required following damage caused by third parties, or materials, supplies, machinery, equipment, or other items.

2. Solicitation of "Competitive Sealed Proposals," for items other than construction services.

3. Solicitation of "Request for Proposals," for items other than construction services.

4. Solicitation of "Requests for Qualifications," where price is negotiated following selection. The selection and award must be based on demonstrated competence and qualification to perform the services for a fair and reasonable price. RFQ is used for certain professional services only as described in Texas Government Code, Chapter 2254, Subchapter A.

5. Solicitation of "Competitive Sealed Proposals," for construction, repair, rehabilitation, or alteration of facilities. Contractors are selected through a one-step or two-step process as determined by the Director Finance.

B. Alternative Formal Procurement Methods. The Port Commission may determine that making the procurement under one of the following Alternative Procurement Methods will provide the best value to the Port Authority:

1. Solicitation of "Design-Build," for project delivery with a single entity to provide both design and construction services for the construction, rehabilitation, alteration, or repair of a facility. The design-build method can also be used for civil engineering construction projects such as roads, facilities, infrastructure, and drainage.

2. Solicitation of "Construction Manager-at-Risk," or "Construction Manager-Agent" by which the Port Authority contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.

3. Solicitation of "Job Order Contracts" or "JOC" which is unique to construction services and is limited to contracts for construction, repair,

rehabilitation, or alteration of a facility if the work is of a recurring nature but the delivery times and quantities are indefinite.

C. Procedure for Using an Alternative Procurement Method. The Port Commission shall approve in advance the use of an Alternative Procurement Method for making a Formal Procurement. In such cases the following processes shall be followed:

1. Port Authority staff shall request Port Commission action at a Port Commission meeting authorizing the use of a particular Alternative Procurement Method for Formal Procurement.

2. The Port Commission shall determine at a Port Commission meeting whether the recommended Alternative Procurement Method offers the best value to the Port Authority for the specified Formal Procurement.

3. If the Port Commission approves an Alternative Procurement Method for a Formal Procurement, staff shall utilize the approved Alternative Procurement Method in making the procurement.

X. Informal Procurements

Informal Procurements. Except as may otherwise be provided by the Port Commission, the Chief Executive Officer or designee shall have the authority to make Informal Procurements in accordance with the following general purchasing guidelines:

1. Purchases less than $25,000

   a. No minimum number of quotes required.
   b. All purchases must be approved by the Department Director or designee.

2. Purchases of $25,000 but less than $100,000 including construction or repair of Port Authority facilities and equipment (excluding high technology and auto/equipment repair that requires auto/equipment to be disassembled to do diagnostics) shall include:

   a. A minimum of three quotes is required unless a determination is made by the Director of Finance that less than three quotes are permitted based on the nature of the procurement (i.e. specialized goods or services, imminent need for repairs, etc.).
   b. At least one quote must be from a local vendor or the procuring department must provide proof of good faith effort to purchase from local vendors.

3. All quotes (request for quotes and submission of quotes) must be processed through the Port Authority's Procurement website unless a determination is made by Director of Finance that alternative method may be used.

a. A written request for quotes shall be created and include a description of the goods or services, as well as any specifications or drawings (if required).
b. If an alternative method is permitted by the Director of Finance, copies of all quotes will be provided to the Compliance & Assurance Department during the requisition process to vet for compliance.
c. All requests for quotes require prior review and approval for compliance by the Compliance & Assurance, Environmental, Communications, Information Technology, or Engineering Departments, where applicable, before posting to the Port Authority's Procurement website.
d. This process will ensure all vendors have an equal opportunity to compete for Port Authority procurement opportunities.

4. All purchases must be approved up to the following levels of authority:

$25,000 Department Director
$50,000 Chief Operating Officer Chief Financial Officer Chief Strategy & Sustainability Officer Chief External Affairs Officer Chief Talent Officer
$100,000 Chief Executive Officer

XI. Scope of Work Review and Insurance Determination

Before contracting with any vendor, the Compliance & Assurance Department must conduct a thorough review of the vendor's proposed scope of work. The purpose of this review is to assess the potential risks associated with the vendor's activities and to determine the specific insurance requirements that align with the scope of work. The Compliance & Assurance Department will consider factors such as the nature of services, the level of exposure, the size of the project, and any regulatory or contractual obligations. All vendors must provide evidence of the minimum insurance coverage required by the Compliance & Assurance Department prior to execution of a purchase order and/or contract. No services may be performed or items purchased without an executed purchase order.

XII. Emergency Purchases

Except as may otherwise be provided by the Port Commission, the Chief Executive Officer shall have the authority to make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts as permitted by Texas Water Code Section 60.4035, including the Chief Executive Officer's spending authority for Pre-Readiness and Post-Storm Recovery Hurricane Expenditures.

An emergency is a sudden and unexpected occurrence which requires immediate action by the Port Authority because of an imminent threat to public health or safety or a reasonably unforeseeable situation, including but not limited to, a catastrophe or natural disaster that creates a circumstance where Port Authority property, equipment, a facility, or portion of a facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the Chief Executive Officer determines that the delay posed by using one of the applicable purchasing methods would prevent or substantially impair the conduct of business or other essential activities.

Emergency purchases are permitted in response to security directives issued by: (1) the Department of Homeland Security, including the Transportation Security Administration; (2) the United States Coast Guard; (3) the Department of Transportation, including the Maritime Administration; or (4) another federal or state agency responsible for domestic security.

The Chief Executive Officer may also make emergency purchases to respond to emergencies related to supply chain disruptions or shortages or other disruptions or stoppages in the operation of the Port Authority which, without harm to the welfare of the Port Authority, do not permit the delay incident to the competitive process or would result in undue costs to the Port Authority.

The Chief Executive Officer shall notify the Port Commission of any emergency purchase not later than 48 hours after the purchase is made.

XIII. Sole Source

Sole source purchases are purchases of goods or services that are available from just one vendor as permitted by Texas Water Code Section 60.412(a)(7). Sole source purchases are exempt from statutory bid requirements. A sole source purchase shall not be used to avoid competition.

A. Procurement without competition is authorized under limited conditions and subject to written justification documenting the conditions which preclude the use of a competitive process. The following are examples of items that can be obtained only from one source:

    1. items for which competition is precluded because of the existence of patents, copyrights, secret processes, or natural monopolies;

2. films, manuscripts, or books;

3. public utility services; and

4. captive replacement parts or components for equipment

An item that comes from a single manufacturer is not automatically a "sole source" item. Many manufacturers sell their products through distributors. Therefore, even if a purchase is identified as a valid "sole brand" or "sole manufacturer", the requesting department should verify whether the manufacturer has multiple distributors. If the manufacturer does have multiple distributors, competition should be sought among the distributors.

Sole source purchases for the Port Authority are an exception and must be strictly controlled and thoroughly documented. Negotiation should be conducted before agreeing to a sole source purchase because the lack of competition may lead a vendor to charge unreasonably high prices. The requesting department should prepare a detailed list of requirements relating to delivery, quality, performance, and other relevant conditions and do everything possible to strengthen the Port Authority's bargaining position.

B. Justification of Sole Source. The Port Authority recognizes that there may be instances when sole source purchases must be made; however, such purchases must be appropriately justified utilizing the Sole Source Justification Form. The written justification form, signed by the requesting department, must be forwarded to the Compliance & Assurance Department and must contain at least the following elements:

1. Identification of the unique feature(s) or characteristic(s) /specification(s) of the requested product that will serve as the basis for the sole source justification.

2. An explanation of the need for unique specifications. This explanation must address the critical importance of unique specifications to the intended use of the product or service.

This justification form must include an explanation of the need for the unique specifications and should serve to support a finding that the stated need cannot be met with competing products or services. Sufficient detail must be included to show that the marketplace has been canvassed to locate acceptable competitive products or services.

If a sole source purchase is justified, the request should be processed accordingly, rather than using a competitive solicitation. Because procurement files are subject to the Texas Public Information Act, the use of sole source purchase procedures must withstand critical scrutiny. Justifications must be objective and must avoid statements that cannot be substantiated.

C. Excluded Reasons for Sole Source. The following reasons to justify a sole source purchase WILL NOT be accepted:

1. Price

2. Competing products or services are not satisfactory

3. Subjective statements regarding product quality

D. Sole Source Purchases Up to $100,000. Following the requesting department's confirmation that the item/service is a sole source purchase, the requesting department shall forward the requisition, Sole Source Affidavit and a completed Sole Source Justification Form to the Compliance & Assurance Department for approval and issuance of a purchase order.

E. Sole Source Purchases of more than $100,000. Following the requesting department's confirmation that the item/service is a sole source purchase, the requesting department shall forward the requisition, Sole Source Affidavit and a completed Sole Source Justification Form to the Compliance & Assurance Department for approval and issuance of a purchase order. Sole source purchases of more than $100,000 must be approved by the Port Commission prior to issuance of a purchase order.

F. Prices for Sole Source Purchases. Although the purchase of goods or services is made via Sole Source procurement, it will not preclude the Compliance & Assurance Department from determining if the offered price is fair and reasonable. All purchases should be made with the intent to obtain the best value for the Port Authority.

XIV. Cooperative Purchasing Programs

The Port Authority is authorized to participate in cooperative purchasing programs under the provisions of Texas Local Government Code §271.102.

A. Cooperative Organization. A "Local cooperative organization" is an organization of governments established to provide local governmental entities access to contracts with vendors for the purchase of materials, supplies, services, or equipment as defined by Texas Local Government Code §271.101.

B. State Cooperation. The Port Authority may purchase from vendors on the same terms and conditions as the State of Texas. The State has entered into term contracts after using competitive bidding procedures. Texas Comptroller Statewide Procurement Division manages this program for the State as authorized by Texas Local Government Code §271.082.

C. Local Cooperatives. The Port Authority shall, whenever advantageous to do so, enter into cooperative purchasing arrangements with other local governments pursuant to the Interlocal Cooperation Act, Texas Local Government Code Chapter 791. In the event such an arrangement is made, purchases in this case shall be made in accordance with the stricter requirements of relevant statutes and purchasing policies.

D. Current Authorized Cooperative Programs.

The Department of Information Resources (DIR)	www.dir.state.tx.us
General Service Administration (GSA) (select contracts only)	www.gsa.gov
Texas Correctional Industries (TCI)	www.tci.tdcj.texas.gov
Texas SmartBuy (TXMAS)	www.txsmartbuy.com
BuyBoard (Texas Association of School Board)	www.buyboard.com
Choice Partners	www.hcde_texas.org
GoodBuy	www.purchase.esc2.net
Houston-Galveston Area Council (H-GAC)	www.h-gaco.gov
OMNIA Partners	www.omniapartners.com
PACE	www.pace.esc20.net
Sourcewell	www.sourcewell-mn.gov
TIPS Purchasing System	www.tips-usa.com

XV. Professional Services Selection & Authorization

A. Authorization. The Port Commission shall approve each contract for Professional Services with fixed or projected fees and expenses in excess of $100,000. The Chief Executive Officer shall have the authority to approve any contract for Professional Services with fixed or projected fees and expenses of not more than $100,000 with the exception of contracts for legal services which shall require Port Commission approval regardless of the amount of fixed or projected fees and expenses.

B. Formal Selection Process. Unless otherwise approved by the Chief Executive Officer in writing, a formal selection process will be used to procure high cost (i.e., $150,000 or more in anticipated fees and expenses) Professional Services subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A of the Texas Government Code) ("PSPA"). A formal selection process shall be followed to ensure that all interested and qualified firms are permitted an opportunity to be

considered and that the best qualified firm is selected. A Request for Qualifications (RFQ) statement shall be prepared identifying the services needed and the selection process to be used. A notice shall be published in a newspaper of general circulation for two (2) consecutive weeks prior to the opening date. A selection committee shall determine the most qualified firm and negotiate contract terms.

C. Informal Selection Process. An informal selection process will be used to procure routine, low cost (i.e., under $150,000 in fees and expenses anticipated) Professional Services subject to the PSPA. The selection will be made on the basis of demonstrated competence and qualifications to perform the required services for a fair and reasonable price. Copies of all statements of qualifications must be provided to the Compliance & Assurance Department, as well as a description of the selection process and criteria used.

Professional Services. There are two types of services that constitute "Professional Services" under Texas law, each with a slightly different consequence as to the procurement method required. The first type are professional services subject the PSPA which include services within the scope of practice of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, professional nursing, or forensic science. The second type are non-PSPA professional services which are exempt from the competitive bidding and proposal procedures as stated in Texas Water Code Section 60.412. Non-PSPA professional services are services which are predominantly mental or intellectual, rather than physical or manual, in nature, and include, without limitation, services performed by members of disciplines requiring special knowledge or attainment of a high order of learning, skill, and intelligence. The determination of whether services constitute professional services under applicable law will be made by the Director of Finance on advice of the Port Authority's legal counsel. Consulting services which are neither PSPA nor non-PSPA professional services must comply with competitive bidding or proposal procedures if fixed or projected fees and expenses exceed $100,000.

XVI. Contract Participation for Historically Underutilized and/or Disadvantaged Businesses

It is the policy of the Port Authority that reasonable opportunities are afforded to historically underutilized and/or disadvantaged businesses to participate in the performance of contracts awarded by the Port Authority, subject to federal and state laws. In furtherance of this Contract Participation policy, the Port Authority's objective will be to develop procedures to conduct outreach programs to encourage and maximize participation by historically underutilized and/or disadvantaged businesses, establish objectives and initiatives for such participation, and monitor the progress and effectiveness of such objectives.

XVII. Local Preference Program

On January 19, 2021, the Port Commission adopted a Local Preference Program to ensure that local businesses of every size are encouraged to participate in contracting and procurement at the Port Authority. The First Amended Local Preference Program was adopted by the Port Commission on December 10, 2024. A copy of the Local Preference Program, as amended, is available on the Port Authority's website and is attached to this Policy as Attachment B.

The Local Preference Program shall apply to Program-Eligible Contracts as defined herein, i.e. all procurement contracts, excluding sole-source contracts, federally-funded contracts, contracts with other governmental entities, and those contracts for which participation in the Program is otherwise prohibited by applicable law or exempted by the Port Commission.

XVIII. Policy Responsibility

A. Staff Procurement Standards and Procedures.

1. The Compliance & Assurance Department shall prepare and from time-to-time update a Procurement Manual designed as a resource of standards and procedures consistent with this Procurement Policy to be used as a resource of best practices by the Port Authority staff in the procurement of goods and services.

2. Standards and procedures developed by staff shall not contain restrictions on the authority of the Port Commission or impose obligations on the Port Commission.

B. Periodic Procurement Reports. The Chief Executive Officer or his designees shall periodically report to the Port Commission regarding Port Authority procurement and supply management activities.

C. Procurement Policy Updates. The Audit Committee shall evaluate this Procurement Policy's effectiveness at least annually and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.

D. Staff Responsibility. The Director of Finance is responsible for implementation of this Procurement Policy and is the contact for staff members seeking its interpretation.

XIX. Disposition of Surplus, Salvage and Waste Property

A. The Chief Financial Officer and the Director of Finance (each a "Designated Representative") shall be responsible for disposition of all Port Authority surplus, salvage or waste property pursuant to this policy.

B. Waste Property:

1. The determination of whether property is "waste property" is performed by the requesting department. Examples of waste property include property that holds no value, such as broken furniture, an outdated computer instruction manual, etc.

2. Waste property also includes property that cannot be sold after a reasonable attempt to do so. This can include property initially considered to be surplus, salvage, or unclaimed items. This revised determination shall be made by the Designated Representatives.

C. Disposition of Surplus or Salvage Property – The Port Authority may:

1. Periodically sell surplus or salvage property by competitive bid or auction to the highest bidder.

2. Offer the property as trade-in for new property of the same general type, if the action is in the best interest of the Port Authority.

3. Destroy or otherwise dispose of property as having no value if, after the competitive bid or auction, no bids are made.

4. Destroy or otherwise dispose of property as waste property if the property is so worn, damaged, or obsolete that it has no value or purpose for which it was originally intended, and the administrative and other expenses associated with an attempt to sell the property would cost the Port Authority more than proceeds could potentially be realized from proceeds from a sale.

5. Without limiting the foregoing, surplus or salvage property deemed to be worthless or of minimal value may be disposed of by private entities in exchange for freight or transportation charges in excess of such value.

6. Dispose of surplus or salvage property by donating it to a civic or charitable organization located within the geographic boundaries of the Port Authority if:

a. undertaking the sale of the property by competitive bid or auction would likely result in no bids or a bid price that is less that the Port Authority's expenses required for the bid process;

b. the donation serves a public purpose; and

c. the organization will provide the Port Authority with adequate consideration, such as relieving the Port Authority of transportation or disposal expenses related to the property.

7. Sell any of the personal property to a county or another political subdivision within the geographic boundaries of the Port Authority without public bidding.

8. Destroy or dispose of surplus or salvage property by any other method permitted for counties under Subchapter D, Chapter 263, Local Government Code.

D. Maximum Benefit

The Port Authority shall at all times try to realize the maximum benefit in the sale and disposal of surplus or salvage property, provided however that this requirement shall not prevent or impede the destruction or disposal of waste property.

XX. Contract Administration

A. Contract Modification – Construction Services

1. Contracts for construction services (Construction Contracts) may be modified by Change Order.

2. Change Orders for Construction Contracts awarded in excess of $100,000 must be approved by (1) the Port Commission; or (2) the Chief Executive Officer (or his designee) if the Change Order is not more than $100,000 and the aggregate of all Change Orders for the Construction Contract does not exceed the following:

Awarded Construction Contract:		Contingency:
a.	$100,000 to $999,999	10%
b.	$1,000,000 to $4,999,999	7%
c.	$5,000,000 and greater	5%

B. Contract Modification – Goods and Non-Construction Services

1. Contracts for goods and non-construction services may be modified by Amendment, Contract Modification or Letter of Modification.

2. Amendments and Contract Modifications must be approved by (1) the Port Commission; or (2) the Chief Executive Officer (or his designee) if the aggregate amount of the contract is not more than $100,000 with the amendment.

3. Letter of Modification. The Chief Executive Officer (or his designee) is authorized to make non-monetary non-substantive contract modifications (i.e., time extensions, changes to project representatives, etc.).

C. Contract Termination – Goods, Construction Services, and Non-Construction Services

The Chief Executive Officer (or designee) may terminate a contract if so authorized by the terms of the contract, if all contract requirements applicable to termination are followed, and if the Chief Executive Officer determines that contract termination is in the best interest of the Port Authority.

D. Signing of Contracts

All contracts for goods and services shall be signed by Chief Executive Officer or Port Authority staff designated at the Chief level within the organizational chart. Chiefs shall sign contracts only for their respective areas of supervision and only up to the levels of authority identified in Section X of this policy.

E. Digital Signature

A digital signature refers to a secure electronic signature that is generated using a digital certificate that is cryptographically bound to the document using public key infrastructure (PKI). All contracts that are not signed by hand in person or provided by mail or express mail, shall be signed through a security digital signature platform approved by the Director of Finance.

XXI. Vendor Debarment

A. The Port Authority may bar ("Debar") any individual or firm ("Proposer") from eligibility for participation in any Port Authority procurement for up to two years. The grounds for debarment and the debarment procedures are described in the Port Authority's Procurement Manual.

B. In the event that grounds to Debar a Proposer are referred to Port Authority staff, the Director of Finance shall select a hearing officer who shall conduct a hearing to consider whether such alleged conduct provides grounds for the Proposer to be Debarred.

C. In the event that the hearing officer recommends that the Port Authority Debar such Proposer, the Proposer may appeal by filing a written notice of appeal with the Director of Finance no later than fifteen (15) calendar days following notice of the final decision of the hearing officer. Port Authority staff shall promptly submit the Proposer's appeal of the hearing officer's recommendation to the Port Commission for possible action.

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7th Revision Approved 12/13/22
8th Revision Approved 12/12/23
9th Revision Approved 12/10/24
10th Revision Approved 12/09/25

APPENDIX A - DEFINITIONS

BEST BID – The lowest responsive, responsible bid.

BEST VALUE – With respect to any proposal or procurement method, the proposal or procurement method that is determined to be the most advantageous to the Port Authority when compared to other proposals or procurement methods based on price and non-price factors.

BIDDERS/PROPOSERS – Actual and prospective respondents (including their authorized representatives acting on their behalf) to a Formal Procurement solicitation.

CHANGE ORDER – A written order to a contractor detailing a change to specified work, item quantity or any other modification to a construction contract.

COMPETITIVE SEALED BIDS – An advertised procurement method in which the award is made to the lowest responsive, responsible bidder. The use of competitive sealed bids is a method of contracting for goods and nonprofessional services. In open competitive bidding, the sealed bids are opened either virtually or in full view of all who may wish to witness the bid opening. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition and by preventing favoritism. Competitive Sealed Bids are also known as Request for Bids (RFB).

COMPETITIVE SEALED PROPOSALS (CSP) – An advertised procurement method in which a selection is made of the proposal that offers the best value based on the published selection criteria and ranking evaluation, followed by contract negotiation. This method permits the consideration of non-price criteria and negotiation of scope of services.

COMPONENT PURCHASES – Purchases made separately, purchases made over period of time, or purchases of component parts of an item or items that in the normal purchasing practice would be purchased in one purchase.

COOPERATIVE PURCHASING PROGRAM – A volume purchasing program providing vetted competitive solicitation, selection and contract awards for goods and services available to participating public agencies eliminating other bidding requirements.

DEBARMENT – An action taken by the Port Authority to exclude ("Debar") any individual or firm ("Proposer/Bidder") from eligibility for participation in any Port Authority procurement for up to two years as provided in this Procurement Policy and according to procedure described in the Port Authority's Procurement Manual.

ELECTRONIC SIGNATURE – An efficient, trusted, and legally permitted method to sign documents, and trusted to replace handwritten signatures in many processes.

EMERGENCY PURCHASE – A purchase necessary to protect the public health and safety, to preserve the property of the Port Authority, to repair unforeseen damage to the property of the Port

Authority, to respond to security directives, or to respond to supply chain disruptions or shortages or other disruptions or stoppages in the operation of the Port Authority which, without harm to the welfare of the Port Authority, do not permit the delay incident to the competitive process or would result in undue costs to the Port Authority.

FORMAL PROCUREMENT – The procurement of goods or services for more than $100,000.

INFORMAL PROCUREMENT – The procurement of goods or services for not more than $100,000.

ITEM – Any service, equipment, goods, or other tangible or intangible personal property, including insurance and high technology items.

MISCONDUCT – A violation of law or Port Authority's Procurement Policy, standards, or procedures, by a Port Commissioner, employee, or third-party acting in connection with the Port Authority.

NO-CONTACT PERIOD – The period commencing on public issuance by the Port Authority of a solicitation for Formal Procurement and ending when the Port Authority publicly posts notice of the agenda for the Port Commission meeting during which award of the Formal Procurement is scheduled for action.

REQUEST FOR PROPOSALS (RFP) – An advertised procurement method in which the award is made to best evaluated offer resulting from negotiation based on the published evaluation criteria.

REQUEST FOR QUALIFICATIONS (RFQ) – An advertised procurement method for professional services subject to the PSPA in which the selection is made to the offer based on demonstrated competence and qualifications to perform the services for a fair and reasonable price. Selection of the most highly qualified proposer is followed by price negotiations with only the top ranked firm. If unable to negotiate a fair and reasonable price with the top ranked firm, negotiations are formally terminated and price negotiations begin with the next highest ranked firm. The process continues until fair and reasonable price is negotiated or the list is exhausted.

RESPONSIVE BID – A bid response that is consistent with the specifications and fully conforms to the mandatory submittal requirements.

RESPONSIBLE BIDDER – A bidder with the capability and reliability as well as documented financial and technical capacity to perform the requirements of the solicitation and subsequent contract.

SEPARATE PURCHASES – Purchases of goods or services made in a series of separate purchases that in a normal purchasing practices would have been purchased in one purchase.

SEQUENTIAL PURCHASES – Purchases made over a period of time that in normal purchasing practices would be made in one purchase.

SALVAGE PROPERTY – Personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.

SOLE SOURCE GOODS OR SERVICES – Goods or services that can be obtained from only one source purchased in compliance with Texas Water Code Section 60.412.

SUBCHAPTER N – Subchapter N of Chapter 60 of the Texas Water Code, which is entitled *Competitive Bidding Requirements*.

SUBCHAPTER O – Subchapter O of Chapter 60 of the Texas Water Code, which is entitled *Purchase Contracts*.

SURPLUS PROPERTY – Personal property that is not currently needed by the Port Authority, is not required for the Port Authority's foreseeable needs, and possesses some usefulness for its intended purpose or for some other purpose. Examples of surplus include extra furniture, a computer replaced by an upgraded model, etc.

WASTE PROPERTY – "Personal property" (i.e. property that is not attached to a building and other real estate) that is routinely discarded as waste. This includes, among other things, property that is so worn, damaged, or obsolete that (i) it has no value for its original purpose, and (ii) sale expenses would cost the Port Authority more than sale proceeds.

ATTACHMENT A

PORT OF CORPUS CHRISTI AUTHORITY
VENDORS CODE OF ETHICS
POLICY STATEMENT

PURPOSE

The purpose of this policy statement is to apprise current and prospective vendors of the Port of Corpus Christi Authority (PCCA) as to the code of business ethics expected of them in their conduct of business with the Port Commissioners, Officers and Employees of the Authority.

DEFINITIONS

Vendors - The term vendors mean all current or prospective suppliers of goods or services to PCCA, including professionals and consultants in all areas of specialized expertise.

Sound Business and Ethical Practices - For the purposes of this policy statement the term "Sound Business and Ethical Practices" means actions that conform to the highest standards of moral duty and obligations as expressed and implied in the laws governing doing business with PCCA.

Business Entertainment - The term business entertainment does not include food, lodging, travel, or entertainment accepted by a PCCA Port Commissioner, Officer or Employee as a guest, unless the Vendor is required by law to report those items and fails to do so.

POLICY

It shall be the policy of PCCA that all current and prospective vendors conduct their business with the representatives of PCCA in conformity with sound business and ethical practices which will bring continuing respect to the vendors and PCCA and avoid any questionable conduct that could bring discredit to any of the parties.

What constitutes "Sound Business and Ethical Practices" is a legal matter of prudent judgment coupled with moral and legal considerations. Accordingly, it is not possible to describe every circumstance or relationship that reflects unsound business or unethical practices; however, vendors shall not offer to any Port Commissioner, Officer, or Employee of PCCA any benefits or gratuities in any form that could be construed as an attempt to influence such person in the performance of his or her official duties in conducting the business of PCCA.

RESPONSIBILITIES

Vendors - All current and prospective vendors are expected to comply with the provisions of this policy when conducting or discussing PCCA business with any Port Commissioner, Officer or Employee of PCCA.

Port Commissioners, Officers and Employees - All PCCA Officers and Employees shall report any situation that appears to be in violation of this policy statement to the Chief Executive Officer (or to the Chairman of the Port Commission if the situation involves the Chief Executive Officer). The Chief Executive Officer and the Port Commissioners shall report apparent violations of this policy to the Chairman of the Port Commission or to the Port Commission as a whole.

Chief Executive Officer - The Chief Executive Officer shall be responsible for administering this policy in a fair and equitable manner. Common sense and good judgment shall be utilized in arriving at reasonable conclusions consistent with the intent of this policy. The Chief Executive Officer is also authorized to promulgate, as needed, instructions, guidelines, or interpretations. The Chief Executive Officer shall evaluate any reported violation by a vendor and take appropriate corrective action, including sanctions and reporting the situation to the Port Commission.

Port Commission - The Port Commission shall evaluate any violation reported or coming to its attention and take appropriate corrective action, including sanctions and initiation of lawsuits as deemed appropriate.

CERTAIN SECTIONS OF THE PENAL CODE ARE APPLICABLE TO VENDORS

Vendors should be aware that unethical behavior may also be illegal behavior under certain sections of Chapter 36 (Bribery and Corrupt Influence) of the Texas Penal Code. As a reminder:

Section 36.02 (Bribery) states that:

(a) A person commits an offense if he intentionally or knowingly offers, confers, or agrees to confer on another or solicits, accepts, or agrees to accept from another:

(1) any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a public servant, party official, or voter;

(2) any benefit as consideration for the recipient's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or

(3) any benefit or consideration for a violation of a duty imposed by law on a public servant or party official.

(e) An offense under this section is a felony of the second degree.

Section 36.08 (Gift to Public Servant by Person Subject to His Jurisdiction) states that:

(d) A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of government commits an offense if he solicits, accepts, or agrees to

accept any benefit from a person the public servant knows is interested in or likely to become interested in any contract, purchase, payment, payment, claim or transaction involving the exercise of his discretion.

(h) An offense under this section is a Class A misdemeanor.

Section 36.09 (Offering Gift to Public Servant) states that:

(a) A person commits an offense if he offers, confers, or agrees to confer any benefit on a public servant that he knows the public servant is prohibited by law from accepting.

(b) An offense under this section is a Class A misdemeanor.

Section 36.10 (Exceptions) states:

(a) Sections 36.08 (Gift to Public Servant) and 36.09 (Offering Gift to Public Servant) do not apply to:

(6) an item with a value of less than $50, excluding cash or a negotiable instrument.

(b) Section 36.08 (Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.

(c) Section 36.09 (Offering Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donor is required by law to report those items, reported by the donor in accordance with that law.

Revised 01/2021

ATTACHMENT B

FIRST AMENDED LOCAL PREFERENCE PROGRAM

A. Introduction.

The purpose of this Local Preference Program (the "Program") is to ensure that local businesses of every size are encouraged to participate in contracting and procurement at the Port of Corpus Christi Authority of Nueces County, Texas (the "Port Authority"). The Program is consistent with the Port Authority's mission: "Leverage commerce to drive prosperity."

The competitive bidding requirements in Section 60.404 of the Texas Water Code state that specifications must indicate whether a local preference program adopted by the Port Authority applies and, if so, where a copy of the program requirements may be obtained.

Under Section 60.458 of the Texas Water Code, the Port Authority is permitted to set the criteria and factors that the Port Authority may consider in determining to whom to award a contract, as well as incorporating other contracting programs, such as a local preference program, as may be approved by the Port Authority.

This Program sets out the principles under which preference to local businesses (as may be defined from time to time) may be granted for certain Port Authority procurements.

B. Program Policy Statement.

It is the policy of the Port Authority to use its spending powers in a manner that:

a. Promotes fiscal responsibility and maximizes economic benefits to the local economy by utilizing all available opportunities to contract with local businesses;

b. Places an affirmative duty on Port Authority staff to grant a procurement preference to local businesses in accordance with the standards of this Program, unless doing so would be clearly contrary to the best interests of the Port Authority; and

c. Is reasonable and fair.

C. Program Authority and Construction.

Texas Water Code chapters 60 and 62, and particularly Sections 60.404(d) and 60.458 as follows:

Sec. 60.404. COMPETITIVE BIDDING REQUIREMENTS.

(d) The specifications must:

(1) describe in detail the item to be acquired;

(2) require that bids be sealed;

(3) require the attachment to the bid of a certified check, cashier's check, or bidders bond, if security is required in connection with the bid; and
(4) indicate whether a small business development program, local preference program, or other contracting program adopted by the district applies to the purchase and, if so, where a copy of the program requirements may be obtained.

Sec. 60.458. PURCHASE CONTRACT AWARD CRITERIA. Except as provided by this subchapter, in determining to whom to award a contract, the district may consider:

(1) the purchase price;
(2) the reputation of the vendor and of the vendor's goods or services;
(3) the quality of the vendor's goods or services;
(4) the extent to which the goods or services meet the district's needs;
(5) the vendor's past relationship with the district;
(6) the impact on the ability of the district to comply with laws and rules relating to historically underutilized business, and on the district's small business development program, local preference program, or other contracting program adopted by the district, if any;
(7) the total long-term cost to the district to acquire the vendor's goods or services; and
(8) any other relevant factor specifically listed in the request for bids or proposals.

D. Definitions.

As used in this Program, the terms below have meanings as shown.

Headquartered means the place where a business entity's officers are located and from which the officers direct, control and coordinate the entity's activities.

Joint Venture means a collaboration of for-profit business entities, in response to a solicitation, which is manifested by a written agreement between two (2) or more independently owned and controlled business firms to form a third business entity solely for purposes of undertaking distinct roles and responsibilities in the completion of a given contract. Under this business arrangement, each joint venture partner shares in the management of the joint venture and also shares in the profits or losses of the joint venture enterprise commensurately with its contribution to the venture.

Local Area means Nueces and San Patricio Counties.

Local Business means a business that is either: (1) headquartered in the Local Area; or (2) has an established place or places of business in the Local Area where members of the entity's workforce are regularly based. A location utilized solely as a post office box, mail

drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed as an established place of business.

E. Program Purchases.

a. Purchases of Personal Property using Competitive Sealed Bids.

i. Personal property purchase contracts of Fifty Thousand Dollars ($50,000.00) to under Five Hundred Thousand Dollars ($500,000.00).

1. In purchasing any personal property that is not affixed to real property, if the Port Authority receives one or more bids from Local Businesses and if the lowest bid by a Local Business is within five percent (5%) of the lowest bid price received by the Port Authority from a bidder who is not a Local Business, the Port Authority shall award a contract that requires an expenditure of Fifty Thousand Dollars ($50,000.00) to under Five Hundred Thousand Dollars ($500,000.00) to the Local Business.

2. When a bidder is a joint venture, each joint venture partner must meet the definition of a Local Business to be eligible for the preference described in this section.

b. Purchases of Non-Professional Services using Competitive Sealed Bids.

i. Non-professional services contracts (other than construction contracts) of Fifty Thousand Dollars ($50,000.00) to under Five Hundred Thousand Dollars ($500,000.00).

1. In procuring non-professional services, excluding construction services, if the Port Authority receives one or more bids from Local Businesses and if the lowest bid by a Local Business is within five percent (5%) of the lowest bid price received by the Port Authority from a bidder who is not a Local Business, the Port Authority shall award a contract that requires an expenditure of Fifty Thousand Dollars ($50,000.00) to under Five Hundred Thousand Dollars ($500,000.00) to the Local Business.

ii. Construction services contracts of Fifty Thousand Dollars ($50,000.00) to under One Hundred Thousand Dollars ($100,000.00).

1. In procuring non-professional construction services, if the Port Authority receives one or more bids from Local Businesses and if the lowest bid by a Local Business is within five percent (5%) of the lowest bid price received by the Port Authority from a bidder who is not a Local Business, the Port Authority shall award a contract that requires an expenditure of Fifty Thousand Dollars ($50,000.00) to under One Hundred Thousand Dollars ($100,000.00) to the Local Business.

iii. When a bidder is a joint venture, each joint venture partner must meet the definition of a Local Business to be eligible for the preferences described in this section.

c. Purchases of Professional Services using Request for Qualifications.

i. In procuring professional services under the Professional Services Procurement Act, Government Code § 2254.004, the evaluation committee shall award ten (10) points (out of one-hundred (100) total points) to a respondent that is a Local Business based upon knowledge of, and experience regarding, local conditions.

d. Purchases Awarded Based on "Best Value" Evaluation.

i. In procuring personal property or services (professional, non-professional, or construction services) using a "best value" procurement method, the specifications or solicitation documents must specify the relative importance of price and all other evaluation criteria. The published evaluation criteria shall include a "Local Preference" category awarding five (5) points (out of one-hundred (100) total points) to respondents that are Local Businesses and an additional five (5) points (out of one-hundred (100) total points) to respondents that are headquartered in the Local Area.

ii. "Best value" procurement methods include:

1. Solicitation of "Request for Proposals" for items other than construction services.

2. Solicitation of "Competitive Sealed Proposals," for construction, repair, rehabilitation, or alteration of facilities, and for non-construction items.

3. Solicitation of "Design-Build," for project delivery with a single entity to provide both design and construction services for the construction, rehabilitation, alteration, or repair of a facility.

4. Solicitation of "Construction Manager-at-Risk," or "Construction Manager-Agent" by which the Port Authority contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.

5. Solicitation of "Job Order Contracts" or "JOC" for the construction, repair, rehabilitation, or alteration of a facility if the work is of a recurring nature, but the delivery times are indefinite and indefinite quantities.

e. For respondents submitting responses as a joint venture to a Request for Qualifications or a solicitation using a "Best Value" procurement method, the following is applicable:

i. To be considered for Local Preference points, at least one of the entities must be a Local Business; and

ii. Allocation of points for joint ventures shall be determined by the percentage of ownership by a Local Business(es).

F. Program Exclusions.

a. The Program does not apply to:

i. Sole-source contracts;

ii. Contracts for the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. Section 153.

iii. Contracts in which the federal government participates in the form of a grant or loan, or the Port Authority acts as a conduit for federal money;

iv. Contracts with other governmental entities;

v. Contracts for which participation in the Program is otherwise prohibited by applicable law or exempted by the Port Commission; or

vi. Contracts which the Procurement Department has determined would unduly interfere with contract needs, as set forth in writing and approved by the Chief Executive Officer.

G. Reporting.

The Port Authority's Director of Procurement Services shall provide an annual report to the Port Authority's Audit Committee regarding Local Preference program activities and results.

H. Program Responsibilities.

The Procurement Department is responsible for the Program's implementation, except as otherwise expressly provided herein, including but not limited to the following activities:

a. Program management, including evaluation of Program activities.

b. Determining, for applicable procurements, whether Local Business status is appropriate as a selection criterion.

c. Reviewing vendor information and determining whether vendors meet Program requirements.

d. Acting as the primary point of control and coordination for Program data collection and reporting.

e. Providing training on the Local Preference Program, as needed.

I. Miscellaneous.

a. This Program does not constrain the discretion of the Port Commission, which may amend this Program at any time for any reason.

b. This Program supersedes and replaces any prior programs and policies adopted by the Port Commission regarding Local Preference.

c. This Program is a nonbinding statement of intent, which does not create a property interest in any person, does not constitute a contractual obligation of the Port Authority to others, and does not waive any of the Port Authority's immunities under law, including the Port Authority's immunity from suit and its immunity from liability. Nothing in this Program prohibits the Port Authority from rejecting any and/or all offers received in response to a procurement solicitation. The Port

Authority reserves the right to assert every defense to any claim that is available to it under law.

J. Effective Date.

This Program shall apply to procurement solicitations published on or after the date of adoption noted below.

Original Local Preference Program approved by Port Commission – January 19, 2021
First Amended Local Preference Program approved by the Port Commission – December 10, 2024