

RAILBELT RELIABILITY COUNCIL – POLICIES & PROCEDURES		POLICY NO.: P-04
TITLE: CONTRACTING AND PURCHASING		REVISION No.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 04/03/2023	PAGE 1 OF 5

CONTRACTING AND PURCHASING POLICY

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1.0 POLICY OVERVIEW

This document establishes Board policy regarding RRC Procurements.

2.0 CONTEXT, PURPOSE & SCOPE

The Board, at least annually, adopts budgets and work plans in accordance with the Bylaws and policies of the RRC. Board-adopted budgets are the basis for developing the proposed RRC surcharge, which is filed at least annually with the RCA for approval. To ensure RRC Procurements are aligned with the RRC’s surcharge revenue, the Board-adopted budget and associated work plan that is consistent with the RRC-approved surcharge is the Effective Budget for purposes of exercising this Policy.

Board-approved modified budgets and workplans become the Effective Budget for purposes of exercising this Policy.

This Policy defines how RRC Procurements will be conducted in order to (1) balance efficient execution of the RRC’s affairs with prudent expenditure of RRC funds; (2) best meet the professional needs of the RRC; and (3) maintain accountability to the load-serving entities and ratepaying public from which the RRC’s funding is obtained, and (4) maintain spending within existing RRC surcharge revenue should the Board-approved budget be suspended into an RCA docket.

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3.0 DEFINITIONS

Term	Definition
Board	RRC Board of Directors.
Bylaws	RRC Bylaws.
CEO	RRC Chief Executive Officer.
Effective Budget	A Board-approved budget and workplan that is consistent with an RCA-approved surcharge.
Management Directive	A document developed and maintained by the CEO or their designee that implements this and other Board Policies.
Policy	Contracting and Purchasing Policy (P-04).
RCA	Regulatory Commission of Alaska.
RRC	Railbelt Reliability Council.
RRC Procurement(s)	Procurement, by the RRC, of materials, equipment, and/or services.

4.0 RESPONSIBILITIES OF KEY PERSONNEL

Title	Responsibilities
Board	Approves RRC Procurements above the purchasing authority of the RRC CEO.
CEO	Oversees execution of Effective Budgets and workplans in accordance with this Policy.
RCA	Annually approves an RRC surcharge derived from a Board adopted budget.

5.0 CONTRACTING AND PURCHASING AUTHORITY

The CEO has the authority to make RRC Procurements as detailed below.

5.1 CEO Authorities

The CEO has authority to approve RRC Procurements consistent with the Effective Budget. The CEO also has the authority to issue change orders for contracts when consistent with the Effective Budget, this Policy, and prior Board approvals.

The CEO will determine and delegate other purchasing authorities as necessary for efficient and timely operations of the RRC in amounts not to exceed the authorities granted herein.

5.2 CEO Obligations

The CEO shall competently and faithfully execute the Effective Budget in accordance with this Policy.

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The CEO shall keep the Board regularly informed of overall status and progress of the Effective Budget as managed by the CEO in accordance with this Policy.

The CEO shall seek Board approval for of awards for all RRC Procurements that exceed Two Hundred Fifty Thousand Dollars (\$250,000.00).

The CEO shall report waivers of this policy to the Board and provide supporting justification as required at Section 8.0 of this Policy.

The CEO shall report unbudgeted RRC Procurements made under Section 9.0 of this Policy to the Board within thirty (30) days.

6.0 GENERAL PROCUREMENT PROVISIONS

The CEO shall develop and maintain Management Directives, pre-qualification procedures, and related procurement requirements.

6.1 Solicitation Preference

RRC Procurements should, to the extent reasonable, first solicit proposals from vendors either (1) possessing an Alaska business license; (2) maintaining an office and staff within the State of Alaska; or (3) incorporated in the State of Alaska or registered within the State of Alaska as foreign corporations authorized to do business within the State of Alaska.

6.2 Procurement of Professional Services

Professional services may be procured by soliciting proposals from pre-qualified firms or by following Sections 6.3 and 7 of this Policy based on the estimated valuation of the services being procured.

6.3 Selection of Professional Services

Selection of professional services shall be based on the following criteria:

1. Prospective consultant’s demonstrated comprehension of required services and proposed strategy for performance;
 2. Prospective consultant’s relevant experience and the relevant expertise, qualifications, and credentials of proposed personnel including any subcontractors;
 3. Reasonableness of prospective consultant’s proposed schedule for performance;
 4. Other non-price criteria as may be defined in the solicitation; and
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5. Price estimate, if requested by the RRC as part of the proposal. In the event a price estimate is requested, the price estimate shall be submitted under a separate seal from the professional services proposal and considered separately after review of the professional services proposal has been completed.

7.0 PROCUREMENT THRESHOLDS

The CEO shall abide by the following procurement threshold requirements:

7.1 Procurement Less than \$20K

For RRC Procurements less than Twenty Thousand Dollars (\$20,000.00), procurement means are at the CEO's discretion consistent with the intent of this Policy.

7.2 Procurement Greater than \$20K but Less than \$100K

For all RRC Procurements exceeding Twenty Thousand Dollars (\$20,000.00) and less than One Hundred Thousand Dollars (\$100,000.00), a minimum of three (3) proposals or cost estimates shall be solicited.

7.3 Procurement Greater than \$100K

For all RRC Procurements in excess of One Hundred Thousand Dollars (\$100,000.00), a formal solicitation process shall be followed. This requirement also applies to blanket purchase orders in excess of One Hundred Thousand Dollars (\$100,000.00) per year. The CEO shall seek Board approval of awards for RRC Procurements in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00).

8.0 WAIVER OF REQUIREMENTS

Portions of this Policy may be waived as described in this section.

8.1 Emergency Waiver of Procurement Requirements by the CEO

The CEO may waive a procurement requirement in the event of an emergency. If the CEO declares an emergency, they shall report the nature of the emergency, emergency actions taken, and supporting justification to the Board within seven (7) calendar days of declaring the emergency. This CEO waiver authority may not be delegated.

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8.2 Waiver of Bidding Requirements by the CEO

The CEO may waive bidding requirements where such waiver is consistent with the intent of this Policy. The CEO shall report the waiver and provide justifying documentation to the Board within thirty (30) days. This CEO waiver authority may not be delegated.

8.3 Waiver of Policy Requirements by the Board

The Board may waive any requirements of this Policy by simple majority vote, except where a supermajority threshold is required in Bylaws. Such waiver shall include documentation of the justification for the waiver consistent with the intent of this Policy.

8.4 Waiver Justification

Justification for the CEO or Board to waive any requirements of this Policy may include the following:

1. Contracts involving professional or specialized services such as architects, attorneys, certified public accountants, engineers, and other specialized consultants;
2. Where calling for a competitive bid is unavailable or impossible such as situations where rates are set by statute or regulation, where like items are traded in, or where used items are being purchased;
3. Where the RRC's requirements can be met solely by an article or process obtainable from a single source;
4. The placement of insurance coverage;
5. Where circumstance permits the RRC to advantageously obtain materials or services substantially similar to those being concurrently provided to another entity and have been procured through applicable bidding requirements substantially similar to those of the RRC;
6. Where the RRC's bidding process has been followed, but no or only one responsive bid is received; or
7. Other justifications in the prudent judgment of the CEO or Board.

9.0 UNBUDGETED EXPENSES

The CEO shall have the authority to approve unbudgeted RRC Procurements consistent with the Effective Budget and RRC policies, which in the CEO's judgment are vital to the operations of the RRC.
