



PA TURNPIKE COMMISSION POLICY

This is a statement of official Pennsylvania Turnpike Policy

NUMBER: 7.04

APPROVAL DATE: 05-01-1999

EFFECTIVE DATE: 05-01-1999

REVISED DATE: 12-15-2015

POLICY SUBJECT:

Procurement

RESPONSIBLE DEPARTMENT:

Finance and Administration

A. PURPOSE:

The purpose is to establish a policy governing the Procurement, management, control, and disposal of supplies and services. It seeks to ensure that:

- The need to enter into a contract has been demonstrated.
- Vendors are selected according to a defined process.
- The terms and conditions under which the services will be provided by the vendor are defined in a written contract.
- Contracts are created and executed in a consistent manner and in compliance with all Commission policies and procedures (e.g. Purchasing Manual, Professional Services Procurement Procedures) and with all other applicable laws especially those regarding ethics and avoiding conflicts of interest.
- Proper financial, legal and Commission reviews and approvals are conducted and obtained.
- Established contract administration procedures are followed to ensure the ability to monitor and view summary information.

B. SCOPE:

This Policy Letter applies to all agreements entered into by the Commission except for those involving construction and those agreements and memoranda of understanding under the Pennsylvania Public Employee Relations Act.

C. GENERAL POLICY:

In addition to complying with the Pennsylvania Procurement Code as well as statutes such as the State Ethics Act and the Adverse Interest Act, the Commission seeks to promote ethics in the procurement of supplies and services to avoid conflicts of interest; to provide training to Commission vendors regarding ethics and business conduct; and to develop processes for Commission employees and vendors to follow to avoid conflicts of interest. The Commission also seeks to retain the services of independent, outside professionals or consultants to provide

expertise, especially in matters that are unique, infrequent, significant in size or scope, or where the Commission lacks sufficient expertise.

D. DEFINITIONS:

Contract - A contract is an agreement between the Commission and one or more parties, which creates, modifies or terminates a legal relationship. The legal relationship typically involves the creation of an obligation to do or not to do a particular thing.

Procurement (Procuring) - Buying, purchasing, renting, leasing, licensing, or otherwise acquiring any supplies or services. The term also includes all functions that pertain to the obtaining of any supply or service, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

E. PROCEDURES:

1. Commission employees seeking to initiate Procurement shall prepare or present documents (e.g. Validation Memo, Capital Plan Approval, Sole Source Form) explaining the need for the Procurement. Such Procurement documents shall indicate the recommended method of sourcing for the Procurement:

- Competition will occur through a method such as bidding, competitive sealed proposals (RFP), small procurement, or emergency procurement;
- Competition has occurred through cooperative purchasing;
- An exception to competition (i.e. sole source) has been demonstrated or documented;
or
- An interagency or Intergovernmental agreement applies.

Regarding Procurement through cooperative purchasing, the requester is required to demonstrate that the Commission business need for the supplies or services exists; to verify that competition occurred in the cooperative Procurement; to demonstrate the benefit of the cooperative Procurement for the Commission (e.g. why the cooperative Procurement outweighs the Commission issuing its own RFP); and to verify that the anticipated Commission contract is within scope of the cooperative Procurement.

2. The Commission shall add an independent, outside professional or consultant to advise or participate in the Procurement or in managing a project that is unique, infrequent, significant in size or scope, or where the Commission has insufficient expertise. These services shall include planning, Procuring, performing, or managing the work of the project including change orders or amendments.

3. The independent, outside professional or consultant shall have the same authority as any Commission team members and shall have the authority to write, for consideration by the Commission, a separate report, recommendation, or concern.
4. Commission employees and any independent, outside professionals or consultants involved in Procurement review of bids or proposals shall be required to affirm, in writing, that they have no conflicts of interest, potential conflicts of interest, or direct financial interests in the firms competing for Commission business. In situations where Commission employees or any independent, outside professionals or consultants disclose a conflict, potential conflict, or financial interest, the Commission's Chief Compliance Officer will decide whether the conflict, potential conflict, or financial interest should disqualify the involved employee, professional, or consultant from participation in the pending Procurement.
5. Any vendors seeking to obtain business from the Commission shall receive training by the Compliance Department on the Commission Code of Conduct as well as annual refresher training (either of which may include an online version). Any potential vendors, through their duly authorized representatives, shall submit with their bids or proposals an affirmation that their authorized representatives have completed the training program(s), including any required refresher course, and agrees to comply with the Commission Code of Conduct.
6. All vendors (both those currently doing business with the Commission and those seeking to do business with the Commission) shall affirm in writing that no conflict of interest exists or shall disclose in writing that a conflict of interest exists. Such disclosures shall be reviewed by the Compliance Department or the Legal Department.
7. The Director of Procurement and Logistics, on behalf of the Manage Contracts Process Team, has the authority to develop processes and procedures and to create manuals to implement the provisions of this Policy Letter regarding purchasing and professional services.

This Policy Letter supersedes all previous Policy Letters on this subject.