

THE PRESIDIO TRUST
PROCUREMENT POLICY

1. **Purpose.** This Procurement Policy (“Procurement Policy” or “Policy”) establishes an efficient and effective way to obtain needed goods and services for the fulfillment of the Presidio Trust’s (“Trust”) mission. This policy shall be effective immediately upon approval by the Board and shall supersede all prior Board procurement policies.
2. **Legal Authority.** This Policy is developed pursuant to the [Presidio Trust Act, 16 U.S.C. §460bb appendix](#) (“Act”). Section 104(b) of the Act directs the Trust to establish and promulgate procedures applicable to its procurement of goods and services including, but not limited to, the award of contracts on the basis of contractor qualifications, price, commercially reasonable buying practices, and reasonable competition. The Act provides that federal laws and regulations governing procurement by federal agencies shall not apply to the Trust, with the exception of laws and regulations related to federal government contracts governing working conditions and wage rates and any civil rights provisions otherwise applicable thereto.
3. **Applicability.** This Policy applies to all procurements by the Trust with the exception of the solicitation of tenants, purchase of utilities, and issuance of cooperative and interagency agreements.
4. **Contracting Authority.** The Chief Executive Officer has the authority to carry out all functions, powers and duties related to the procurement of goods and services for the Trust. Subject to the provisions of this Policy, the Chief Executive Officer has broad authority to enter into and perform such contracts, non-real estate leases, cooperative agreements, or other transactions as may be necessary to carry out the functions of the Trust on such terms and conditions as the Chief Executive Officer considers appropriate. The Chief Executive Officer may delegate her/his powers further in accordance with a written procedure approved by the Chief Executive Officer.
5. **Key Principles.** The Trust’s procedures for procurements shall follow these principles.
 - 5.1. Effectiveness – the timely and cost-effective procurement of products and services.
 - 5.2. Flexibility – the ability to make good decisions based on best practices for particular circumstances rather than rigid adherence to standard procedures so that the Trust can select contractors and vendors on the basis of the best overall value to the Trust.
 - 5.3. Efficiency – simple processes that achieve desired results without undue process or waste of resources.
 - 5.4. Reasonable competition – Reasonable competition is the preferred method of source selection to ensure the best value to the Trust and give the public assurance that the Trust’s resources are being expended wisely. As a general rule, the amount of outreach

and competition should increase as the value of the goods or services increases. In accordance with a written procedure, the Trust may use a single source to procure goods or services with a finding that a sole source is in the best interest of the Trust. All such waivers shall be reported to the Board at the next regularly scheduled meeting.

6. Limits on Procurement Approval Authority.

- 6.1. The Chief Executive Officer is authorized to approve procurements of under \$2,000,000. Procurements of \$2,000,000 or more must be approved by the Board of Directors. Board members may not participate in the approval of, and are prohibited from attempting to influence the selection of vendors for, procurements that do not require Board approval.
- 6.2. Before entering into any agreement which is part of, or which management reasonably expects will lead to, award of a Guaranteed Maximum Price (GMP)¹ contract of \$2 million or more, Management will seek Board approval for both: 1) a contract that generally covers all pre-construction work and establishes an initial GMP amount; and 2) before entering construction, a contract modification to establish the final GMP amount.

7. Authorized Contractual Commitments. Only those persons to whom authority has been specifically delegated in writing by the Chief Executive Officer are authorized to commit the Trust to a procurement.

8. Implementation. Management shall develop standard operating procedures to implement this policy.

¹ Guaranteed Maximum Price (GMP or GMax) is a cost plus fee type of contract where the contractor is compensated for the actual costs incurred plus a fixed fee subject to a ceiling. All savings (cost underruns) are returned to the owner. The contractor is responsible for cost overruns unless the GMP has been increased by change order (i.e., due to owner initiated scope changes, design errors/omissions, and unforeseen conditions).