

TITLE 2: NATURAL RESOURCES
DIVISION 2: PORTS

§ 2132. Contract and Bidding Requirements; Exceptions.

The purchase of all supplies and materials, and all construction works, when the expenditure exceeds \$25,000, shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least 10 days before bids are received. The board may reject any and all bids and readvertise at its discretion.

(a) If, after rejecting bids for materials and supplies, the board determines that, in its opinion, the materials and supplies may be purchased at a lower price in the open market, the board may authorize such purchases without further observance of the provisions requiring contracts, bids or notices. The authority, as an instrumentality of the government, shall utilize the services of federal or Commonwealth purchasing agencies wherever practical.

(b) In case of any major public calamity, or whenever it is in the interest of aviation or shipping safety, or necessary to keep the ports operable by the authority, the board may determine that the public interest and necessity demand the immediate expenditure of funds to keep the ports facilities open to traffic or in a safe condition, and thereupon authorize the expenditure of such sums as may be needed without the observation of the provision requiring contracts, bids or notices. The board may issue continuing authorizations for the expenditure of funds described in this section, placing therein the conditions which will give rise to such special expenditures.

(c) The provisions of this section shall not apply to the procurement of professional, advisory, or technical services.

(d) No director shall have any financial interest, direct or indirect, in any contract awarded by the board. This provision shall not apply to contracts awarded to a corporation in which such director owns less than five percent of the entire capital stock. The board shall establish procedures for the timely verification of this restriction by its attorney.

Source: PL 2-48, § 12; amended by PL 9-17 § 2.

Commission Comment: PL 9-17, which took effect January 5, 1995, raised the expenditure amount requiring competitive bidding. According to PL 9-17, § 1:

Section 1. Findings and Purpose. The Legislature finds that [2 CMC § 2132] currently provides that all Commonwealth Ports Authority procurements in excess of \$2,500 must be by competitive bid. This is too restrictive, time-consuming and expensive given the fact that even relatively small procurements of spare parts must be advertised in local newspapers and reviewed by CPA's staff prior to award and actual purchase. It is the purpose of this Act to increase the current limit of \$2,500 to \$25,000 in order to give Commonwealth Ports Authority the flexibility it needs to operate more efficiently and expediently in its procurement activities.