

**JASPER CITY SCHOOL
SYSTEM**

**PURCHASING &
PROCUREMENT
PROCEDURES
MANUAL**

REVISED 2022

Jasper City Board of Education Purchasing & Procurement Procedures

CHAPTER I Purchasing by Department

The procurement of materials, supplies, and services is an important function of the Jasper City Board of Education. Ultimately, the quality of services provided to our schools is dependent upon purchasing quality materials, supplies, and services. In making necessary purchases, it is vital that the Jasper City Board of Education obtain the greatest value for every dollar expended. The development of strong purchasing procedures has proven to be the most cost effective and efficient means whereby the school system can receive the maximum value for every dollar expended for materials, supplies and services.

Purchasing may be defined as: the action, function, and responsibility of acquiring equipment, materials, supplies and services. In a narrow sense, purchasing simply describes the process of buying. In a broader sense it includes:

- A. Determining the need for type, size, and quality of materials.
- B. Selecting the supplies or services by determining the most fair and reasonable prices, including terms and conditions.
- C. Preparing the contract or purchase order from requests submitted by local school personnel or from bid results.
- D. Establishing time periods for bids to remain in effect in order to maximize cost efficiency and overall product availability.

Department heads shall work in cooperation with the CSFO to determine the applicable procedures for various purchases. Information and ideas must be exchanged to ensure the acquisition of the most suitable materials, and/or services at the best price available in the quantities necessary to maintain services. The goals are two-fold; to acquire

through direct purchasing or sealed bidding the necessary equipment, supplies, material and services, at the best value possible and to assist the user with identifying potential goods or services that meet their requirements. These goals are achieved by effective communication at the beginning of the procurement process.

CHAPTER II

Purchasing Manual and Ethics in Purchasing

Control of and Amendments to the Purchasing Manual

The Jasper City Board of Education's Superintendent shall be responsible for the control, distribution, and maintenance of the Purchasing Manual. The CSFO shall be responsible for the revision of the Purchasing Manual. The manual shall be reviewed periodically, revised and approved by the Superintendent and the Board when necessary, in order to serve the purpose for which it was prepared.

Amendments shall be issued to all authorized manual holders, and it shall be their responsibility to keep their manual current. The manual shall be maintained on the school system website, www.jasper.k12.al.us.

Ethics in Purchasing

The Jasper City Board of Education has established a high standard of ethics for the purchasing. In an effort to maintain public confidence, all employees of the JCBOE are encouraged to avoid any activity, which may be perceived as arbitrary or suspicious. In addition, all employees shall avoid engaging in any activity where a conflict of interest may exist. All employees involved with purchasing activities shall review and abide by the State of Alabama Ethics Law.

CHAPTER III

Purchasing Procedures and Policies

Purchase Requirements and Requisitions

A. Advance and Seasonal Estimates of School Requirements

It is essential that each department head know well in advance the type and volume of materials to be purchased for the school system. This information will allow for consolidation and lower unit pricing.

Information regarding future school system requirements can be identified through the use of:

1. Annual budget estimates.
2. Historical records of past purchases.
3. Seasonal estimates.
4. Actual records of quantities purchased from vendors.

B. Procedures for Purchase Requisitions

Step 1 - Authorized personnel working in any area of the Jasper City Board of Education will submit to their Principal or Bookkeeper a purchase requisition form for materials that need to be purchased. It is the responsibility of the person completing the requisition to ensure that the requisition is filled out correctly, quantities are correct, prices and totals are correct, and vendor's email address is correct, as applicable. Each employee will be responsible for filling in the proper general ledger number – the bookkeeper and/or department head will assist in identifying the correct number.

Step 2 - Personnel within the Jasper City Board of Education are NOT to order materials without receipt of a purchase order number from the school bookkeeper or the Central Office bookkeeper.

Step 3 - It is the responsibility of the Principal/Supervisor or their designated representative to ensure that the requisitions are filled out correctly, items to be purchased are authorized, general ledger number is correct, funds are available for the purchase and the requestor receives feedback that the requisition has been approved or denied.

Step 4 - Any requisition that meets approval will be entered into the Harris/Nextgen purchase order module by the appropriate bookkeeper.

Step 5 - All requisitions will be electronically routed according to the fund source. All school requisitions must be approved and electronically signed by the principal. All Central Office requisitions will be electronically signed by the CSFO and Superintendent.

Step 6 - Any requisitions that fall under the Jasper City Board of Education's bid policies will be advertised and awarded through the established bidding procedures within the appropriate time frame.

Step 7 – Upon electronic approval by Superintendent or Principal, whichever is applicable, bookkeeper will convert requisition to purchase order and email a copy of the purchase order to the purchaser/bookkeeper. It is then up to the purchaser/bookkeeper to order the items/services.

Step 8 - Purchase Order Void Requests are handled by the Central Office A/P clerk or the local school bookkeeper.

Step 9 - The individual receiving the material will notify the bookkeeper that a receiving ticket is ready to be printed. The bookkeeper will print the receiving ticket, and the individual or bookkeeper will forward a copy of the signed receipt back to the

Accounts Payable Department. The individual should not sign the receiving ticket if all of the materials have not been received.

C. Determination of Allowable Costs

Before instituting a financial transaction that will require the expenditure of federal funds, the Federal Programs Coordinator/Supervisor and/or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;
 - Applicable competitive purchasing procedures and documentation supports allowability of transaction.

D. Vendor Ability to Perform

Awards for all contracts, including those provided through federal funding, will be made only with responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

CHAPTER IV

Procurement Policy/Bidding Procedures

The Board will follow State laws for the procurement of property, goods and services. The primary state procurement laws for Alabama school boards are:

- Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975);
- Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16, Code of Alabama 1975); and
- Public Works Law (Title 39, Code of Alabama 1975).

To the extent allowed by State laws, the Board will utilize State, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions and decisions of the Board will:

- Avoid acquisition of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Maintain records sufficient to document the history of the procurement
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the State procurement laws but exceed

the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement of property, goods and services.

State, Cooperative, General Services Administration (GSA), and Joint Purchasing Agreements Bid Price

When purchasing such items as vehicles, tires, copying machines, and other necessary goods or services, the Jasper City Board of Education may use the State Bid Price obtained from the Division of Purchasing, State Finance Department, and/or any State Cooperative Bids and General Services Administration (GSA) approved by the State Examiners office as allowed in Act 2012-557, Title 16, Section 16-13B-2 (13), and Joint Purchasing Agreements Title 16, Section 16-13B-1.

The CSFO and/or the Technology Coordinator shall assist the user in obtaining price information on items available through the State Bid or Cooperative Bids.

Advertising for Bids

The State of Alabama Competitive Bid Laws Code of Alabama, 1975, Title 16, Education, Section 16-13B-1 through 16-13B-11, requires that all purchases and/or contracts for labor, services, materials, equipment, and supplies for such amounts as set by the State of Alabama, (currently \$15,000.00) shall, except as otherwise provided in the law, be let by free and open competitive bidding, on sealed bids, to the lowest responsible bidder. Competitive, sealed bids shall be requested by the CSFO. The Jasper City Board of Education is authorized to use all State of Alabama bids, Cooperative Bids, GSA and Joint Purchasing Agreements when they are advantageous to the Board. The CSFO shall determine the

number of days of advertising where latitude exists. The Jasper City Board of Education desires a minimum advertising period of seven (7) days when possible.

Public Works

The Public Works Laws & Code of Alabama, 1975, Title 39, Chapter 2 and the Public Works Act 97-225 provides guidelines to follow when awarding contracts for public works. The Public Works Law defines public works as follows, "the construction, repair, renovation, or maintenance of public buildings, structures, sewers, waterworks, roads, bridges, docks, underpasses, and viaducts as well as any other improvement to be constructed, repaired, renovated, or maintained on public property and to be paid, in whole or in part, with public funds or with financing to be returned with public funds in the form of lease payments or otherwise." Under this act, Jasper City Board of Education Purchasing Department shall:

1. Require a minimum of two (2) written quotes which will be documented and attached to the purchase requisition for contract value between \$15,000.00 and \$50,000.00. Quotes will contain, at a minimum the vendor's name, vendor point of contact, date and time quote was received, description/specifications of each item/service, unit cost, quantity, and name of Jasper City Board of Education employee receiving quote.

If contracts are expected to meet or exceed \$50,000.00, Jasper City Board of Education shall post notice of the request for sealed bids for at least ten (10) days. Posting shall include the district website, Central Office, and at each of the four school buildings' main office.

2. Require a (Payment Bond) for an amount not less than 50% of the contract price, with the obligation that the contractor or contractors shall make payments promptly to all persons who supply labor or materials and supplies in the prosecution of the work provided in the contract.
3. Final settlement shall not be made upon the contract until both parties are in agreement as to the completion of the project.
4. For all public works contracts involving an estimated amount in excess of \$500,000, the Jasper City Board of Education shall also advertise for sealed bids at least once in three newspapers of general circulation throughout the state. (The advertisement shall briefly describe the improvement, state that plans and specifications for the improvement are on file for examination, state procedure for obtaining plans and specifications, state time and place in which bids shall be received and opened and identify whether pre-qualification is required.
5. Public works contracts cannot be split into parts involving sums of \$50,000.00 or more for the purpose of evading the requirements of this section.
6. Excluded from this section shall be contracts with persons who shall perform only: architectural, engineering, construction management, program management, or project management services in support of the public works and who shall not engage in actual construction, repair, renovation, or maintenance of the public works with their own forces, by contract, subcontract, purchase order, lease or otherwise.
7. In case of emergency, the awarding authority must document the nature of the emergency and the contracts may be let to the extent necessary to meet the emergency without public advertisement.

8. The bidder shall be required to file with his or her bid either by certified check drawn on an Alabama bank or credit union or a bid bond executed by a surety company duly authorized and qualified to make such bonds in the state in which the bidder resides, payable to the Jasper City Board of Education for the amount of five percent of the total bid amount when the contract amount exceeds \$10,000.00 but no more than \$10,000.00 shall accompany the bidder's proposal.
9. Section 36-2-6 defines a responsible bidder.
10. If successful bidder fails or refuses to sign the contract, to make bond, or to provide evidence of insurance, the Jasper City Board of Education may award the contract to the second lowest responsible and responsive bidder.
11. If no bids, or only one bid is received, the Jasper City Board of Education may advertise for and seek other competitive bids or direct that the work shall be done by force account under its direction and control, or may negotiate the purchase or contract, providing the negotiated price is lower than the bid price.

On any construction project on which the Jasper City Board of Education has prepared plans and specifications, received sealed bids, has determined to do so by force account or by negotiation, the Board shall make available the plans and specifications, an itemized estimate of cost and any informal bids for review by the Department of Examiners of Public Accounts and upon completion of the project, the final costs together with an itemized list of cost of any and all changes made in the original plans and specifications shall also be made available for review by the Examiners of Public Accounts.

12. No contract awarded to the lowest responsible and responsive bidder shall be assignable by the successful bidder without written consent of the Jasper City Board of Education, and in no event shall a contract be assigned to an unsuccessful bidder who was not responsible or responsive.
13. If the low bidder discovers a mistake in its bid, the low bidder may seek withdrawal of its bid without forfeiture upon written notice to the Jasper City Board of Education within three working days after the opening of bids. The Board has ten days after receipt of low bidder's evidence, or by the next regular meeting to decide regarding the error.
14. The Jasper City Board of Education may stipulate that the person, firm, or corporation undertaking the project agrees to use materials, supplies, and products manufactured, mined, processed, or otherwise produced in the United States or its territories, if they are available at reasonable and competitive prices.

The Bidding Process

The CSFO shall send out bid requests by mailing/emailing to all vendors on the Jasper City Board of Education bidder's mailing list that have requested notification for specific items' bids. JCBOE shall also post copies of all current requests for bids on the Board of Education's website. The deadline for submitting a bid in response to a bid request shall be stated on the bid cover sheet.

Pre-Bid Conferences

Pre-Bid Conferences will be determined by the Superintendent or CSFO on an as needed basis.

Bid Opening

Vendors shall mail or hand deliver the bid in a sealed envelope including on the outside of the envelope the vendor's name and address, bid number, and date and time of the bid opening, which will correspond to the Invitation To Bid (ITB). Late bids will not be accepted under any circumstances. The bids will be opened at the hour stated on the ITB and properly recorded. A tabulation of the recorded bids will be performed by the CSFO. The CSFO will forward an award recommendation to the Superintendent prior to Board approval.

In the case of two "low" bids equal dollar amounts may be divided equally between bidders if both parties are in agreement. However, all bids shall be subject to review by the Jasper City Board of Education concerning such criteria as life cycle costs, warranties, or any other criteria, which may aid in determining the low bid.

Contractor License Requirements

Code of Alabama 34-8-8 requires a contractor to include his current license number on his bids if the contract amount exceeds \$50,000. The owner, architect, and/or engineer shall reject all bids that do not contain a current license number of the general contractor submitting the bid. All invitations to contractors for bids will include a request for this information.

Rejection of "Low" Bid

The Jasper City Board of Education reserves the right to reject any and all bids, in whole or in part, if it determines such action is in the best interest of the school system. When an award is not given to the low bidder, a full and complete statement of the reasons for awarding the contract to a vendor other than the low bidder.

Bid Bond Procedures

Except for Public Works projects, a Bid Bond requirement will be at the discretion of the CSFO or his/her designee. The following guidelines shall govern a Bid Bond when required: "The awarding authority may require bidders to furnish a bid bond for a particular bid solicitation if the bonding requirement applies to all bidders, is included in the written bid specifications, and if bonding is available for the services, equipment, or materials (Section 41-16-50(c), Act No. 2008-379). The CSFO will act as the awarding authority.

When required in the Invitation To Bid, bidders shall be responsible for the submission of a Bid Bond. If such a bond is required, the bidder will submit an original bid bond or certified/official check from a bank or credit union for five percent (5%) of the total contract amount. Upon awarding of the bid, the CSFO shall return all bid bonds and checks but shall retain the bond or check submitted by the awarded vendor until execution of contract by either a contract signature or issuance of a purchase order towards the contract.

Procedures for Non-Responsive Bidders

A vendor may be taken off the bid list upon failure to respond to three (3) consecutive bids. At that time, the vendor may request in writing to be placed back on the bid list. If the vendor fails the second time to respond to three consecutive bids, he will be removed from the vendor list until such time as the vendor requests in writing to appear before the

Jasper City Board of Education to properly explain the reasons for his non-responsiveness to bid invitations.

Records of procurement shall be maintained that include the following:

1. rationale for the method of procurement,
2. selection of contract type
3. contractor selection or rejection, and
4. basis for the contract price.

CHAPTER V

Vendor Insurance Requirements

The vendor shall be required to carry insurance of the following types and amounts (exceptions are noted) in addition to any other forms of insurance or bonds required under the terms of the bid specifications or by any other local, state and federal regulatory requirements. The vendor shall procure and maintain prior to contract award and for the duration of the agreement or as later indicated, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this agreement by the vendor, his agents, representatives, employees or sub-contractors.

A. Minimum Scope of Insurance

1. General Liability:

Insurance will be written on an occurrence basis. Claims-made coverage will be accepted only on an exception basis after approval from the Procurement Director.

Commercial General Liability:

Products and Completed Operations Contractual

Personal Injury

Explosion, Collapse and Underground Broad Form

Property Damage

2. Automobile Liability:

Business Automobile Liability providing coverage for all vehicles used in performance of awarded contract. Coverage for loading and unloading shall be provided under either automobile liability or general liability policy forms.

3. Workers' Compensation Insurance:

Statutory protection against bodily injury, sickness, disease or death sustained by an employee in the scope of employment.

Protection shall be provided by a commercial insurance company or a recognized self-insurance fund authorized before the State of Alabama Industrial Board of Relations.

4. Employers Liability Insurance:

Covering common law claims of injured employees made in lieu of or in addition to a worker's compensation claim.

B. Limits of Insurance:

1. General Liability:

Commercial General Liability on an "occurrence form" for bodily injury and property damage:

\$2,000,000	General Aggregate Limit
\$1,000,000	Products -Completed Operations Aggregate
\$1,000,000	Personal & Advertising Injury
\$1,000,000	Each Occurrence
\$1,000,000	Fire Damage (When Applicable)

2. Automobile Liability:

\$1,000,000 Combined Single Limit per accident for bodily injury and property damage.

3. Workers' Compensation:

As Required by the State of Alabama Statute

4. Employers Liability:

\$100,000 Bodily Injury by Accident or Disease
\$500,000 Policy Limit by Disease

C. Other Insurance Provisions:

The CSFO or designated representative is hereby authorized to adjust the requirements set forth in this document in the event it is determined that such adjustment is in the Jasper City Board of Education's best interest. If the insurance

requirements are not adjusted by the CSFO or designated representative prior to the Jasper City Board of Education's release of bid specifications or subsequent addendum(s), then the limits stated herein shall apply.

1. General Liability and Automobile Liability Coverage Only:

a. The vendor's insurance coverage shall be primary insurance as respects the Jasper City Board of Education, its officers, employees, agents, and specified volunteers, as their interests may appear. Any insurance or self-insurance maintained by the Jasper City Board of Education, its officers, officials, employees, agents or specified volunteers shall be excess of the vendor's insurance and shall not contribute to it.

b. The vendor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's liability.

2. All Coverages:

a. Vendors are responsible to pay all deductibles. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Jasper City Board of Education. Cancellation of coverage for non-payment of premium will require ten (10) days' written notice to the Jasper City Board of Education.

b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Jasper City Board of Education, its officers, employees, agents or specified volunteers.

D. Acceptance of Insurers:

Insurance is to be placed with insurers with an A.M. Best's rating of no less than B+V.

E. Verification of Coverage:

The Jasper City Board of Education shall be indicated as a Certificate Holder and the vendor shall furnish the Jasper City Board of Education with Certificates of Insurance reflecting the coverage required by this document. The A.M. Best Rating and deductibles, if applicable, shall be indicated on the Certificate of Insurance for each insurance policy. The certificates for each insurance policy are to be received and approved before contract is awarded. The Jasper City Board of Education reserves the right to require complete, certified copies of all required insurance policies at any time.

F. Sub-Contractors Working for the Vendor:

The vendor shall include all sub-contractors as insurers under its policies or shall furnish separate certificates and/or endorsements for each sub-contractor. Sub-contractors who are not covered under General Contractor's insurance policies shall be required to meet all insurance requirements identified in the ITB.

G. Hold Harmless Agreement:

The vendor, to the fullest extent permitted by law, shall indemnify and hold harmless the Jasper City Board of Education, its elected and appointed officials, employees, agents and specified volunteers against all claims, damages, losses and expenses, including, but not limited to, attorney's fees, arising out of or resulting from the performance of this contract, provided that any such claim, damage, loss or expense (1) is attributable to personal injury, including bodily injury sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, and (2) is caused by any negligent act or omission of the vendor, or any of their sub-contractors, sub-consultants, or anyone directly or indirectly employed by any of them or anyone for whose acts they are legally liable. Such obligation should not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

CHAPTER VI

Price Quotes

When the amount of a purchase does not meet the threshold to require formal bidding as specified by the State Competitive Bid Laws, price quotes may be necessary to ensure the school system is receiving the best price for the purchase.

At any time a purchase is anticipated, regardless of the price, the requestor shall search for the lowest price available. The requestor shall provide a minimum of two (2) telephone quotes, two (2) price comparisons from store visits or two catalog/online comparisons for purchases between \$12,000.00 and \$15,000.00. Quotes will contain, at a minimum, the vendor's name, vendor point of contact, date and time quote was received, description/specifications of each item/service, unit cost, quantity, and name of Jasper City Board of Education employee receiving quote. Quotes should be attached to the purchase requisition form when forwarded to the CSFO. Requests for quotes for products or services with anticipated prices over \$15,000.00 will be handled by the CSFO through formal bidding as outlined by the State Competitive Bid Laws.

Care should be given when asking for quotes to ensure that each vendor is given the same specifications and the quotes received are for equivalent products. When developing specifications, they should reflect the requirements for use of the product, and again all vendors quoting should receive the same specifications. Developing frivolous specifications devised to assure that only one vendor can meet those specifications, or to request additional specified options from different vendors could be deemed unethical and in violation of the State Bid Laws and this method of operation does not guarantee that the school system will receive the best value for the money.

At no time shall purchases be broken up with the intent of avoiding the formal bid process. This practice is specifically mentioned as a violation of the Alabama Competitive Bid Law.

CHAPTER VII

Conflict of Interest Policy

Conflict of Interest

Generally, a conflict of interest exists when a Jasper City Board of Education member, Board employee, or agent of the Board participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A financial interest may include, but is not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant, vendor, or entity. A Board member, Board employee, or agent of the Board may not participate in his or her official capacity in a matter that is likely to have direct and predictable effects on his or her financial interests.

A Board member, Board employee, or agent of the Board will abide by the Federal and state laws and regulations that address conflict of interest standards. In general, the Federal rules provide that:

No employee, officer, or agent of the Board shall participate in selection, or in the award or administration of a contract supported by Federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for a contract. The Board's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

The Board's conflict of interest policies include adherence to the Alabama Ethics Law, which defines conflict of interest as:

A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

A Board member, Board employee, or agent of the Board may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the renew process would create the appearance that he or she is: (a) giving preferential treatment; (b) losing independence and impartiality; (c) making decision outside official and appropriate channels; or (d) harming the public's confidence in the integrity of the Board.

Situations and circumstances presenting an actual conflict of interest or the appearance of a conflict of interest should be brought to the immediate attention of the Superintendent. A Board employee, Board member, or agent of the Board who has knowledge of a possible conflict of interest should identify the conflict and notify the Superintendent. The Superintendent will document his or her actions related to the reported conflict of interest. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Appropriate measures may include reporting a conflict of interest to the State Ethics Commission, the Alabama State Board of Education, or the appropriate federal agency.