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# HUNTSVILLE CITY SCHOOLS PURCHASING AND PROCUREMENT PROCEDURES



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# CENTRALIZED PURCHASING

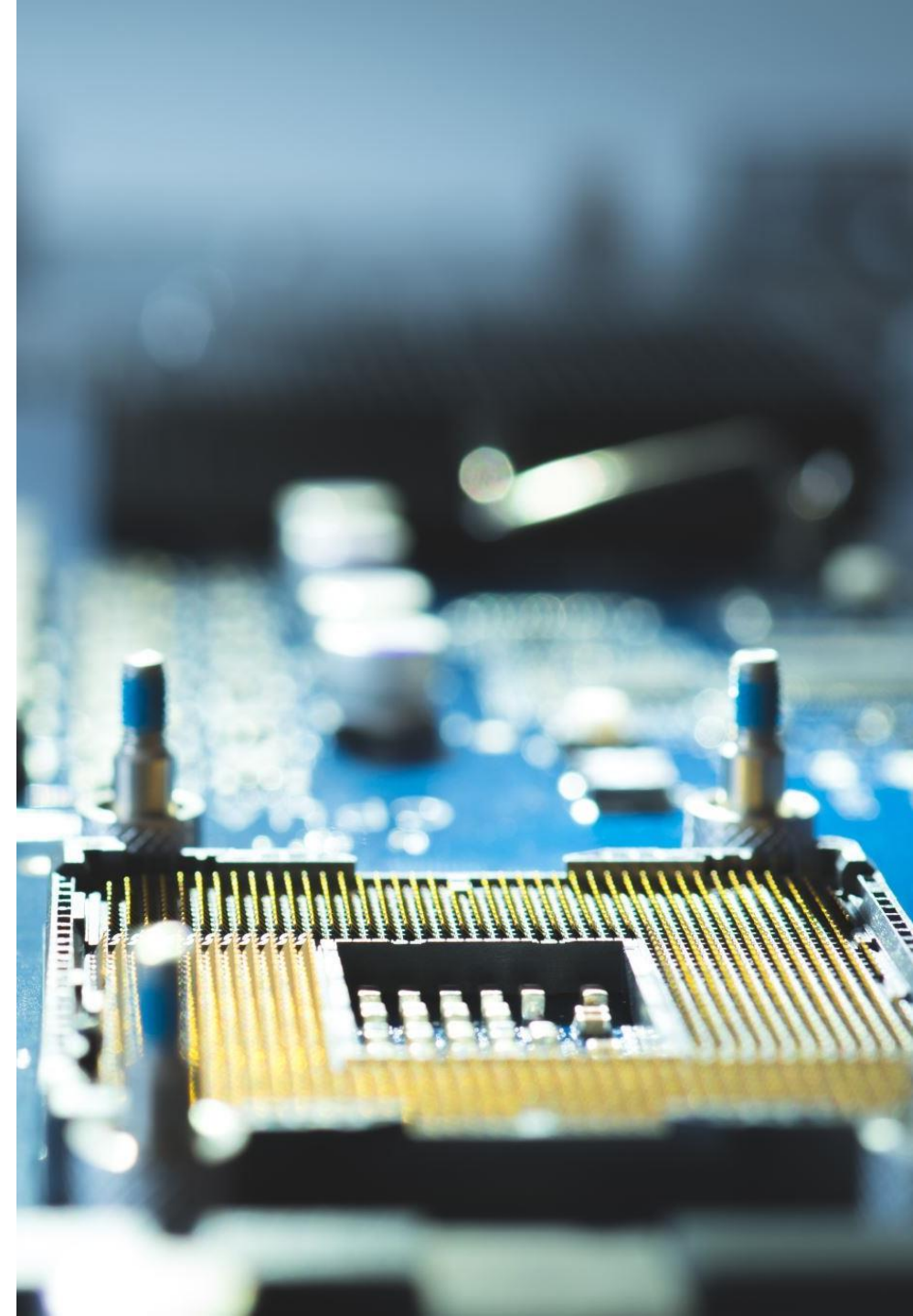
- Determining the need for type, size, and quality of materials
- Selecting the supplies or services by determining the most fair and reasonable prices, including terms and conditions
- Preparing the contract or purchase order from requests submitted by local school personnel or from bid results
- Establishing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



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## ORGANIZATION OF PROCUREMENT SERVICES AND THE PURCHASING DEPARTMENT

- The Purchasing Department is designed to encompass all aspects of the purchasing function, including contract procurement for material and services
- The Purchasing Department is the line of communication between the supplier's representatives and the various departments that specify and/or use materials and services
- In order to achieve this objective, the Purchasing Department, serving as the representative of the Huntsville City Board of Education, shall act as the agent for the Huntsville City Board of Education in dealing with all businesses, which supply or aspire to supply materials and services



# PURCHASING MANUAL AND ETHICS IN PURCHASING



# CONTROL OF AND AMENDMENTS TO THE PURCHASING MANUAL

The Huntsville City Board of Education's Superintendent shall be responsible for the control, distribution, and maintenance of the Purchasing Manual

The Procurement Director 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

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# ETHICS IN PURCHASING



The Huntsville City Board of Education has established a high standard of ethics for the Purchasing Department



In an effort to maintain public confidence, all members of the Purchasing Department are required to avoid any activity, which may be perceived as arbitrary or suspicious



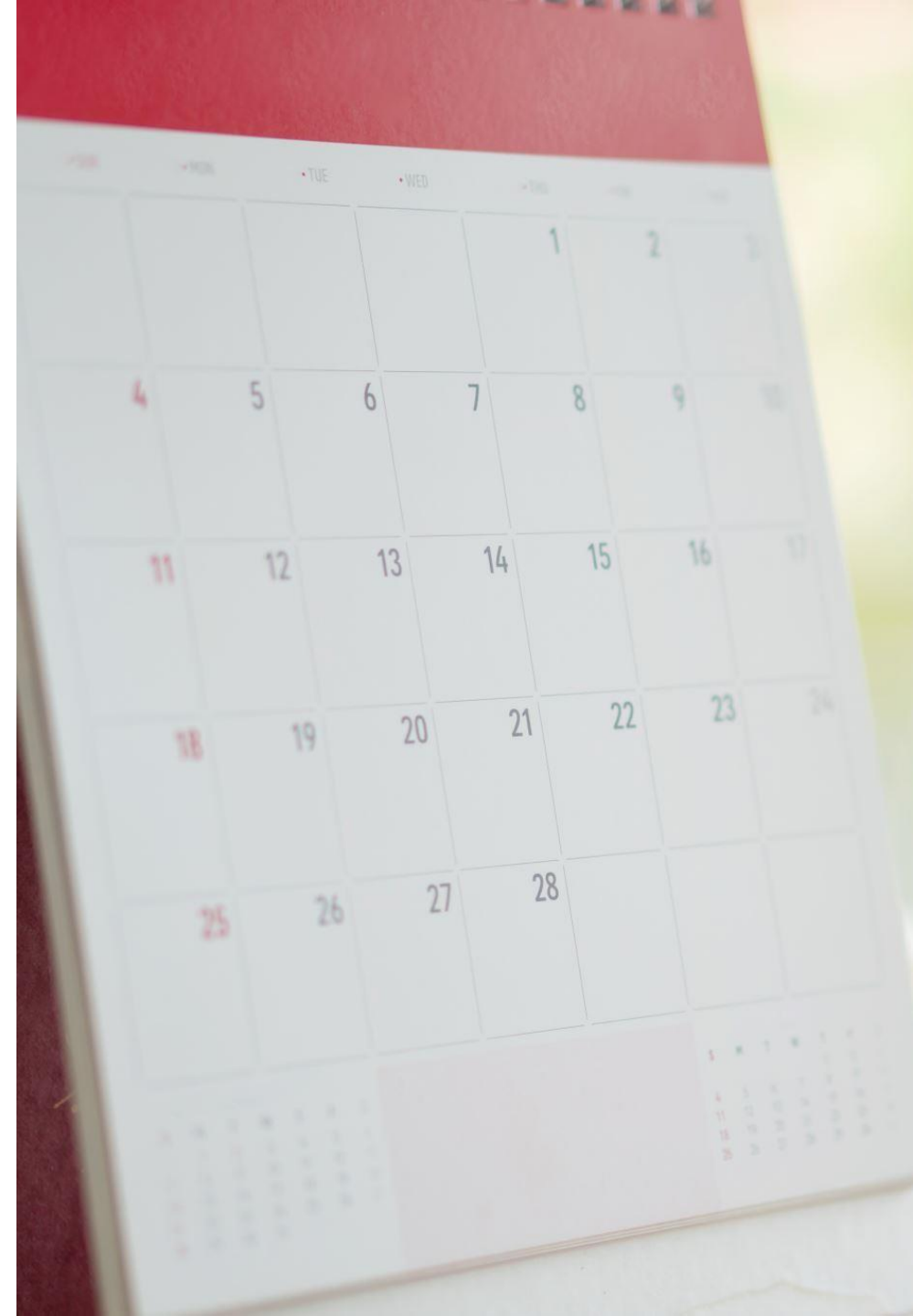
All Purchasing Department employees shall review and abide by the State of Alabama Ethics Law

# PURCHASING PROCEDURES AND POLICIES



# PURCHASE REQUIREMENTS AND REQUISITIONS

- Advance and Seasonal Estimates of School Requirements





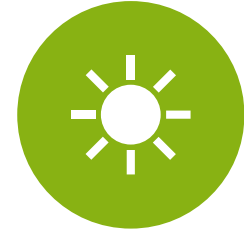
# PURCHASE REQUIREMENTS AND REQUISITIONS



ANNUAL BUDGET  
ESTIMATES



HISTORICAL RECORDS  
OF PAST PURCHASES



SEASONAL ESTIMATES



ACTUAL RECORDS OF  
QUANTITIES  
PURCHASED FROM  
VENDORS

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# PURCHASE REQUIREMENTS AND REQUISITIONS

- Procedures for Purchase Requisitions



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# DETERMINATION OF ALLOWABLE COSTS

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

## PROCUREMENT POLICY/BIDDING PROCEDURES



Alabama Competitive Bid Laws



Joint Information Technology  
Purchasing Agreement; and



Public Works Law

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# PROCUREMENT POLICY/BIDDING PROCEDURES

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 POLICY/BIDDING PROCEDURES

- Require a minimum of three written proposals from vendors, which will be documented and attached to the purchase requisition for contract values between \$15,000.00 and \$50,000
  - Require a performance bond equal to 100% of contract price
  - 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





# PROCUREMENT POLICY/BIDDING PROCEDURES

- The contractor shall, immediately after the completion of the contract, give notice of the completion by advertisement in a newspaper of general circulation published within the city or county in which the work has been done for a period of four successive weeks
  - A final settlement shall not be made upon the contract until the expiration of thirty days after the completion of the contract
  - Proof of publication of the notice shall be made by the contractor to the Huntsville City Board of Education by affidavit of the publisher and a printed copy of the notice published



# PROCUREMENT POLICY/BIDDING PROCEDURES



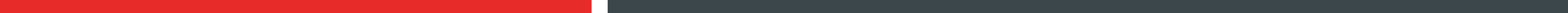
- For all public works contracts involving an estimated amount in excess of \$500,000, the school district shall also advertise for sealed bids at least once in three newspapers throughout the state.
- Excluded from this section shall be contracts with persons who shall perform only: architectural, engineering, 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



# PROCUREMENT POLICY/BIDDING PROCEDURES



- 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

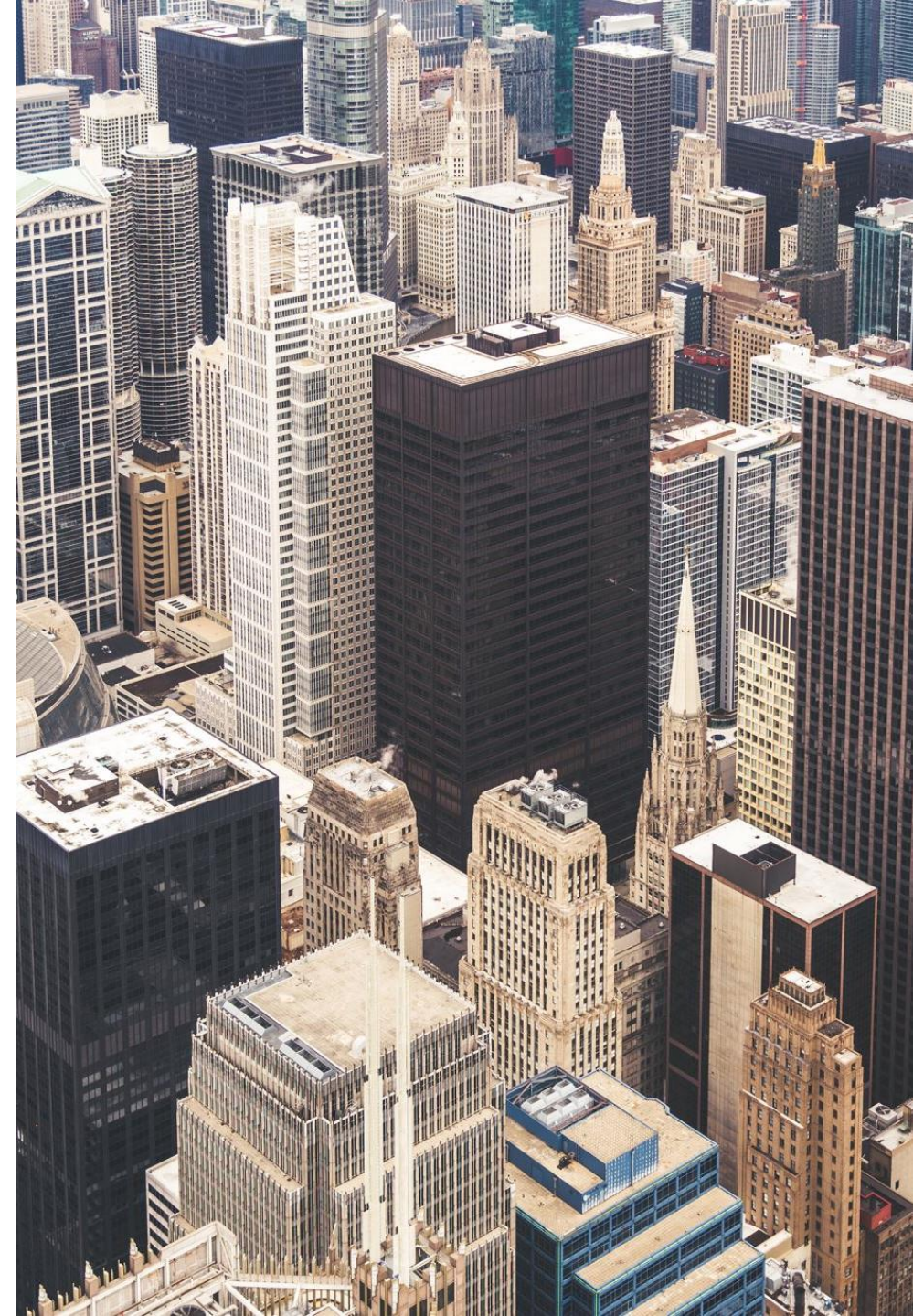


# PROCUREMENT POLICY/BIDDING PROCEDURES

- 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 school district for the amount of five percent of the total bid amount when contract amount exceeds \$10,000.00, but no more than \$10,000.00 shall accompany the bidder's proposal

# PROCUREMENT POLICY/BIDDING PROCEDURES

- If successful bidder fails or refuses to sign the contract, to make bond, or to provide evidence of insurance, the Huntsville City Board of Education may award the contract to the second lowest responsible and responsive bidder
- If no bids, or only one bid is received, the Huntsville 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



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# PROCUREMENT POLICY/BIDDING PROCEDURES

No contract awarded to the lowest responsible and responsive bidder shall be assignable by the successful bidder without written consent of the Huntsville City Board of Education, and in no event shall a contract be assigned to an unsuccessful bidder who was not responsible or responsive

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 Huntsville City Board of Education within three working days after the opening of bids

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# PROCUREMENT POLICY/BIDDING PROCEDURES

The Huntsville City Board of Education shall stipulate that the person, firm, or corporation undertaking the project agrees to use materials, supplies, and products manufactured, mined, process, or otherwise produced in the United States or its territories, if they are available at reasonable and competitive prices

# PROCUREMENT POLICY/BIDDING PROCEDURES



- The Purchasing Department shall send out bid requests to all vendors identified on the bidder's mailing list and also post copies of all current open bids on their website
- Vendors may mail or hand deliver bids in sealed envelopes bearing the name and number of the bid.
- For Public Works projects, contractor shall include GC license.
- Except for Public Works projects, a Bid Bond requirement will be at the discretion of the Procurement Director or his/her designee



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# VENDOR INSURANCE REQUIREMENTS

- General Liability
- Commercial General Liability
- Automobile Liability
- Workers' Compensation Insurance
- Employers Liability Insurance



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# VENDOR INSURANCE REQUIREMENTS



- The vendor's insurance coverage shall be primary insurance as respects the Huntsville City Board of Education, its officers, employees, agents, and specified volunteers, as their interests may appear



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# VENDOR INSURANCE REQUIREMENTS

- 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
  - Vendors are responsible to pay all deductibles
  - Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Huntsville City Board of Education, its officers, employees, agents or specified volunteers



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# 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
- The requestor shall provide a minimum of three price quotes from store visits or three catalog comparisons for purchases between \$10,000.00 and \$15,000
- 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 Huntsville City Board of Education employee receiving quote



# CONFLICT OF INTEREST POLICY



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# CONFLICT OF INTEREST

Generally, a conflict of interest exists when a Huntsville 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

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



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# 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 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





# CONFLICT OF INTEREST

- 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

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# QUESTIONS



**PAM PHILLIPS**

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