

# RFP/Contract Development and Management II

AASBO Virtual Program

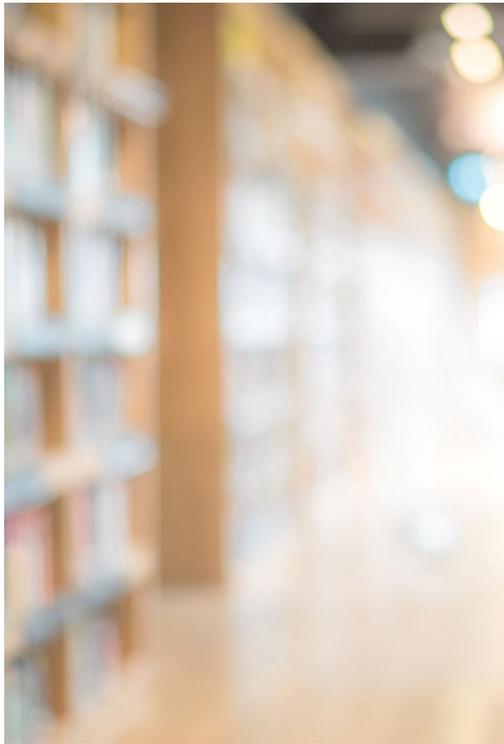
February 2020

# Governmental Procurement

Federal and state law, court decisions, and local school board policy regulate the school purchasing process. Competitive bidding legislation adds to the purchasing agent's routine responsibilities, but it is a judicious protective safeguard.

These bidding restrictions need not limit the purchasing official; rather, board of education policies and routine can be structured to allow flexibility and professional judgment in procurement, while at the same time observing statutes that protect the public interests. It cannot be too strongly stated that a school district must perform the purchasing function in the manner the law prescribes; **there is no alternative.**

# Governmental Procurement



Purchasing must be an integrated function since every phase of the operations of the school involves the use of supplies, equipment, and services. The relationship of the purchasing agent to all other school administrators must be clearly delineated and understood. Ethical conduct in managing the district's purchasing is an absolute essential. Each school district should adopt and strictly enforce a code of ethics to govern practices in school purchasing.

The board of education should designate the person to whom the function of purchasing is delegated.

# Regulation of Procurement for School Districts



## Federal Procurements Requirements

US Office of Management and Budget (OMB)



## State Laws

Competitive Bid Law  
Public Works Law



## Local/District Requirements

# Regulation of Procurement for School Districts

- State law mandates very specific competitive purchasing procedures for purchases over \$15,000 and public work projects over \$50,000

# Alabama Competitive Bid Law

## Legal Authority- **§ 16-13B Ala. Code 1975**

- Applies to County and City Boards of Education
- Applies to the expenditure of funds for labor, services and work involving \$15,000 or more
- Applies to the purchase or lease of materials, equipment, supplies or other personal property involving \$15,000 or more
- Shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder.

# Public Works Law

- Applies to any governmental board, commission, agency, body, authority, instrumentality, department, or subdivision of the state, its counties and municipalities.

**§ 39-2-1(1), Ala. Code 1975**

- PUBLIC WORKS- Applies to any 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 part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise.

**§ 39-2-1(6), Ala. Code 1975**

- Before entering any contract for a public works involving an amount in excess of fifty thousand dollars (\$50,000), the awarding authority shall advertise for sealed bids...

**§ 39-2-2(a), Ala. Code 1975**

# Common Board Contracts

- Contracts to Purchase or the Lease of Goods & Services
- Public Works Contracts Not Exceeding \$50K
- Public Works Contracts Over \$50K
- Special Contracts
  - Should seek guidance and advice of your Board Counsel on these

# Request for Information

A request for information (RFI) is a standard business process whose purpose is to collect written information about the capabilities of various suppliers. Normally it follows a format that can be used for comparative purposes. An RFI is primarily used to gather information to help make a decision on what steps to take next.

RFP/Bid

# Request for Proposal

RFP-A Request for Proposal (RFP) is a less formal method of seeking competition for public contracts where competitive bidding is not required by law and where price is not the sole criterion for award of the contract.

# Best Practices



Policy Manual



Centralized Purchasing



Standardization of Documents



Contract/Bid Review Process



---

Communicate

---

Timely

---

Efficient

---

Effective

---

Plan

# How Does Procurement Work in Your District

Communication

```
graph TD; A[Communication] --> B[Involve departments on budget needs]; B --> C[Planning]; C --> D[Quality]; D --> E[Utilization of technology];
```

Involve departments on budget needs

Planning

Quality

Utilization of technology



## 2020 Manual of Procedures

[Download full 2020 Manual](#)

A transition from the 2001 Manual of Procedures to the 2020 Manual of Procedures began on January 1, 2020 and ended on July 31, 2020. All projects with Agreements Between Owner and Architect (O/A Agreements) dated August 1, 2020 or later must adhere to the requirements of the 2020 Manual of Procedures. The 2020 Manual of Procedures may be used for any project with O/A Agreements dated earlier than August 1, 2020. Updated Chapters are published once a quarter, unless urgent.

### [Index](#)

[Introduction](#)

[Table of Contents](#) - updated January 2021

[Chapter 1: Alabama Division of Construction Management Organization and Authority](#)

[Chapter 2: State Building Code](#)

[Chapter 3: Submittal Requirements and Procedures for Plan Review](#) - updated January 2021

[Chapter 4: Design Professional Services](#) - updated January 2021

[Chapter 4, Supplement: Determination of Basic Fee or Basic Fee Rate for Design Professional Services](#)

[Chapter 5: Uniform Documents, Roofing Considerations and Requirements, and Other Pre-Bid Considerations](#) - updated January 2021

[Chapter 6: Bid Procedures and Award of Contracts](#) - updated January 2021

[Chapter 7: Construction Contract Administration](#)

[Chapter 8: Construction Inspection & Monitoring of Projects](#)

[Chapter 9: Special Procedures & Forms for Public School & College Authority \(PSCA\) Projects](#) - updated January 2021

[Appendix A: Summary of DCM Requirements by Project Type](#) - updated January 2021

[Appendix A-1: Pre-Assembled & Portable Buildings](#) - updated January 2021

[Appendix A-2: Leased or Leased-Purchased Buildings on State Property](#)

[Appendix B: DCM Uniform Documents and Standard Forms to be Used by the Design Professional](#) - updated January 2021

[Appendix C: DCM Uniform Documents and Standard Forms to be Included in the Project Manual](#) - updated January 2021

[Appendix D: DCM Recommended Guidelines for Selection of Architects, Engineers, Land Surveyors, and/or Testing Services](#) - updated January 2021

[Appendix E: Alabama Division of Construction Management Administrative Code](#)

### [For Reference](#)

[2001 Manual of Procedures](#) - may be used for projects with O/A Agreements dated 2001 - July 31, 2020.

# Competitive Bid

- Transparent' procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition, and by preventing favoritism. In (1) open competitive bidding (also called open bidding), the sealed bids are opened in full view of all who may wish to witness the bid opening; in (2) closed competitive bidding (also called closed bidding), the sealed bids are opened in presence only of authorized personnel.

# Questions / Advice/ Interpretations

- Board's Legal Counsel
- Examiners of Public Accounts
  - Jason Paulk, Chief Legal Counsel ([jason.paulk@examiners.alabama.gov](mailto:jason.paulk@examiners.alabama.gov))
- Alabama Attorney General ( [www.alabamaag.gov](http://www.alabamaag.gov) )

## Sources:

- New York State Education Department-Educational Management Services **Purchasing / Purchasing Handbook ( July 2010)**
- National Institute of Governmental Purchasing ( <http://www.nigp.org/>)
- Government Finance Officers Association- **Procurement Financial Policies**



# RFP/Contract Development and Management II

---

AASBO Virtual Program

February 2020

