

**MADISON COUNTY BOARD
OF
EDUCATION**

**PURCHASING
&
PROCUREMENT**

POLICY

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**Madison County Board of Education
Purchasing & Procurement Policy**

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Madison County Board of Education Purchasing & Procurement Policy

CHAPTER I Centralized Purchasing and the Purchasing Department

Centralized Purchasing

The procurement of materials, supplies, and services is an important function of the Madison County 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 Madison County Board of Education obtain the greatest value for every dollar expended. The development of a strong central purchasing unit 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.

The establishment of a central purchasing department represents the recognition of purchasing as an organized activity. 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.

The purchasing unit is an important service unit whose objectives are oriented toward the overall objectives of the entire Madison County Board of Education.

Organization of Procurement Services and the Purchasing Department

Contract Procurement and Purchasing is an integral part of management and should be organized to function accordingly. The Purchasing Department is designed to encompass all aspects of the purchasing function, including contract procurement for material, services, disposals, and sales.

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. 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 Purchasing Department's 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.

In summary, the overall objective of the Purchasing Department is to obtain, at the best price, the highest quality material or service at the appropriate time so that the educational process is not interrupted or impeded. In order to achieve this objective, the Purchasing Department, serving as the designated arm of the Madison County Board of Education, shall act as the agent for the Madison County Board of Education in dealing with all businesses, which supply or aspire to supply materials and services. Professional competence in representing the Board intelligently, honorably, and forthrightly shall be the responsibility of the Purchasing Agent.

CHAPTER II

Purchasing Manual and Ethics in Purchasing

Control of and Amendments to the Purchasing Manual

The Madison County Board of Education's Superintendent shall be responsible for the control, distribution, and maintenance of the Purchasing Manual. The Purchasing Agent 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. In addition, it is the responsibility of all Madison County Board of Education employees to make suggestions concerning improvements to the system and to the manual.

Amendments shall be issued to all authorized manual holders, and it shall be their responsibility to keep their manual current. The Purchasing Department shall maintain a record of current pages for the manual and a certain control over which personnel shall be issued copies. The manual shall be maintained on the school system web site, www.mcassk12.org.

Ethics in Purchasing

The Madison County School 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. In addition, all Purchasing Department employees shall avoid engaging in any activity where a conflict of interest may exist. All Purchasing Department employees 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 the Purchasing Agent knows well in advance the character and volume of materials to be purchased for the school system. This information will allow for consolidation and lower unit pricing.

The Purchasing Agent shall obtain information regarding future school system requirements through the use of:

1. Annual budget estimates.
2. Historical records of past purchases.
3. Seasonal estimates. (the Warehouse Supervisor will submit reports as required to the Purchasing Department on the usage of specified materials).
4. Actual records of quantities purchased from vendors.

B. Procedures for Purchase Requisitions

Step 1 - Any person working in any area of the Madison County Board of Education will submit to their Principal or Supervisor a supply 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 the requisition is signed and approved. Each employee will be responsible for filling in the proper account number before the requisition is turned in to the Purchasing Department. Requisitions submitted for processing by the Purchasing Department shall be for an amount not less than \$25.00.

Step 2 - The Madison County Schools are NOT to order materials without receipt of a purchase order number from the Purchasing Department unless the school is responsible for payment of the bill.

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, fund code is correct, and the Board employee receives feedback that the requisition has been approved or denied.

Step 4 - Any requisition that meets approval will be signed and dated by the Principal or Supervisor. The requisition will be submitted to the Purchasing Department.

Step 5 - The Purchasing Agent will issue a purchase order for any requisition not requiring the bid process. Upon the absence or illness of the Purchasing Agent, the Purchasing Clerk will issue approval of purchase order numbers.

Step 6 - All requisitions must be approved and signed by the Purchasing Agent or in his/her absence, the Chief School Financial Officer, before a purchase order number will be issued for the requested material.

Step 7 - Any requisitions that fall under the Madison County Board of Education's bid policies will be advertised and awarded through the established bidding procedures within the appropriate time frame.

Step 8 - Within 24 hours after a purchase order number has been issued for a supply requisition, the Purchasing Clerk will forward the proper purchase order forms to the appropriate vendor/warehouse for the materials that were requested. A copy of the purchase order will be sent back to the Bookkeeper or local school Child Nutrition Manager for his/her records within the same time frame.

Step 9 - A written justification must be submitted to the Purchasing Department if a Principal or Supervisor wishes to void a purchase order.

Step 10 - The Purchasing Clerk will forward a copy of the approved supply requisition to the Warehouse for delivery of any materials that can be supplied by the Warehouse within 24 hours of approved supply requisition.

Step 11 - The individual receiving the material will date and sign the "pink" receipt copy of the purchase order stating that they received the material. The Principal or Supervisor will forward a copy of the signed receipt back to the Accounts Payable Department in the Business Office.

Step 12 - The Principal, Supervisor, or their designee, should not sign the invoice if all the materials billed have not been received.

C. **Purchasing Procedures for *Emergency* Non-Stock Items**

1. ***A Procurement Purchasing Card will be issued to Operations/Maintenance and Transportation Department individuals after a Commercial Card Agreement is signed by the card holder for emergency pickup items only. Emergency pick-up items are defined as those unanticipated non-stocked items less than \$1,000.00 needed to complete a particular project during normal operating hours (purchases after business hours, weekends and holidays may also be necessary to complete a project) that would otherwise jeopardize the safety, security and life safety code of personnel and school property.***

Note: The normal purchase order procedure will be followed for tools, stock items, or orders exceeding \$1,000.00.

2. **All pickup items should have an itemized delivery ticket and/or invoice copy with the signature of the employee receiving the merchandise. The person requesting the items will verify that purchases are authorized and the prices are correct based on any bids or contracts that are applicable.**
3. **At the end of each week, all delivery tickets/invoice copies and the Receipt Log are to be submitted to the Operations and Transportation Supervisors.**
4. **The Operations and Transportation Supervisors will designate the account number and the name of the project on the Receipt Log and sign the Receipt Log thereby confirming the purchase of the item or items.**
5. **Once signed and approved, the paperwork is to be forwarded directly to the Accounts System Manager in the Business Office.**

D. **Emergency Purchases (for Public Works more than \$1,000.00)**

Section 16-13B-3 of the Alabama Code states that an emergency shall be declared whenever there is a dire need for the procurement of goods and services arising out of an accident or other unforeseen occurrences or conditions whereby circumstances affecting school buildings, school buses, or the life, health, safety, or property of the Madison County Board of Education is involved. In such cases where there is an immediate need for any supplies,

goods, materials or services by any organization of the Madison County Board of Education, the following procedures shall be followed:

1. In the event an emergency should arise after office hours, on a weekend or holiday, the purchase shall be made by the department or school in charge, and shall be reported before 9:00 a.m. the following working day without delay. In reporting an emergency, justification shall be sent in writing on the appropriate form to the Purchasing Department within two working days after the emergency.
2. The Purchasing Agent shall then assign a purchase order number and date the purchase order for that day. A notation of actual date of purchase shall be made on the purchase order, and the justification (see Step 1) for the purchase order will be attached thereto.

E. Determination of Allowable Costs

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director/supervisor and the Chief School Financial Officer 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.

Before payments are made from federal funds the federal program director/supervisor and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

CHAPTER IV

Procurement Policy/Bidding Procedures

The Board will follow State laws for the procurement of property 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 are subject to the Board's *Conflict of Interest Policy* and the procurement 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; and,
- 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 and services.

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

When purchasing such items as vehicles, tires, copying machines, copy paper, and other necessary goods or services, Madison County Schools 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 16-13B2 (13), and Joint Purchasing Agreements Title 16, Section 16-13B-1.

The Purchasing Agent/Clerk shall assist the user in obtaining price information on items available through the State Bid or Cooperative Bids. Upon receiving the price information, the Purchasing Agent/Clerk shall contact the prospective vendors to verify prices listed. Upon verification, the Purchasing Agent will approve purchase order(s) for items that have been documented on purchase requisition forms by the schools in the Madison County System. The State, Cooperative, or Joint Purchasing Agreement Contract Number should always be clearly noted on the face of the purchase order.

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 Purchasing Department. The Madison County Board of Education is authorized to use all State of Alabama bids, Cooperative Bids, and Joint Purchasing Agreements when they are advantageous to the Board. The Purchasing Agent shall determine the number of days of advertising where latitude exists. The Madison County School Board desires a minimum advertising period of ten (10) days where 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, Madison County Board of Education Purchasing Department shall:

1. Require a minimum of three (3) telephone or verbal quotes (Quotes should be documented on the MCBOE Quote Sheet, which will be documented and attached to the purchase requisition for contract value between \$15,000.00 and \$30,000.00. Contracts between \$30,000.00 and \$50,000 require a minimum of three (3) written proposals from vendors, which will be attached to the purchase request. 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 MCBOE employee receiving quote.

MCBOE shall advertise for sealed bids at least once each week for three (3) consecutive weeks in a newspaper of general circulation in Madison County when contracts are expected to meet or exceed \$50,000.

2. Require a performance bond equal to 100% of contract price (39-1-1).
3. 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.
4. 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 Madison County in which the work has been done for a period of four successive weeks.
 - A. A final settlement shall not be made upon the contract until the expiration of thirty days after the completion of the contract.
 - B. Proof of publication of the notice shall be made by the contractor to the Madison County Board of Education by affidavit of the publisher and a printed copy of the notice published.
5. For all public works contracts involving an estimated amount in excess of \$500,000.00, the Madison County Schools 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.)
6. 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.

7. 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.
8. 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.
9. 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 Madison County Board of Education 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.
10. Section 39-2-6, defines a responsible bidder.
11. If successful bidder fails or refuses to sign the contract, to make bond, or to provide evidence of insurance, the Madison County Board of Education may award the contract to the second lowest responsible and responsive bidder. If the second lowest bidder fails or refuses to sign the contract, make bond, or to provide evidence of insurance, the Madison County Board of Education may award the contract to the third lowest responsible and responsive bidder, and so on until a responsive and responsible bidder accepts the award.
12. If no bids, or only one bid is received, the Madison County 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. *Forced Account defined as - work paid for by reimbursing for the actual costs for labor, materials, and equipment usage incurred in the performance of the work, as directed, including a percentage for overhead and profit.* (Public Works 39-2-6.b, c).
13. On any construction project on which the Madison County 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.

14. No contract awarded to the lowest responsible and responsive bidder shall be assignable by the successful bidder without written consent of the Madison County Board of Education, and in no event shall a contract be assigned to an unsuccessful bidder who was not responsible or responsive.
15. 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 Madison County Board of Education within three working days after the opening of bids. The Board has ten days after receipt of low bidders evidence, or by the next regular meeting to make a decision regarding the error (39-2-11).
16. The Madison County 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.
17. Shall use steel produced within the United States. (Public Works 39-3-4a).

The Bidding Process

The Purchasing Department shall send out bid requests to all vendors identified on the Madison County Board of Education bidder mailing list, and shall also post copies of all current bids inside the Board of Education Central Office lobby. 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 Purchasing Agent or the Chief Operations Officer 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 For Bid (IFB)). **Late bids will not be accepted under any circumstances.** The bids will be opened at the hour stated on the IFB and properly recorded. A tabulation of the recorded bids will be performed and included in the Purchasing Agent's evaluation. The Purchasing Agent will forward an award recommendation to the Chief School Finance Officer 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 Madison County 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 S34-8-8 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 Madison County 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 placing the order elsewhere shall be prepared, and be made available upon request.

Bid Bond Procedures

Except for Public Works projects (see page 13, paragraph 9), a Bid Bond requirement will be at the discretion of the Purchasing Agent 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 Purchasing Agent will act as the awarding authority designee.

When required in the Invitation To Bid, vendors shall be responsible for the submission of a Bid Bond. If such a bond is required, the vendor 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 Purchasing Clerk 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 Madison County Board of Education to properly explain the reasons for his non-responsiveness to bid invitations.

Bids Issued From Other Departments

Occasionally, bids for minor renovation (below \$50,000) projects will be let by the Operations Department. To maintain consistency in the bidding process, bid openings shall be scheduled through the Purchasing Office. All bids received shall be recorded and filed in the Purchasing Department. After bid opening, the bid files will be maintained in the Purchasing Department and a copy will be forwarded to the Operations Department.

The Chief Operations Officer may initiate bids for major renovations of new construction projects that exceed \$50,000 (see Chapter V, Bidding Procedures, Public Works).

The Superintendent of the Madison County Board of Education will initiate new school construction projects by recommending to the Board which professional services company (architectural and/or engineering) to select for award. Upon Board approval, the Chief Operations Officer will coordinate the construction schedule, budget and scope of work with the selected professional services firm.

The selected firm will advertise the project for bid, facilitate the Pre-Bid Conference and open bids on the designated date and time. The Superintendent of the Madison County Board of Education will make a recommendation to the Board for selection of the General Contractor.

Changes to scope of work and cost will be recommended to the Board throughout the construction phase of the project.

The General Contractor will finalize the project with the State Department of Education and the MCBOE in accordance with the Public Works Law, **Code of Alabama, 1975, Title 39.**

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 Purchasing Supervisor and/or the Chief Operations Officer.

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 Purchasing Supervisor 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 Madison County Board of Education's best interest. If the insurance requirements are not adjusted by the Purchasing Supervisor or designated representative prior to the Madison County 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 Madison County Board of Education, its officers, employees, agents, and specified volunteers, as their interests may appear. Any insurance or self-insurance maintained by the Madison County 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 Madison County Board of Education. Cancellation of coverage for non-payment of premium will require ten (10) days' written notice to the Madison County Board of Education.
- b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Madison County 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 Madison County Board of Education shall be indicated as a Certificate Holder and the vendor shall furnish the Madison County 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 by the Madison County Board of Education before contract is awarded. The Madison County 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 IFB.

G. Hold Harmless Agreement:

The vendor, to the fullest extent permitted by law, shall indemnify and hold harmless the Madison County 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 three (3) telephone quotes, three (3) price comparisons from store visits or three (3) catalog comparisons for purchases between **\$10,000.00** 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 MCBOE employee receiving quote. Quotes should be documented on the MCBOE Quote Sheet and attached to the purchase requisition form when forwarded to the Purchasing Department. Requests for quotes for products or services with anticipated prices over **\$15,000.00** will be handled by the Purchasing Department 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 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 Madison County 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 subcontracts.

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 affect 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.

CHAPTER VIII

Disposal of Surplus/Obsolete Property

Disposal of Surplus/Obsolete Property

The Madison County Board of Education may have property that is no longer used or needed. Disposal of this property shall follow proper procedures resulting in the greatest benefit to the Madison County Board of Education. Before the property is disposed of as surplus/obsolete, it will be determined by the Madison County Board of Education and the Superintendent or his/her staff whether or not it should be utilized by another school or department.

Defining Surplus/Obsolete Property

Surplus property is property that the Madison County Board of Education has legal title but is no longer needed for support of the school system's operations. Obsolete property is school system property which is no longer usable in the service for which it was purchased and cannot be utilized safely or economically in any other manner. It shall be the responsibility of the Madison County Board of Education's Supervisors and Account Systems Manager to determine the property that meets these criteria and to submit a list of such property to the Madison County Board of Education for designation as surplus or obsolete property. Once Board approval has been given, the Purchasing Agent, with assistance from the Director of Operations and Auxiliary Services, will be responsible for disposal in accordance with the Madison County Board Of Education policies and good business practice, including establishing a fair market price when sale of property is required. Other disposal methods shall be the responsibility of the Director of Operations and Auxiliary Services.

Method of Disposal

The Purchasing Department shall be responsible for the sale of surplus and obsolete property. Sales may take place in one of the following manners:

- A. Sealed bids
- B. Public auction
- C. Sale to another government agency for a fair market price
- D. Gov. Deals through the Director of Operations and Auxiliary Services

The Director of Operations and Auxiliary Services shall be responsible for the disposal of surplus and obsolete property when disposed of by means other than public sale in the following manner:

- a. Disposal by other approved methods, i.e., approved landfills, removal by individual(s), or any other approved method that is in the best interest of the MCBOE.

- b. Criteria for determining the manner of disposal shall include location of the property, quantity, quality, availability of personnel, and time limits in which property must be moved.
- c. Property that is determined to be broken, damaged, unusable and/or unserviceable and is of no value to the MCBOE may be disposed of by taking property to an authorized landfill or allowing individual(s) to remove the property at their own expense.
- d. The Madison County Board of Education, at its discretion, may transfer asset(s) to another governmental agency *or any non-profit organization* for nominal consideration.
- e. The Madison County Board of Education has the right to reject any or all bids for school surplus or obsolete property, subject to the following:
 - 1. Fair market value
 - 2. Retention cost
 - 3. Dynamics of the marketplace