
ALABAMA BID LAWS

State law requires that certain expenditures of city and county school boards are subject to competitive bidding. Expenditures for labor, services, or work, and the purchase or lease of materials, supplies, equipment, or other personal property involving \$15,000 or more are subject to competitive bidding. [**§16-13B-1, et.al.**]

Individual purchases less than \$15,000 may be subject to competitive bidding if a school board can reasonably expect to purchase more than \$15,000 for like items during the year. School systems may purchase items without bidding by purchasing from the state bid list; however, a school system may not purchase items without bidding on the grounds that a vendor's price is less than the state bid list.

Pursuant to Act No. 97-934, student materials allocations distributed to the schools may be used to purchase materials, supplies, and equipment without competitive bids if the item cost is less than \$7,500. [**§ 16-1-8.1**] [**Note: This amount was not increased to \$15,000 when the bid law was amended in 2008.**]

Effective April 22, 1997, contracts for *public works* are not subject to the state bid law. Public works projects of \$50,000 or more are subject to the bidding requirements of the Public Works Law. These laws include a definition of *public works* that is applicable if a contract includes labor. [**§39-1-1, et.al.**]

On May 6, 1998, the Governor signed the Act No. 98-663 for the procurement of Guaranteed Energy Cost Savings Contracts. [**§41-16-140, et.al.**]

On June 16, 2003, the Governor signed Act No. 2003-392, to allow educational institutions, including school boards, to enter into agreements for the joint purchase of information technology. [**§ 16-61E-1, et.al.**]

On May 16, 2008, the Governor signed Act No. 2008-379 to increase the bid threshold to \$15,000, to make the bid bond optional, to allow school boards to enter joint purchasing agreements with non-adjointing local agencies, and to authorize reverse auctions and life-cycle purchasing.

On May 22, 2009, the Governor signed Act No. 2009-760, effective August 1, 2009, to relocate the competitive bid laws for local boards of education to Chapter 13B of Title 16. [**§ 16-13B-1, et.al.**]

On May 23, 2012, the Governor signed Act No. 2012-557, effective August 1, 2012, to allow school boards to purchase goods through national or regional cooperative purchasing programs approved by the Alabama Department of Examiners of Public Accounts. [**§ 16-13B-2(a)(13)**]

On May 10, 2016, the Governor signed Act No. 2016-298, to allow school boards to purchase goods or services through national or regional cooperative purchasing programs approved by the Alabama Department of Examiners of Public Accounts, to utilize GSA vendors, to define sole source, and to extend the maximum contract length to five years. [**§§ 16-13B-2(a)(13) and (15), 16-13B-7(b) and (f)**]

On March 28, 2018, the Governor signed Act No. 2018-413, to allow school boards to purchase heating or air conditioning units or systems through a purchasing cooperative approved by the Alabama Department of Examiners of Public Accounts. [**§39-2-2**]

Some expenditures that are exempt from the competitive bid law include:

- Purchase of insurance
- Professional service contracts (lawyers, CPA's, architects, etc.)
- Contracts to furnish financial advice or services
- Purchases of books, maps, pamphlets, or periodicals
- Purchases made by individual schools from funds other than those raised by taxation or received through state or local government sources
- Contractual services and purchases of commodities for which there is only one vendor or supplier
- Contractual services and purchases of personal property which, by their very nature, are impossible of award by competitive bidding
- Contractual services and purchases related to security.