

POLICY NAME:	205.06: Disclosure and Approval of Contract Information
EFFECTIVE:	01-25-07
SUPERSEDES:	
SOURCE:	Alabama State Board of Education Action item IX.A.4. dated January 25, 2007
CROSS REFERENCE:	Act 2001-955

1. DEFINITIONS

- A. **Family Member of a Public Employee.** The spouse or a dependent of the public employee.
- B. **Family Member of a Public Official.** The spouse, a dependent, an adult child and his or her spouse, a parent, a spouse's parent, a sibling and his or her spouse, of the public official.
- C. **Family Relationship.** A person has a family relationship with a public official or public employee if the person is a family member of the public official or public employee.
- D. **Employing Authority.** For the purposes of this policy, Employing Authority includes: the Chancellor of the Alabama Department of Postsecondary Education; a member of the Alabama State Board of Education; a President of an Alabama College System college or university; a Director of any other Alabama College System agency, entity, or department, including CITY Program, Skills Training Consortia, Alabama Industrial Development Training Institute, and Alabama Technology Network.
- E. **Person.** An individual, firm, partnership, association, joint venture, cooperative, or corporation, or any other group or combination acting in concert.
- F. **Public Employee and Public Official.** For purposes of disclosure requirements, the terms shall only include persons in a position to influence the awarding of a grant or contract who are affiliated with the Alabama College System department, agency, entity, or institution.

A **public employee** is any person employed at the state, county, or municipal level of government or their instrumentalities, including governmental corporations and authorities, but excluding employees of hospitals or other health care corporations including contract employees of those hospitals or other health care corporations, who is paid in whole or in part from state, county, or municipal funds. A public employee does not include a person employed on a part-time basis whose employment is limited to providing professional services other than lobbying, the compensation for which constitutes less than 50 percent of the part-time employee's income. A public employee includes: a President of an Alabama College System college or university; a System-level Director of any other Alabama College System agency, entity, or department, including CITY Program, Skills Training Consortia, Alabama Industrial Development Training Institute, and Alabama Technology Network.

A **public official** is any person elected to public office, whether or not that person has taken office, by the vote of the people at state, county, or municipal level of government or their instrumentalities, including governmental corporations, and any person appointed to a position at the state, county, or municipal level of government of their instrumentalities including governmental corporations. A public official includes the chairs and vice-chairs or the equivalent offices of each state political party. A public official includes: the Chancellor of the Alabama Department of Postsecondary Education; a member of the Alabama State Board of Education.

2. **DISCLOSURE REQUIREMENTS**

- A. Pursuant to Act 2001-955, all Alabama College System departments, agencies, entities, and institutions must ensure completion of a Vendor Disclosure Statement for all proposals, bids, contracts, or grant proposals to any department, entity, or institution of the Alabama College System for amounts in excess of \$5,000. The disclosure statement is not required for contracts for gas, water, and electric services where no competition exists, or where rates are fixed by law or ordinance. In circumstances where a contract is awarded by competitive bid, the disclosure statement shall be required only from the person receiving the contract and must be submitted within ten (10) days of the award.
- B. A copy of the disclosure statement must be filed with the Alabama College System department, agency, entity, or institution and with the Department of Examiners of Public Accounts. No Alabama College System department, agency, entity, or institution may enter into any contract or disburse public funds with any person or firm declining to provide the required information.
- C. The disclosure statement requires that the person or firm (corporation, LLP, LLC, etc.) completing the form disclose: (1) the names and addresses of all public employees with whom the person (in the case of a firm, its officers and directors), members of the person's (in the case of a firm, the officers' and directors') immediate family, or any of the person's (in the case of a firm, the officers' and directors') employees have a family relationship and who may directly personally benefit from the proposed transaction; (2) the names and addresses of all family members of public officials/public employees with whom the person (in the case of a firm, the officers and directors) completing the form, members of the person's (in the case of a firm, the officers' and directions') immediate family, or any of the person's (in the case of a firm, the officers' and directors') employees have a family relationship and who may directly benefit financially from the proposed transaction; and (3) the amount of and purpose for the contract and the starting date and expected ending date.

3. **ADDITIONAL DISCLOSURE REQUIREMENTS**

Effective January 25, 2007, all vendors will be specifically informed that public officials referenced above includes the Chancellor and Vice Chancellor of the Alabama Department of Postsecondary Education and any member of the Alabama State Board of Education.

4. **REPORTING AND APPROVAL REQUIREMENTS**

Effective January 25, 2007, upon receipt of a disclosure statement described above, each President or Director of an Alabama College System department, agency, entity, or institution shall review such statement for the existence of a family relationship between any person disclosed on the Vendor Disclosure Statement and any one of the following: (1) the employing authority for that Alabama College System department, agency, entity, or institution, or (2) a decision maker designated by said employing authority, or (3) the Chancellor and any Vice Chancellor of the Alabama Department of Postsecondary Education, or (4) any member of the Alabama State Board of Education. Any such family relationship with the aforementioned shall suspend the Contract until additional review and approval is completed. The President or Director shall cancel the Contract because of conflict of interest or shall submit a copy of the Vendor Disclosure Statement and a rationale requesting approval to the Chancellor immediately.

The Chancellor forwards the information to the Vice President of the Board who appoints a committee of three Board members with no personal vested interest to approve or disapprove the Contract. If the Contract involves a relative of the Vice President of the Board, the Chancellor will forward the Contract information to the Vice President Pro Tem who will appoint the committee. The decision of the committee is final. If the Contract is approved, only then is the Contract disclosed to all Board members.

Emergency Provision. The President or Director may declare the need for the contracted services to be an emergency and may proceed with the contract without additional approval. However, the contract must be reviewed through the normal process specified above within not more than 90 days. The appointed Board committee may approve the contract, terminate or modify the terms in concert with the contractor, and/or may determine the need to be or not be an emergency.

5. **ELECTRONIC POSTING**

All contracts requiring Vendor Disclosure Statements with Alabama College System departments, agencies, entities, and institutions must be electronically posted within thirty (30) days by the respective department, agency, entity, or institution to the Alabama College System website. This requirement will become effective January 25, 2007, and the website database will be devised, implemented, and maintained by the Alabama Department of Postsecondary Education. Information contained in the posting must include: name of vendor, subject matter or purpose of contract, term or dates of contract, and amount of contract.