
Procurement Code Update

Policy Reference: OE-6, Financial Administration OE- 7, Asset Protection

Background Information: *Per SECTION 11-35-70 of the South Carolina Code of Laws, School district subject to consolidated procurement code; exemptions.*

Irrespective of the source of funds, any school district whose budget of total expenditures, including debt service, exceeds seventy-five million dollars annually is subject to the provisions of Chapter 35, Title 11, and shall notify the Director of the Office of General Services of the Budget and Control Board of its expenditures within ninety days after the close of its fiscal year. However, if a district has its own procurement code which is, in the written opinion of the Office of General Services of the State Budget and Control Board, substantially similar to the provisions of the South Carolina Consolidated Procurement Code, the district is exempt from the provisions of the South Carolina Consolidated Procurement Code except for a procurement audit which must be performed every three years by an audit firm approved by the Office of General Services. Costs associated with the internal review and audits are the responsibility of the school district and will be paid to the entity performing the audit.

HISTORY: 1984 Act No. 493; 1985 Act No. 109, Section 1; 1993 Act No. 178, Section 13; 1997 Act No. 153, Section 1.

Purpose: The District desires to promote local economic activity through the support of local business when awarding contracts for the provision of goods and services to the District by providing a local preference. As the current provision in the State Model Procurement for School Districts does not provide for a local preference, the District wishes to adopt the Model Code as amended with a local preference in lieu of the current model code preference.

**** To qualify as a "local vendor", the following must be met:**

1. Vendor must have a current physical business address (as a principal place of business), located and in operation (regularly conducting business) in Horry County for the last three (3) years, and maintain such throughout the term of any contract with the County.
2. The majority of employees/independent contractors of the vendor must be "legal" and "permanent" full-time Horry County residents.

3. Vendor is in good standing with the State of South Carolina and Horry County School District. Proof shall be submitted as part of sealed bid, and shall include:
 - a) All fees, taxes, etc. must be paid in full *prior* to due date of sealed bid and submittal of affidavit.
 - b) A Horry County (or applicable municipality) business license must be obtained *in advance* of requesting local vendor preference. Copy shall be submitted as part of the local vendor preference affidavit.
 - c) All other relevant licenses, permits, and authorizations are in hand.
 - d) The vendor has not defaulted or been terminated from a previous District contract within the last five (5) years. A condition of default includes notices from sub-contractors and suppliers who have contacted the local vendor's surety, or the District, without successful resolution for contract payment disputes.

For additional information: Please contact John Gardner at 488-6896 or by e-mail at jgardner@horrycountyschools.net

Recommended Action:

Request amending the model procurement code with the addition of a following local preference *in lieu* of the model code preference:

The apparent low bidder on a formal sealed bidding procurement over \$25,000 but not exceeding \$100,000 is **NOT** a local vendor and the **next** apparent low bidder is local and the local bid is with-in 5% of the non-local bid, then the local vendor has the opportunity to meet the apparent low non-local bid.

The apparent low bidder on a formal sealed bidding procurement over \$100,000 is **NOT** a local vendor and the **next** apparent low bidder is local and the local bid is with-in 2% of the non-local bid, then the local vendor has the opportunity to meet the apparent low non-local bid.

Estimated Project Cost: None

**Recurring Non-recurring
Funding Sources:**