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Rachel Laurie Riddle
Chief Examiner

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MEMORANDUM

To: Alabama Community College System
Alabama County Commissions
Alabama Municipalities
City and County Boards of Education
National and Regional Purchasing Cooperatives
Other Entities subject to §§ 16-13B-1, et seq. and 41-16-50, et seq. *Ala. Code* 1975

RE: Leasing through National and Regional Purchasing Cooperatives

It has come to the Department's attention that certain national and regional purchasing cooperatives may have been offering some entities the option of utilizing their cooperative contract awards to lease goods or services. This would be a violation of Alabama's competitive bid laws. See §§ 16-13B-1, et seq. and 41-16-50, et seq., *Ala. Code* 1975.

Under Alabama's competitive bid laws, "all expenditures of funds of whatever nature for labor, services, work, or for the purchase [or lease] of materials, equipment, supplies, or other personal property involving \$15,000 or more..." by the above-referenced entities "shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder." Sections 16-13-B-1(a) and 41-16-50(a), *Ala. Code* 1975,

While there are certain exceptions to Alabama's competitive bid laws that allow for "purchases of goods or services made as a part of any purchasing cooperative sponsored by the National Association of Counties, its successor organization, or any other national or regional governmental cooperative purchasing program," there are no exceptions that allow goods or services to be leased from or through purchasing cooperatives or their contract awards. See Sections 16-13B-2(a)(13) and 41-16-51(a)(16), *Ala. Code* 1975.

Please be advised that any such contracts, as described above, would be considered a violation of the law, and anyone who violates the aforementioned competitive bid provisions may be subject to the provisions of Sections 16-13B-2(d) and 41-16-51(d), *Ala. Code* 1975.

Sincerely,

Rachel Laurie Riddle
CHIEF EXAMINER