



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.
State Superintendent of Education

February 12, 2025

MEMORANDUM

TO: City and County Superintendents
FROM: Eric G. Mackey *EGM*
State Superintendent of Education
RE: Capital Improvement Projects Costing \$100,000 or Less

The construction, installation, repair, renovation, or maintenance of public buildings, structures, sewers, waterworks, roads, curbs, gutters, sidewalks, bridges, docks, underpasses, and viaducts as well as any other improvement to be constructed, installed, repaired, renovated, or maintained on public property and to be paid, in whole or in part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise are considered Public Works per [Code of Alabama, 1975, as amended](#), §39-2-1(6).

Any construction, regardless of funding source on state-owned property, public and private kindergarten through twelfth grade (K-12) schools are within the Division of Construction Management’s (DCM) jurisdiction.

The steps below should be followed for all capital improvement projects costing \$100,000 or less.

Step 1: Project Verification

Verify with the DCM technical staff, beginning with a call or email to Bob O’Reilly, Architect, 334-242-4803 or bob.o'reilly@rpm.alabama.gov, whether or not a project requires review and/or administration (including plan review, contract document, and inspections approvals) by DCM.

- If a project is verified by the technical staff that it does **not** require review or administration by DCM, consult with the Alabama Department of Finance-Division of Purchasing or use other contracting means available to the owner.

Step 2: Procedure Requirements and Exceptions

If a project with a construction budget of \$100,000 or less is verified by the DCM technical staff as required to be reviewed and/or administered by the DCM, then all requirements of the [DCM Manual of Procedures](#) must be met, including but not limited to, front-end documents with plan review submittals, contract document submittals (except in the case of [construction self-performance](#)), inspections and [fees](#), with the following exceptions:

1. **Advertisement for Bids and Sealed Bids:** An awarding Authority/Owner may let contracts for public works involving \$100,000 or less with or without advertising, and with or without sealed bids. §39-2-2(b)(1). Although an advertisement for bid is not required by state law for public works projects costing \$100,000 or less, the Alabama Division of Construction Management requires the solicitation of at least three bids for such projects to ensure that fair and reasonable prices are being paid. Documentation must show that a minimum of three proposals were sought even if a lesser number responded. Designers shall include the bid tab with the prepared construction contract documents.
2. **Bid Bonds:** Bid Bonds are not required for contracts in amounts of less than \$100,000. [DCM Manual of Procedures - Chapter 6.D.2](#)

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3. **Performance & Payment Bonds:** Performance & Payment Bonds are not required for contracts in amounts of less than \$100,000, §39-1-1(e).
4. **General Contractor's License:** A General Contractor's License is not required for contracts in amounts of less than \$100,000, *Act 2024-277*.
5. **Project Sign:** A project sign is not required to be erected on fully locally funded state agency projects for contracts in amounts of less than \$100,000, nor on fully locally funded Public Higher Education projects for contracts in amounts of less than \$100,000. Regardless of cost, a project sign is not required on fully locally funded K-12 school projects unless requested by the owner. A project sign is required on all Public School and College Authority (PSCA) funded projects regardless of cost. [DCM Form C-8, Article 51](#).

All questions regarding these requirements should be directed to Ms. Jessica Ragan at jragan@alsde.edu or by telephone at 334-694-4602.

EGM/JW/JR

cc: Mr. Arthur Watts Jr., Deputy State Superintendent, Administration and Finance
Dr. Autumn Jeter, Assistant State Superintendent, Support Services
Dr. Johnny Whaley, Administrator, School Facilities

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