

**Administrative Procedures for Termination of Contracts and Disqualification, Suspension,
or Debarment of Vendors**
(Attachment for Policy No. 610.1)

PURPOSE

The Board of Education (“Board”) seeks to realize the full value of the School District of Philadelphia’s (“District’s”) business relationships with its vendors.

DEFINITIONS

The following words and phrases, when used in this policy, shall have the meaning given to them in this section:

"Debarment" means exclusion **from serving as a vendor for the District** for a specified time.

"Disqualification" means exclusion as a **vendor** from award of any particular contract with the District.

"Suspension" means exclusion as a **vendor for the District** for an indefinite time determined by some stated future occurrence.

“Vendor(s)” includes any **business enterprise**, person, firm, partnership, non-profit corporation, for-profit corporation, limited liability company or other legal entity **that may seek to or does submit a bid or proposal in response to an invitation to bid or request for proposals or qualifications, or otherwise is seeking to contract with the District or act as a subcontractor on a District contract, and/or with which the District has entered into a contract.**

In addition to the above terms, the Office of Procurement Services (“Procurement Services”), in its “Procurement Manual,” which shall be updated from time to time and posted on the Procurement Services website, shall define other terms relevant to Policy 610.1 (“Policy”).

GUIDELINES

Detailed information regarding the implementation of the Policy is further described in the Procurement Manual. The considerations and actions below shall be made based on evaluation of the District’s best interests, in the sole discretion of the District, and in accordance with law.

Termination

The District may terminate contracts for convenience or for cause.

Debarment

Causes for Debarment

The District may debar a **vendor** or affiliate for any one or more of the following **reasons**:

1. Conviction of or civil judgment for **crimes or causes of action involving fraud or dishonesty**;
2. Violation of any **antitrust laws**, laws governing labor or employment, including wages and hours, child labor, or discrimination, or any **election or campaign finance laws**;
3. Unsatisfactory performance or failure to perform in accordance with the terms of one or more contracts with **the District or any person or entity**, or subcontracts, provided that such acts or failures to act occurred within a reasonable period of time before or during the District's decision;
4. **Debarment from contracting or subcontracting by any other federal, state or local governmental body**;
5. Providing false or misleading information as part of any prequalification statement, bid, **proposal, response**, contract, or subcontract, including but not limited to financial statements, fair employment forms, or product descriptions;
6. **Noncompliance with District policies, including, but not limited to, Policies 612 and 818**;
7. Unauthorized payments, gifts or other valuable consideration to any person having any official duties, direct or indirect, in connection with bidding, awarding of, or performing District contracts or subcontracts;
8. The use by employment, subcontract or other formal association of former District employees who have resigned or been dismissed for reasons of moral turpitude or breach of fiduciary duty, where the former employee **(i)** holds a position **with the vendor or**

affiliate which brings **the former employee** into contact with students or **(ii)** has fiduciary responsibilities **with the vendor; or**

9. Any other lawful reason.

Duration of Debarment

1. Debarment shall be imposed for a specified time not to exceed three years unless reasons for a longer period are stated in the notice of debarment.
2. The District may extend debarment for an additional specified period at any time before a debarment expires upon adequate evidence in addition to that which supported the original debarment in accordance with the procedure for debarment.
3. The District may reduce the period of debarment upon the **vendor's** written request supported by adequate evidence of good cause, such as:
 - a. Reversal of the conviction or judgment upon which the debarment was based without a new trial within a reasonable time;
 - b. Bona fide change in ownership or management of the **vendor**; or
 - c. Elimination of other causes for which debarment was opposed.

Procedure for Debarment

The District official responsible for soliciting bids **or proposals, retaining services, or overseeing performance** on the class or classes of contracts or subcontracts at issue, **with the advice and approval of Procurement Services and Office of General Counsel**, shall begin debarment proceedings by giving notice of intent to debar to the **vendor** and any specified affiliates **of the decision and rights and process to challenge the decision, if any.**

Suspension

Causes for Suspension

The District may, **based on evaluation of its best interest**, suspend a **vendor** or affiliate for any one or more **reasons, including:**

1. Indictment for any crimes, **action or inaction as discussed in the Causes for Debarment section above;**

2. Irregularities of a serious nature in business dealings with the District or seriously reflecting on the propriety of further business dealings with the District.

Duration of Suspension

Suspension shall be imposed for a period pending the outcome of criminal proceedings or the completion of an investigation and such legal proceedings as may ensue.

Procedure for Suspension

The District official responsible for soliciting bids or proposals, retaining services, or overseeing performance on the class or classes of contracts or subcontracts at issue, **with the advice and approval of Procurement Services in consultation with Office of General Counsel**, shall begin suspension proceedings by giving notice of intent to suspend to the **vendor** and any specified affiliates **of the decision and rights and process to challenge the decision, if any.**

Causes for Disqualification

The District may, based on evaluation of its best interests, disqualify a vendor or its affiliate with respect to any particular bid, **pre-qualification, request for proposals or qualifications**, or contract award for any one or more **reasons, including** the following:

1. Any causes **for debarment or suspension;**
2. Inadequate financial resources to perform the contract or subcontract;
3. Inadequate experience, **capacity**, organization, or resources (**technical, workforce, or other**) to perform the contract;
4. **Discrimination in the vendor's employment or business practices on the basis of race, color, sex or national origin or other protected class; or**
5. Any other facts or circumstances showing a reasonable likelihood of inability to perform the contract.

Procedure for Disqualification

The District official responsible for soliciting bids or proposals, retaining services, or overseeing performance on the class or classes of contracts or subcontracts at issue, with the advice of the

Procurement Services and Office of General Counsel, shall begin disqualification proceedings by giving notice of intent to disqualify to the vendor and any specified affiliates of the decision and rights and process to challenge the decision, if any.

Miscellaneous

Responsibility for Agents

Vendors and affiliates are deemed responsible for the acts of persons acting for or on their behalf, such that **fraudulent, criminal, or other improper conduct of an** officer, director, shareholder, partner, employee, or other associate, **or the same representatives of a joint venture or similar arrangement partner**, may be imputed to the **vendor, affiliate, or joint venture or similar arrangement partner.**

Effect on Executory Contracts

A. The District may continue in effect any contracts or subcontracts with debarred or suspended **vendors** which have not been fully performed at the time of debarment or suspension in accordance with their terms.

B. The District shall not renew or extend contracts with debarred or suspended **vendors without Board approval.**

Restrictions on Subcontracting

When a debarred or suspended **vendor** is proposed as a subcontractor for any subcontract subject to District approval, the District shall not approve such subcontractor unless the Superintendent or designee states in writing the compelling reasons for such approval.

Records

Procurement Services shall maintain records of all **contracts terminated and all vendors or affiliates** debarred, suspended, or disqualified for the purpose of enforcing **the Policy.**

MAINTENANCE SCHEDULE

Procurement Services shall review these administrative procedures annually.