

PURCHASING

Source: MCL 380.1267, 380.1274 et seq.

Procurement of all supplies, materials, equipment, and services paid for from School funds shall be made in accordance with all applicable federal and State statutes, Board policies, and administrative procedures. Standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts are established in Policy 1130, Policy 3110, and Policy 4110 (as applicable) – Conflict of Interest.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgment.

Each year the State of Michigan informs the School of the legal amount for purchases which require a formal bidding process of a single item.

It is the policy of the Board that the Superintendent adhere to the following:

- A. Seek informal price of three (3) quotations on any and all purchases except in cases of emergency or instances when the materials purchased are of such a nature that price negotiations would not result in savings to the School.
- B. When the purchase of, and contract for, single items of supplies, materials, or equipment is less than the amount allowed by State statute, but exceeds \$5000 shall require the Superintendent to conduct a Selective Review to acquire (3) competitive price quotations, whenever possible.

Selective Reviews

When you are going to let a new contract, that does not require an RFP and bidding process, it is best to conduct a selective review. In this process you review at least (3) vendors against pre-established criteria in order to select the best vendor.

Steps in the Process:

- A. Pull together a representative committee of stakeholders.
- B. Hold a meeting to determine the elements you are looking for and the criteria you will use to judge and compare the vendors.
- C. Give committee members time to scout around for vendors that they would like to evaluate.
- D. Choose a period of time in which you will invite each vendor to submit their materials and proposals and make a presentation to the committee.

- E. Close the review period and hold a selection meeting with the committee at which time the committee will make their final recommendation using the criteria established in Step 2.
- F. Submit the tentative contract from the chosen vendor to Legal.
- G. After Legal has rendered their opinion, submit the committee's recommendation to the Budget and Finance Committee. Include materials from all vendors reviewed in the recommendation package.
- H. If the item is accepted by the Budget and Finance Committee, a recommendation for approval will be made to the Board of Directors.

Purchases in excess of the dollar amount permitted by State statute shall have at least three (3) competitive bids, whenever possible, for substantiation of purchase and shall require approval of the Board prior to purchase.

Competitive Bids

Bids shall be sealed and shall be opened by the Board President or designee in the presence of at least one (1) witness. All orders or contracts shall be awarded to the lowest responsible bidder; however, consideration can be given to the following:

- A. the quality of the item(s) to be supplied;
- B. its conformity with specifications;
- C. suitability to the requirements of the school;
- D. delivery terms;
- E. past performance of vendor and community pressure.

For purposes of this preference a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L.A. 18.1268, which requires that the businesses certify that since inception or during the last twelve (12) months it has done one of the following:

- A. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. have filed a Michigan income tax return showing income generated in or attributed to Michigan
- C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

This preference shall not apply to any procurement or project using Federal funds, nor shall it be used if it would violate any Federal law or requirements.

The Board reserves the right to reject any and all bids.

Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request For Proposals (RFP) or the individual bid specifications package, for resolution. Bid protests must be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Notice of the filing of a bid protest shall be communicated to the Board. Within five (5) days of receipt of a protest, the Budget and Finance Committee shall review the protest as submitted and make a recommendation to the Board regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

General Provisions

All contracts must first be presented to the Budget and Finance Committee for review and recommendation to the Board of Directors for approval.

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services, when the purchase exceeds the line item.

The Superintendent is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the school in operation. Such purchases shall be brought to the Board's attention at the next regular meeting.

In order to promote efficiency and economy in the operation of the school, the Board requires that the Superintendent periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cost consistent with good quality.

Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped but with staggered delivery dates, shall be made a part of the bid specifications.

Before placing a purchase order, the Superintendent shall check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the school. All purchase orders shall be numbered consecutively.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. where the requisitioner has recommended a supplier, the Superintendent may make alternate suggestions to the requisitioner if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;

- B. upon the placement of a purchase order, the Superintendent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Superintendent shall determine the amount of purchase which shall be allowed without a properly signed purchase order. Employees may be held personally responsible for anything purchased without a properly signed purchase order or authorization.

The Board may acquire office equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

Procurement – Federal Grants

The Superintendent shall maintain a procurement and contract administration system in accordance with the United States Department of Education requirements (34 CFR 80.36) for the administration and management of Federal grants and federally-funded programs. The School shall maintain a compliance system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of this policy and administrative guidelines (AG 6320).

Adopted 1/11/10
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