

ARTICLE VI

FINANCES

Section 5. General Purchasing.

In order to maintain effective control over the purchase of supplies, materials and equipment for the District, the purchase of all supplies, materials and equipment shall comply with all applicable Board policies, as well as all applicable State and Federal laws, rules and regulations.

It is the general policy of the Board that the purchase of all supplies, materials and equipment be at the lowest possible cost in the best interest of the District and all purchases must be within budget allocations. All procurement processes should use good administrative practices and judgement and free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition as required by law. The lowest responsible bidder shall generally be awarded the contract; however, the Board reserves the right to accept any bid/proposal that it feels is in the best interest of the District.

If the reasonably anticipated purchase price for the supplies, materials or equipment exceeds the State of Michigan competitive bidding threshold, as adjusted annually, a procurement process with competitive bids/proposals is required. However, competitive bids/proposals are not required for the purchasing of food unless the food purchased in a single transaction costs \$100,000 or more. Board approval is required for purchases over the State of Michigan competitive bidding threshold, as adjusted annually.

Purchases made using competitive bids provided through the State of Michigan programs, other consortiums, or cooperative bids shall satisfy the requirements of this Policy, unless applicable State or Federal law requires otherwise.

The Board reserves the right to: i) accept or reject any and all bids/proposals, in whole or in part; ii) waive any informalities or irregularities in the procurement process or a bid/proposal; iii) award the contract to other than the lowest bidder.

Section 6. Purchasing with Federal Funds

In order to maintain effective control over the purchase of supplies, materials, equipment and services with Federal monies or under a Federal grant, the District shall follow all applicable Federal laws, regulations and standards, as well as all applicable Board policies and applicable State laws, rules and regulations.

It is the general policy of the Board that the purchase of all federally funded supplies, materials, equipment and services be at the lowest possible cost in the best interest of the District and all purchases shall be within budget allocations. All procurement processes shall use good administrative practices and judgment and be free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition. The lowest

responsible bidder shall generally be awarded the contract; however, the Board reserves the right to accept any bid/proposal that it feels is in the best interest of the District.

When purchasing supplies, materials or equipment with Federal monies or under a Federal grant, the procurement processes shall also be in accordance with and follow Section 5 – General Purchasing.

When procuring services with Federal monies or under a Federal grant, if the reasonably anticipated cost is less than \$150,000, then the District shall contact a reasonable number of potential vendors and obtain informal written quotes for the services from at least three (3) vendors, to the extent possible. If the reasonably anticipated cost for services which will be funded by Federal monies or under a Federal grant is at or over \$150,000, competitive bidding shall be used for the procurement of those federally funded services. If it is determined that a formal competitive process for the procurement of services costing less than \$150,000 is in the best interests of the District, the District may use an appropriate competitive bidding process to obtain bids/proposals for the services.

Procurement of federally funded supplies, materials, equipment or services through solicitation of a proposal from only one source may be used only when one or more of the following circumstances apply:

- The item can be verified to be only available from a single source;
- The public necessity or emergency will not permit a delay resulting from the competitive bid process;
- A noncompetitive bid/proposal is expressly authorized by the awarding agency; or
- After solicitation of a number of sources, competition is determined inadequate.

The Board reserves the right to: i) accept or reject any and all bids/proposals, in whole or in part; ii) waive any informalities or irregularities in the procurement process or a bid/proposal; iii) award the contract to other than the lowest bidder.