

PURCHASING

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/designee adhere to the following:

- A. Seek informal price quotations on purchases that are under \$10,000 except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a 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 \$10,000, the Superintendent/designee shall whenever possible, require three (3) competitive price quotations.

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

Competitive bids are not required for items purchased through the cooperative bulk purchasing program operated by the Michigan Department of Management and Budget pursuant to M.C.L. 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more.

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

- the quality of the item(s) to be supplied;
- its conformity with specifications;
- suitability to the requirements of the school;
- delivery terms;
- past performance of vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders

which use a Michigan-based business as the primary contractor.

which use one (1) or more Michigan-based business as subcontractors.

in accordance with Policy 6450, Local Purchasing.

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. 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.

The Superintendent/designee is authorized to purchase all items within budget allocations.

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:

opportunity be provided to as many responsible suppliers as possible to do business with the school;

a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;

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;

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 USDOE requirements (34 CFR 80.36) for the administration and management of Federal grants and federally-funded programs. The District 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).

**[NOTE: The intent of the purchasing policy is to establish several levels at which purchasing can occur and to determine at what level Board involvement is required, when it is necessary to get a simple “quote” and when the “competitive bid” procedure required.]**