



Book	Policy Manual
Section	6000 Finances
Title	PURCHASING
Code	po6320
Status	Active
Adopted	March 27, 2017
Last Revised	May 20, 2024

6320 - **PURCHASING**

Procurement of all supplies, materials, and equipment paid for from District 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 – 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 judgement.

Each year, the State of Michigan informs the School of the legal amount for purchases of supplies, materials, and equipment which require a formal bidding process of a single item or a group of items in a single transaction.

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

- A. Seek informal price quotations on purchases between \$0 and \$10,000.
- 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 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.

Services

Procurement of the following services shall be competitively bid if the cost of the services will exceed the State bid threshold for supplies, materials, and equipment: transportation, food service, custodial, architecture, interior design, landscape design and construction management.

If the District is a party to a services contract and the District has discretion to renew or extend the contract, the contract should not be renewed or extended if it would result in the contractor's administrative or management contract fees being increased by more than the increase in the immediately preceding year in the U.S. Bureau of Labor Statistics Detroit area Consumer Price Index.

Notwithstanding anything to the contrary in this Policy:

A. The Board may pay a contractor more than the contractor is entitled to under a contract if the Board determines that such additional compensation is needed to maintain adequate staffing levels.

B. The Board will competitively bid services if required to by federal law or requirements.

Competitive Bids

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 Assistant Superintendent for Business and Operations in the presence of at least one witness. All orders or contracts should be awarded to the lowest responsible bidder; however, consideration can be given to:

- 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.

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

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 business certifies that, since inception or during the last twelve (12) months, it has done one (1) of the following:

- A. filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. 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.

General Provisions

The Superintendent 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:

- A. opportunity be provided to as many responsible suppliers as possible to do business with the school;
- B. where the requisitioner has recommended a supplier, the Superintendent may make alternate suggestions to the requisitioner if, in the Superintendent's judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- C. 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 6320A).

Revised 6/26/23

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Legal M.C.L. 380.1267, 380.1274 et seq.