



Procurement Manual

As of 02/29/2024

Quote: Everything done in purchasing should link to a purpose. That purpose ***should not*** be:
“We have always done it that way!” – Author unknown

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Summary of changes as of current update 2024-02-29

Mission, Vision & Goals added – Pages 5-6 (2024-02-29)

Payment Bond added – Page 17 (2024-01-31)

Applicable Legal Statutes and Policies List– Page 31 (2024-01-31)

Definition of Emergency clarified - Pages 15, 18, 21 (2024-02-27)

Methods of Selection for Services expanded – Pages 19-20 (2024-01-31)

Publication Deadlines – Page 32 (2024-01-31)

Consortium purchasing for goods – Page 12 (2024-02-06)

Exceptions – Page 13 (2024-02-27)

Forward

This manual describes the basic procedures under which Southfield Public Schools operates when procuring goods and services in compliance with 34 CFR Part 8036 of the Federal regulation and revised School Code Section 380.1274.

Introduction

The purpose of these procedures is to provide guidance to employees of Southfield Public Schools in the acquisition of goods and services in a manner that will:

- Facilitates SPS in achieving its mission and goals;
- Provides exceptional value;
- Establishes and sustains the integrity of SPS;
- Obtain goods and services of the best possible quality and price to meet the needs of our students;
- Allow the District to document to its taxpayers that their resources are being used wisely; and
- Ensure compliance with the provisions of state law and Board Policy.

The overall purpose of the procurement process is to ensure that SPS obtains the highest quality goods and services with minimum lead-time, and at the best overall value. To that end, all procurement transactions will be conducted in a manner to avoid impropriety or even the appearance of impropriety, and all goods and services will be competitively procured as required by law and this manual.

SPS adheres to the following procurement principles:

- All qualified suppliers shall have access to public business.
- No supplier shall be arbitrarily or capriciously excluded from participating.
- Competition shall be sought to the maximum extent practicable.
- The rules governing the competitive award process shall be made clear in advance of the competition.

Mission, Vision & Goals

District

At Southfield Public Schools, we prepare our students for a lifelong love of learning. With instruction by master-level and world-class teachers who are experts in their field, we cultivate a high quality, student-centered learning experience preparing innovative learners for a global society.

Mission Statement

The Southfield Public School District educates all students in a collaborative, safe, supportive and high-quality, student-centered environment and prepares dynamic, innovative learners to compete within the global society.

Vision Statement

The Southfield Public School District will develop socially responsible and culturally sensitive citizens empowered to meet the challenges of rapidly changing global and technologically advanced society, characterized by care, curiosity, creativity, critical thinking and the ability to effectively communicate, collaborate, and contribute to society.

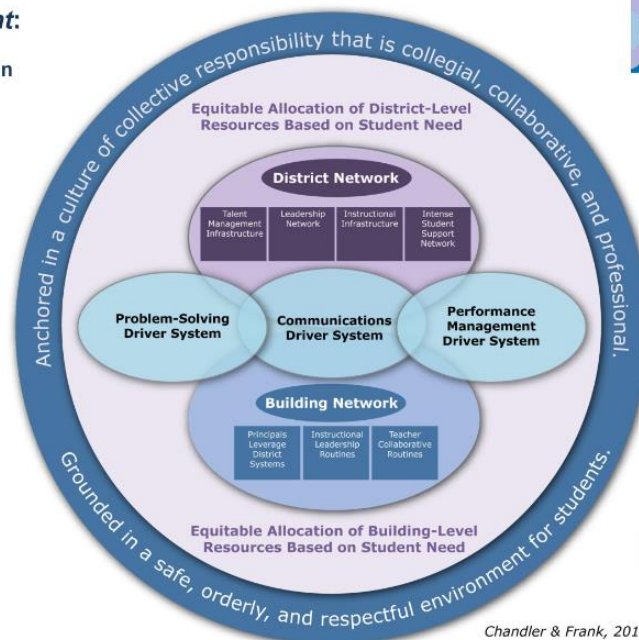
MiExcel Blueprint

MiExcel Blueprint

Dramatic Improvement in Student, Teacher, and Leader Performance in a Short Amount of Time.

The Blueprint:
Systemic
Reconfiguration

Statewide
Field Team



Chandler & Frank, 2015

Procurement

We value the growth, development and innovation of our procurement & logistics team members and our internal partners. We are committed to a Procurement process that exemplifies integrity, discipline, excellence and adherence to relevant laws, and Board policies and procedures.

Mission Statement

To procure quality goods and services from innovative strategic suppliers that are delivered on time, every time, at the right price with the right contract terms and conditions, thus providing SPS with the highest value possible.

Vision Statement

To support the goals and objectives of Southfield Public Schools by working together to deliver excellence in Procurement & Logistics for SPS students and staff.

Who are the stakeholders?

- Students
- Parents
- School Staff & Administrators
- District Staff & Administrators
- Vendors & Business Partners
- Community Taxpayers
- Board of Education
- Federal, State & Local Policy Makers

Goals

- Lower costs through the RFP & RFQ processes
- Manage and improve relationships with current and future suppliers
- Seek out more professional development for the Procurement Team
- Improve efficiencies through Professional Development of our end-users
- Clean up data and file management processes
- Position procurement to support overall district goals
- Employ, improve and adapt procurement best practices throughout the district

Guiding Principle

SPS seeks value for its procurement dollars. To accomplish this, SPS will utilize the procedures in this manual to ensure that proper documentation exists including but not limited to the following:

- Approved requisitions

- Contracts
- Purchase Orders
- Receipts of goods and services
- Approved detailed invoices to demonstrate that goods and services have been received and meet SPS performance requirements
- All documentation is in place **prior** to payment of funds to suppliers

The administrator with responsibility for each building or department is expected to ensure that the funds budgeted for that building or department are managed and expended in accordance with Board Policy and that the budget is followed. Parts of this responsibility may be delegated to other employees in the building or department, but the administrator holds the final authority.

District employees obtaining goods and services with District funds are expected to act responsibly to obtain those goods and services that meet the District's needs at the best possible price. State law and Board Policy impose requirements that must be followed in order to meet the goals enumerated above. All District employees may expect to be held accountable for following the procedures listed below for the purchase of goods and services using District funds.

In evaluating competitive proposals, keep in mind that the best price is not automatically the lowest initial outlay of money, but should also consider other factors, such as:

- The costs of shipping or pick up,
- Reasonable estimates of supply and maintenance costs over the lifetime of the item purchased,
- The past performance of the proposed supplier,
- Compatibility of the product with existing equipment, and
- Likely resale or salvage value at the end of the item's useful life.

In evaluating the value of a proposed procurement, the value of the total number of like items purchased will govern. **It is not acceptable to obtain multiple smaller invoices for like items from the same vendor over a short period of time in order to avoid competition requirements.**

All purchases are subject to administrative approval, and failure to follow appropriate procedures may result in personal liability.

I. AUTHORIZATION TO COMMIT SOUTHFIELD PUBLIC SCHOOLS

The Superintendent and/or his/her written designees are the only authorized signer of contracts on behalf of SPS. A supplier can only be authorized to provide goods or services through a Purchase Order signed by The Superintendent or by his/her written designees.

A BusinessPlus requisition is the appropriate method to commit and approve the expenditure of SPS funds. An authorized employee can create or approve a requisition, but does not have the authority to perform any Finance Office functions including, but not limited to the following:

- Request bids from suppliers
- Authorize suppliers to proceed with work
- Negotiate in any way with suppliers
- Authorize and/or sign contracts

Requisition creation and approval only commits their respective department's funds, in accordance with their department budget, for a particular project or contract through BusinessPlus.

The business practices of the Finance Office shall be carried out with the highest degree of professionalism, ethics, integrity, excellence and transparency. The Finance Office shall be committed to:

- (i). Adhering strictly to the letter of and fulfilling the spirit of all State, Federal and Local Laws and Regulations;
- (ii). Providing superior customer service;
- (iii). Implementing and utilizing best procurement practices;
- (iv). Building solid business-partner relationships, both internally with other departments within the District and externally with the broader community including other school districts;
- (v). Utilizing the latest technological advancements;
- (vi). Providing continuing educational, training and professional development opportunities to its professional staff;
- (vii). Networking with other procurement professionals; and
- (viii). Continued advocacy of small business development by increasing the number of qualified small minority owned and women owned business to the fullest extent.

No purchases shall be made except as provided by applicable Michigan law, Federal law, and the District policies and procedures for the procurement of goods, supplies, equipment, and services. Only the Director of Finance and/or designee, via sub-delegation of authority and the Finance

Office, are expressly authorized by District policy to make any purchase or enter into any contract or agreement for the purchase of goods, supplies, equipment, general and professional services on behalf of the District. **Any purchase made, or contract entered into in violation of the policies and procedures contained herein are void and not binding on the District.**

Employees who violate these policies and procedures are subject to discipline by the District, up to and including termination and may be personally liable to the supplier or contractor for such actions and could be subject to criminal fines and/or other sanctions . All suppliers shall be informed of these policies and procedures and any supplier seeking to circumvent or violate the rules may be suspended or excluded from doing business with the District.

II. PROCUREMENT PROCEDURES

The procurement procedures of the District hereinafter following are those required by the applicable section of the Revised School Code and are hereby adopted to ensure that all purchases made by the District adhere strictly to the letter and spirit of all laws.

General Statutory Power

School districts have express powers, and may exercise those powers that are implied or incidental to those express powers, and may also exercise a power incidental or appropriate to the performance of any function related to the operation of the school district in the interest of public elementary and secondary education within the school district. (MCL 380.11a)

Requirement of an “**Educational Nexus**” defined - Our definition... Unless some specific limitation or prohibition has been placed on expenditures from the General Fund, so long as there is a reasonable “**Educational Nexus**” between the expenditure and the performance of any function related to the operation of a school district in the interests of public elementary and/or secondary education in the school district, the expenditure from the General Fund is allowed.

Fund Sources

The different fund sources used in procurements may be subjected to different applicable rules and laws. Those funds sources are listed below (not all inclusive).

- **General Fund/General Purpose (GF/GP).** Revenues that are collected in the main State operating fund and are not dedicated to a specific purpose by statute. Unrestricted general fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.
- **State and Federal funds (Grants)** - In governmental terminology, a contribution to or from a unit of government for specific or general purposes. This may take the form of donations, bequests, payments to or for local units, aid, reimbursements, etc.
- **Bond Funds** - Bond funds are used to account for the receipt and disposition of the proceeds of all bonds issued. A separate Bond Fund must be provided for each bond issue, and each such fund must have its own self-balancing set of accounts. The manner and degree in which the bond proceeds are allocated to specific expenditure purposes will vary depending on the original authorization and related statutory implementation.
- **Activity Fund** - Used for internal tracking of expenditures in Student/School Activity Accounts

Procurement Difference between Michigan Law (General Funds) and Uniform Guidance (Federal Funds)

Procurement Thresholds (MCL 380.1267, 380.1274 and SPS Policy)

Micro Purchases	<\$10,000 for Supplies/Equipment, Food or Services – Price validation required; one (1) Quote
Small Purchases	\$10,000 – Michigan Bid Threshold – Three (3) quotes required (RFQ).
Sealed Bid/Competitive proposals	>Michigan Bid Threshold – Requires RFP or IFB
Non-Competitive proposal (Sole Source)	No sole source procurement for General Funds
Michigan-Based Business Preference	
• Optional and Requires additional “local policy” • Based upon primary contractor or 1 or more subcontractors or primary contractor • “Michigan-based Business” definition	

Procurement Thresholds U.G. (Federal Funds)

Micro Purchases	<\$10,000 for Supplies/Equipment, Food or Services – Does not require quotes - SPS requires one (1) quote to verify prices
Small Purchases	<\$10,000 – \$250,000 – Three (3) quotes required (RFQ).
Sealed Bid/Competitive proposals	>\$250,000 – Requires RFP or IFB
Competitive Proposal	>\$150,000 – When conditions are not appropriate for sealed bids
Non-Competitive proposal (Sole Source) - Only when one or more of the followings circumstances apply:	
• Available only from a single source • Public emergency will not allow a delay • Authorized (in writing) by the awarding agency or pass through entity • No (or inadequate) competition (after soliciting sources)	

No Michigan-Based Business Preference

SPS as a non-Federal entity requires all federal funds be subjected to the Michigan Bid Threshold. Exceptions: Only with the approval of the Chief Financial Officer.

Department of State and Federal Funds

The Finance Office is required to routinely consult with the Department of State and Federal Programs to ensure that the use of all restricted funds is done in compliance with all applicable restrictions and requirements.

Procurement of Supplies, Materials and Equipment (Goods) - MCL§380.1274

It is the policy of the District that the Superintendent and/or written designee, along with the Finance Office shall be required to obtain competitive bids for the purchase of goods, supplies, materials or equipment as outlined below:

Competitive bidding is required for purchases that exceed the Michigan Bid Threshold or the yearly revision (\$26,046.00 - 2022). The updated amount is listed on the district website. These purchases include:

- Supplies
- Materials
- Equipment

For purchases up to \$10,000.00, the district shall obtain and document at least one quote designed to validate the origin of the price of the purchase.

For purchases that are between \$10,000.00 and the Michigan Bid Threshold or the revision (\$26,046.00 - 2022) the district shall obtain three competitive written price quotes. Competitive quotes can be obtained using competitive intelligence including:

- Use of internet search engines to obtain competitive price comparisons
- Benchmarking using industry trade resources and historical contract data
- Analysis of published catalog and market price list

There is no requirement to advertise in a newspaper or on the department of management and budget website in MCL§380.1274 and §380.623a for bids that are above the Michigan bid threshold for supplies, materials, and equipment (goods) but is highly recommended.

A single purchase may not be divided or split into smaller purchases to circumvent the applicability of the competitive bidding requirement for each dollar threshold listed above.

Exceptions

- (i) Competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under §263(3) of the Management and Budget Act, 1984 PA 431, MCL§18.1263;

- a. Section 1274 provides an exception for equipment purchased through a consortium purchasing arrangement but only for such arrangements operated by the State. The State purchasing consortium operated by the Department of Management and Budget is known as MiDEAL.
 - b. This exception does not apply to non-State sponsored consortium purchasing arrangements.
 - c. To purchase using a non-state sponsored consortium, a formal bid is required if the amount exceeds the state bid threshold. The consortium pricing can then be added as one of the bids.
 - d. The non-construction services component of the consortium purchase can be procured pursuant to the **Procurement of Services and All Other Things of Value which are not Supplies, Materials, Equipment or Construction and Related Services** section of this manual.
- (ii) Purchasing food unless the food purchased is a single transaction costing \$100,000 or less;
 - (iii) If a competitive bid process and or a qualification process has been completed by an authorized source including MDE, MIDEAL, etc. However, a letter from the authorized source must be included in the file documenting that the competitive process is waived for SPS.

The Finance Office is required to routinely consult with the Department of State and Federal Programs to ensure that the use of all restricted funds is done in compliance with all applicable restrictions and requirements.

Best Available Price

- (i) It is the intent of these procedures to provide the Finance Office the greatest degree of flexibility to procure goods, supplies, materials and equipment (goods).
- (ii) The Finance Office shall undertake to ensure that the District is paying no more than the best available value.
- (iii) The Finance Office shall obtain the best quality, service, delivery/lead-time and price available in the market place at the time of sourcing.
- (iv) In order to ensure the best available price at the time of sourcing, an evaluation of the price is completed. This is the process of examining, evaluating and comparing the proposed price to:
 - (a) All offered prices
 - (b) The current contract prices

- (c) The previous/historic contract price
- (d) A similar item's and/or service's price
- (e) An interlocal or piggyback agreement
- (f) Market pricing and/or benchmark pricing
- (g) Ability of the supplier to provide the goods or services
- (h) Other factors
- (v) A price is determined reasonable if it does not exceed what a prudent consumer and/or business person would pay when conducting competitive business.
- (vi) Price analysis clearly demonstrates that the proposed price is reasonable in comparison with current or recent prices for the same or similar items.
- (vii) Factors to consider include, but are not limited to:
 - (a) Comparing offers received
 - (b) Comparing proposed prices to price history or system bill of material or current contract
 - (c) Parametric methods
 - (d) Comparison to published (catalog) price lists and published market prices
 - (e) Comparison with independent government estimates
 - (f) Compare proposed prices to market research or pricing data for same/similar items
 - (g) Analysis of pricing information provided by the supplier,
 - (h) Catalog price
 - (i) Market pricing and/or benchmarking pricing

Method of Solicitation: Open RFP; Content of Solicitation

The Superintendent and/or written designee shall place an advertisement for bids on the website maintained for this purpose or on a website maintained by the District and designated by the department of management and budget for this purpose.

- (i) The advertisement for bid required by the foregoing section shall do all the following:

- (a) Specify the date and time by which all bids must be received by the District personnel or its designee responsible for receiving same;
- (b) State that the District will not consider or accept a bid received by the District after the date and time so specified and the District shall not open any such untimely bids;
- (c) Identify the time and date at which the District will open and read each bid received; and
- (d) State that the bid shall be accompanied by a sworn statement disclosing any familial or financial relationship that exists between the owner or any employee of the bidder and any member of the District, consistent with the District's Conflict of Interest Policy and the District shall not accept a bid that does not include this sworn and notarized disclosure statement.
- (e) State that the bid shall be accompanied by a sworn statement disclosing that pursuant to MCL§129.311 the bidder is not an "Iran linked business".
- (f) Security Bond – Wholly optional (use guidance in MCL 380.1267)
- (g) Performance Bond – Wholly optional (use guidance in MCL 380.1267)
- (ii) Regarding all bids required by these procedures, the District shall:
 - (a) Not open or otherwise consider any untimely bids;
 - (b) Open and read each timely received bid;
 - (c) Not accept or otherwise consider any bid that does not include a sworn statement requiring the bidder to declare that the bidder is not an "Iran linked business".

Exceptions

- (i) Emergency Exception ONLY applies to repairs to school buildings (MCL 380.1267).
- (ii) NO "Emergency" exception for supplies, materials and equipment purchases (MCL 380.1274).
- (iii) ***Emergencies are defined as jeopardizing public health, safety and/or welfare of children, school administrators and/or Southfield Public Schools personnel. A failure to repair a school building would have detrimental effects on the building or on the health, safety or welfare of students or occupants of the school building.***

Even if an emergency occurs, the Finance Office will take steps to ensure the cost of the good or service is reasonable without competition and based on market pricing.

SPS does not consider the potential loss of funds and/or poor planning to be an adequate justification for an emergency purchase.

Procurement for Construction and Repair of and Addition or Renovation to School Buildings - MCL§380.1267

The Superintendent and/or written designee shall obtain competitive bids on ***all*** of the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building before commencing any such construction, addition, repair or renovation project.

Competitive bidding is required for purchases that exceed MCL§380.1267 or the yearly revision (\$26,046.00 - 2022). These purchases include:

- Construction, addition, renovation or repair of a school building

The competitive bidding threshold shall be adjusted each year as provided for in the MCL§380.1267, §380.1267(2), and §380.623a.

Method of Solicitation: Open RFP; Content of Solicitation

- (i) The Superintendent and/or written designee shall place an advertisement for bids at least once in a publication of general circulation, e.g. newspaper, in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place and by posting an advertisement for bids for at least 2 weeks on the department of management and budget website on a page on the website maintained for this purpose or on a website maintained by the District and designated by the department of management and budget for this purpose.
- (ii) The advertisement for bid required by the foregoing section shall do all the following:
 - (a) Specify the date and time by which all bids must be received by the District personnel or its designee responsible for receiving same;
 - (b) State that the District will not consider or accept a bid received by the District after the date and time so specified and the District shall not open any such untimely bids;
 - (c) Identify the time, date, and place of a public meeting at which the District will open and read aloud each bid received by the date and time specified in Subsection (a) and the District shall in fact open and read aloud each such timely received bid; and
 - (d) State that the bid shall be accompanied by a sworn statement disclosing any familial or financial relationship that exists between the owner or any employee of the bidder and any member of the District, consistent with the District's Conflict of Interest Policy and the District shall not accept a bid that does not include this sworn and notarized disclosure statement.

- (e) State that the bid shall be accompanied by a sworn statement disclosing that pursuant to MCL§129.311 the bidder is not an “Iran linked business”.
- (iii) [Security Bond] - The District shall require each bidder for a contract under this Policy to file with the District security in an amount not less than 1/20 of the amount of the bid conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the District (mandatory).
- (iv) [Performance Bond] - The District shall require each bidder for a contract under this Policy to file with the District security in an amount not less than 1/4 of the amount of the bid for bids in excess of \$50,000 conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the District.
- (v) Surety must be licensed in Michigan
- (vi) [Payment Bond] – The District shall require a payment bond be in an amount not less than 25% of the contract amount.
- (vii) Regarding all bids required by these procedures, the District shall:
 - (a) Not open or otherwise consider any untimely bids;
 - (b) Open and read aloud each timely received bid;
 - (c) Not accept or otherwise consider any bid that does not include a sworn statement requiring the disclosure of any familial or financial relationship that exists between the bidder or any employee of the bidder and any member of the District; and
 - (d) Not accept or otherwise consider any bid that does not include a sworn statement requiring the bidder to declare that the bidder is not an “Iran linked business”.
 - (e) Not accept or further consider any bid provided by a bidder which does not file with the District security in an amount not less than 1/20 of the amount of the bid conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the District [Security Bond].

Exceptions

- (i) These procedures shall not apply and the Superintendent and/or written designee may procure construction services without first advertising or otherwise soliciting for bids in circumstances constituting **emergency repair situations**. For purposes of determining when a repair constitutes an emergency, the department or person making the request is required to contact and consult with the Procurement Department.

Emergencies are defined as jeopardizing public health, safety and/or welfare of children, school administrators and/or Southfield Public Schools personnel. A failure to repair a school building would have detrimental effects on the building or on the health, safety or welfare of students or occupants of the school building.

Even if an emergency occurs, the Procurement Department will take steps to ensure the cost of the good or service is reasonable without competition and based on market pricing.

SPS does not consider the potential loss of funds and/or poor planning to be an adequate justification for an emergency purchase.

For purposes of determining when a repair constitutes an emergency, the department or person making the request is required to contact and consult with the Procurement Department for preliminary authorization for the requested emergency repairs. Preliminary authorization may be in the form of text messages, email or other forms of trackable media. Verbal authorizations must be followed up with some form of trackable message.

Emergency repair situations DO NOT circumvent the Purchase Order process. The Purchase Order will follow the preliminary approval as soon as possible after addressing the emergency repair situation. The Purchase order will include language that describes the nature of the emergency with any supporting documents (including pictures if applicable).

Departments are prohibited from extending emergencies, and the Finance Office will not extend awards to include other goods or services that are not required for the immediate resolution of the emergency.

- (ii) These procedures shall not apply and the Superintendent and/or written designee may procure construction services without first advertising or otherwise soliciting for bids:
 - (a) where the building, renovation or repair costs less than the bid threshold or;
 - (b) for repair work normally performed by District employees.

Procurement of Services and All Other Things of Value which are not Supplies, Materials, Equipment or Construction and Related Services

Although Michigan law does not require a competitive bidding process for services, it is the policy of the District to follow the strategic sourcing process for the procurement of services by following the competitive bidding process outlined below. This includes services procured with the use of Federal Education Grant Funds.

Services are defined as those “services not covered by competitive bidding for construction-related projects and which are not primarily associated with and included in the cost of goods, materials and supplies.

Examples of services include but are not limited to: law, accounting, professional services, consulting training, professional development, architecture/engineering, construction management etc.

There is no requirement to advertise in a newspaper or on the department of management and budget website for the procurement of services.

Method of Solicitation: Open RFP; Content of Solicitation

The Superintendent and/or written designee shall place an advertisement for bids on the website maintained for this purpose or on a website maintained by the District. The advertisement for bid required by the foregoing section shall do all the following:

- (1) Specify the date and time by which all bids must be received by the District personnel or its designee responsible for receiving same;
 - (2) State that the District will not consider or accept a bid received by the District after the date and time so specified and the District shall not open any such untimely bids;
 - (3) Identify the time and date at which the District will open and read each bid received by the date and time specified; and
 - (4) State that the bid shall be accompanied by a sworn statement disclosing any familial or financial relationship that exists between the owner or any employee of the bidder and any member of the District, consistent with the District’s Conflict of Interest Policy and the District shall not accept a bid that does not include this sworn and notarized disclosure statement.
 - (5) State that the bid shall be accompanied by a sworn statement disclosing that pursuant to MCL§129.311 the bidder is not an “Iran linked business”.
 - (6) Security Bond – Wholly optional (use guidance in MCL 380.1267)
 - (7) Performance Bond – Wholly optional (use guidance in MCL 380.1267)
- (viii) Regarding all bids required by these procedures, the District shall:
- (a) Not open or otherwise consider any untimely bids;
 - (b) Open and read each timely received bid;

- (c) Not accept or otherwise consider any bid that does not include a sworn statement requiring the bidder to declare that the bidder is not an “Iran linked business”.

Exceptions

- (i) Food Services – Federal Law and MDE requirements require specific RFP process (\$150,000 Small Purchase Threshold)
- (ii) Federal funding paying for services and Federal law requires competitive bidding
- (iii) Privatizing or outsourcing non-instructional services with “unionized workforce” – must give union the “opportunity to bid on an equal basis as other bidders.”
- (iv) Required by board policy

Method of Solicitation: Criteria Based; Closed RFP

Method of Solicitation: Criteria Based; Negotiated Contract

Competitive Procurement Process

Competitive procurement requirements are a public policy established to prevent fraud and favoritism and to protect public funds. It is SPS policy to engage in a strategic and competitive procurement process before entering into any contract or issuing any purchase order, except for the limited exceptions set forth below. Accordingly, SPS will utilize one of the procurement methods set forth prior to executing a contract or issuing a purchase order.

Exceptions to Competitive Bidding Process

SPS construes exceptions to its competitive procurement process very narrowly. The Finance Office is solely authorized and accountable for procuring goods and services on behalf of the District. Even in the case of exceptions to the competitive sourcing process, all purchases must comply with SPS requisition, procurement and invoicing process and requirements, as well as in compliance with Federal procurement regulations 34CFR Part 80.36, examples of possible exceptions to the competitive bidding process are:

1. Emergency Situations

SPS may procure goods or services without utilizing a competitive bid process if the Finance Office determines there is an emergency that poses an immediate threat to public health, safety or welfare.

Emergencies are defined as jeopardizing public health, safety and/or welfare of children, school administrators and/or Southfield Public Schools personnel. A failure to repair a school building would have detrimental effects on the building or on the health, safety or welfare of students or occupants of the school building.

Even if an emergency occurs, the Procurement Department will take steps to ensure the cost of the good or service is reasonable without competition and based on market pricing.

SPS does not consider the potential loss of funds and/or poor planning to be an adequate justification for an emergency purchase.

For purposes of determining when a repair constitutes an emergency, the department or person making the request is required to contact and consult with the Procurement Department for preliminary authorization for the requested emergency repairs. Preliminary authorization may be in the form of text messages, email or other forms of trackable media. Verbal authorizations must be followed up with some form of trackable message.

Emergency repair situations DO NOT circumvent the Purchase Order process. The Purchase Order will follow the preliminary approval as soon as possible after addressing the emergency repair situation. The Purchase order will include language that describes the nature of the emergency with any supporting documents (including pictures if applicable).

Departments are prohibited from extending emergencies, and the Finance Office will not extend awards to include other goods or services that are not required for the immediate resolution of the emergency.

2. Contracts through a Cooperative Arrangement

SPS does not require the use of only one of the procurement methods described below for goods or services that are to be purchased through an approved cooperative bulk purchasing program or agreement in conjunction with local, state or federal agencies, where the Finance Office has determined that such arrangements resulted from a competitive bidding process.

The Finance Office is required to routinely consult with the Department of State and Federal Programs to ensure that the use of all restricted funds is done so in compliance with all applicable restrictions and requirements.

3. Single (Sole) Source Procurement

Is defined as a request to procure goods or services from a single (sole) source usually because of a unique expertise, licensing, patent, copyright, etc. without conducting a competitive bid process.

To procure goods or service as a single (sole) source, the requisitioner/requestor must provide a business case for a single source request with appropriate management

approvals. It is at the Finance Office's discretion to accept or reject the single source request.

The Finance Office must document reasons for accepting the single source request and demonstrate competitiveness by: competitive intelligence using technology; benchmarking intelligence and a cost analysis which is an evaluation of the cost elements of a proposed price to determine overall value. The elements of a cost analysis are cost, volume, market rates/prices, assumptions, constraints, etc. To complete a cost analysis, the Purchasing Specialist's actions include comparing the unit/total price to historic or current contract prices or market prices for the same or similar goods/services for the review and evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of cost to be incurred, prices to be paid, and costs to be reimbursed. A cost analysis is required when goods or services are procured from a single (sole) source. Common single source rationale and examples are listed below. The list includes examples and is not limited to or necessarily all inclusive:

1. Goods or Service can only be identified by original equipment manufacturers' part number; must be procured from this source. Restriction should be identified at the time of initial sourcing of part or service.
2. Proprietary/Patented Items: Supplier holds patent, copyright or license to requested part, service or technology. Justification should be provided as to why such restriction is appropriate and represents best value.
3. Small Value is defined as a dollar value that is less than \$10,000.
4. Repeat Order: Current requisition is for exact same good or service in a prior order. All terms, conditions and price of prior order apply to this order. Prior purchase order number must be referenced; prior order should have price justification and have been placed within the past twelve (12) months. Repeat orders cannot be used if the prior order was an emergency order.
5. Critical Timing: The time to competitive bid is prohibitive to meet delivery timing for an important internal milestone; description of timing constraints or milestones must be listed/identified. This should not be used as an excuse for late/poor planning which prevents Finance Office from following the strategic sourcing process or proper sourcing. Requisitioner to substantiate claim for critical timing and provide details to The Office of Procurement and Logistics.
6. Compatibility: Requested goods or service will provide continuity; interruption would jeopardize quality, create a cost increase or delay delivery timing.

Contract Management

The Finance Office is solely and exclusively authorized to perform all supplier relationship management functions. The Supplier Relationship Management responsibility includes supplier metrics, supplier performance and supplier quality and business reviews, the Finance Office scorecards, lean/process discipline, policy and procedures as well as the single point of contact for potential suppliers. The District's suppliers are to be selected in a manner as to foster public confidence in the integrity of the Southfield Public Schools strategic sourcing process.

Methods of Contracting

Before SPS can begin to receive goods or services from a supplier, **an authorized written agreement with the supplier signed by the Superintendent or written designee, must exist.**

This agreement can be in the form of a purchase order and/or a contract. No SPS employee should direct a supplier to initiate work or to provide goods without such a contract and/or purchase order in place and as such will constitute an unauthorized agreement and will result in no payment to the supplier and possible disciplinary action regarding the employee.

Method Used	When Appropriate
Purchase Order (PO's)	PO's are generally for the purchase of goods that are one-time purchases. PO's can be used for services in conjunction with a contract.
Contract (with Purchase Order)	Primarily for services. Also, contracts are used for goods that require multiple purchases overtime. Examples include goods that involve any of the following: • labor • warranty • service agreements and • other specialized terms and conditions
Master Contract	A master contract sets forth the terms and conditions of the relationship between SPS and a supplier including pricing, but does not obligate SPS to purchase any good or service. A subsequent purchase order will be issued to purchase the good or service.

How Procurement shall be accomplished

Procurement by the District, as delineated, shall be accomplished only by, though, under and otherwise pursuant to one or more written contracts (including purchase orders) to be issued by

the Superintendent or written designee along with the Finance Office and which contract or contracts shall be issued to, and entered into between, the Provider of such goods or services and the District **prior** to the receipt of the goods or services.

It is the policy of the District that any provider of goods, services or other thing or things of value that seeks or intends to seek compensation from the District for said goods, services or other thing or things of value shall not provide and the District shall not accept or otherwise receive any such goods, services or other thing or things of value without such provider of the goods, services, or other thing or things of value first seeking and obtaining a valid purchase order or contract issued by the Finance Office in compliance with this Policy.

Procurement via Purchase Order

It is the policy of the District that the Finance Office shall be solely responsible and accountable for the procurement of goods, services and other thing or things of value by first receiving a request for goods and/or services outlined in a Purchase Requisition with detailed requirements and/or descriptions of goods and/or services needed. Once the approved requisition is in the Finance Office queue as an approved request and after the procurement process is complete, a contract or purchase order is issued by the Finance Office. Included in the purchase order are:

1. Description of the item or items (which may be goods, services and any other thing or things of value) to be procured and the requirement that detailed invoicing must accompany all requests for payment;
2. Pricing;
3. Execution;
4. Acceptance;
5. Delivery;
6. Termination;
7. Warranty;
8. Delays;
9. Indemnification;
10. Insurance;
11. Independent contractor status;
12. Changes;
13. Remedies;
14. Changed conditions;
15. Access and records retention;
16. Suspension of work;
17. Inspection/testing;
18. Assignment and subcontracting;
19. Packing and miscellaneous fees;
20. Cancellation;
21. Patents and trademarks;
22. Insolvency;
23. Compliance with Laws;
24. Products containing hazardous chemicals;

25. Impartial selection of vendor;
26. Venue; and
27. Dispute resolution.

Many of the above requirement are automated and included on the last page of the Purchase Order.

Procurement via Purchase Order where Further Writing Deemed Necessary

It is the policy of the District that where the Superintendent and/or written designee, along with the Finance Office, determines that the procurement of goods, services and other thing or things of value through the use and issuance of the standard Purchase Order or contract is insufficient to provide the District with the customary, standard and other legal protections readily available in the market, that the Superintendent and/or designee shall seek the advice and counsel of the office of the General Counsel and other subject matter experts interested in the items or services to be procured, undertake to issue, negotiate or accept further contract documentation and enter into the same with the supplier offering to provide such goods, services or other thing or things of value.

III. COOPERATIVE PURCHASES

Pursuant to the Urban Cooperation Act of 1967, the District may enter into an agreement with another state agency (including other school districts, a city, county or township, or state or federal political subdivision) to, among other things, jointly purchase materials or exercise any other joint powers. MCL§124.501, et seq. Joint or coordinated purchases can reduce administrative costs, take advantage of quantity discounts, share specifications, or create a heightened awareness of the legal requirements. The District shall, where possible, enter into joint agreements with other state agencies. Such agreements shall be reviewed by Finance Office and the District's General Counsel prior to execution. Examples of the kinds of cooperative agreements permissible under the Urban Cooperation Act of 1967 are as follows:

Interlocal Agreement Purchases

Local governments may contract with and between each other, for the purchase of goods. Such agreements shall be drafted so that purchases satisfy the competitive bidding laws of this state and District policy.

Piggy-Backing

Piggy-backing occurs when one governmental agency purchases for itself and for others as a convenience to the others. Before taking advantage of another governmental agency's purchase agreement, the District shall determine if the procurement complies with competitive bidding laws and District policy.

Joint Purchases

Joint purchasing occurs when two or more governmental agencies join together to purchase one or more items jointly. This may involve each entity handling part of the administrative duties or agreeing to have one of the entities handling the transactions under the guidance of the others. All parties to a purchase must agree to the product specifications so that the result will be a satisfactory purchase.

Purchases Through Third Parties

Purchasing through third parties occurs when several local governments agree to allow an independent agency to do all or part of the purchasing for the entities. This may be done by an agency formed especially for this purpose, or through an established agency. This type of agreement should be implemented by a contract which details the duties and responsibilities for both the agency and the local governments involved. It may include a continuing arrangement or be for a single purchase.

IV. DISPUTES AND DISPUTE RESOLUTION

In the event of any disputes, including disputes concerning a question of fact or law (“disputes”), claims, issues, questions, or disagreement arising from or relating to this contract or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement in a timely manner initially with the Purchasing Specialist and the supplier. If resolution is not reached, then the supplier shall meet with the Director of Finance. If a solution is not reached, then the supplier shall meet with the Chief Financial Officer to resolve the issue. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interest(s), attempt to reach a just and equitable solution satisfactory to both parties.

Any disputes, claims, issues, questions, or disagreement arising under or related to a contract or Purchase Order which is not disposed of by agreement shall be decided by the Director of Finance who shall reduce their decision to writing and mail or otherwise furnish a copy thereof to the supplier. This decision shall be binding and conclusive on the parties. If there are further objections by a supplier, a written letter is required within 10 business days of receipt of SPS decision. It shall be at the sole discretion of the Director of Finance to determine next steps.

V. OVERVIEW OF THE DISTRICT’S PROCUREMENT PROCESS

Budget and Identifying Desired Goods and Services

The first step in the procurement process does not actually begin with Procurement and Logistics but with the budget process itself. Once the budgets have been determined and the

Stakeholders have been informed, then the process of identifying the goods and services necessary to fulfill the Stakeholder's stated objectives begins. The value-added, strategic sourcing and customer-service functions of Finance Office begins once a Stakeholder has the following:

- 1) Verified that it has appropriate budget
- 2) Identified the good(s) or service(s) it needs or desires entering a requisition into the BusinessPlus system and
- 3) Determined that it is *necessary* to procure the particular good(s) or service(s) (the "Buying Decision").

Requesting Goods and Services

Once the buying decision has been made, then the Stakeholder which has made that requisition decision, acting through one of its authorized directors or other personnel, a description of the good or services is developed and a requisition is created. A requisition is the official request from a Stakeholder to Finance Office to obtain the good(s) or service(s) sought. The requisition is assigned a number which identifies it in the system until it is completed in the process and a purchase order is issued or the requisition is removed from the system. A significant amount of the steps in the process are automated and occur in the BusinessPlus System.

Requisition Process

It is the responsibility of the Budget Holder to ensure that funds are available for the requested goods and/or services required. The Budget Holder must also ensure that all budget transfers have been completed if necessary to properly account for the requested items. Once the budget is confirmed the requisition can be entered in to BusinessPlus.

The Finance Office is staffed by strategic sourcing and customer service professionals commonly known as purchasing specialists who facilitates the purchasing process. Once the requisition is entered into the BusinessPlus System it is routed for approval by the responsibility code. If the purchase is to be made with grant funds, it will be routed for approval by the District office responsible for ensuring that grant funds are used in full compliance with the agency, department or other organization which provided the grant funds. The requisition can be routed for additional approvals based on the subject-matter specifics of the requisition. In other words, a specialized item which must obtain budget and or confirm that the purchase is aligned with the District's standards from the Department to which the goods or services relates if it is from one of three of the following areas:

- (i) Technology requisitions must be routed to and obtain the approval of the Information Technology Department;

- (ii) Security requisitions must be routed to and obtain the approval of the Public Safety and Security Department; and
- (iii) Temporary service requisitions must be routed to and obtain the approval of the Human Resources Department.

Any approver in the process may seek more information, approve the requisition or deny the requisition.

Once approved, the requisition becomes a purchase order and is sent to the requisitioner and the vendor if the vendor is set-up to receive Purchase Orders automatically from the system. The requisitioner will be notified if the Purchase Order was not sent to the vendor. In such as case it is the requisitioner's responsibility to ensure that the vendor receives the Purchase Order

If any requisition fails to obtain the required approval at any level (grant or specialized), then it is removed from the process and the Stakeholder is notified. If a Stakeholder whose requisition was not approved wishes to appeal or otherwise seeks reconsideration, ***he or she must approach the Department which rejected the requisition and refused to issue the approval.*** Appeals occur outside of the procurement process and if successful, then the Stakeholder must edit the original requisition to provide the necessary information and/or supporting documents to the satisfaction of the department(s) that rejected the requisition or delete the original requisition and begin the procurement process anew by entering a new requisition into the BusinessPlus System.

Requisitions which obtain the required approval are then reviewed by Finance Office to determine the method of procurement.

Method of Procurement

All approved requisitions are examined by Finance Office to determine whether the goods or services will be acquired under and pursuant to an existing contract or other business relationship.

The requisitions of certain items are considered direct to supplier items or Direct Connect items (Punchout). The Direct Connect process is fully automated in the BusinessPlus System. A Direct Connect item is an item that is directly sent to a supplier to process as a store or catalog item via a purchase order.

Requisitions the meets or exceeds the Michigan bid threshold as a single purchase or in the aggregate will be sourced through the RFP/RFQ/ITB process or through Cooperative sourcing.

The Purchase Order, Supplier Right to Payment

The execution and the issuance of a contract and/or the purchase order is the next step performed by Finance Office in order to facilitate the suppliers' right to deliver goods and perform services for the District and receive payment for the delivery of goods and services rendered. Once the

purchase order is issued, a number is assigned to it. This number is then communicated to the supplier and the Stakeholder. The purchase order number (the "PON") may be communicated to the supplier by one or more of the following methods: facsimile transmission; email; or U. S. Mail. ***(Without regard for whether a contract is required and subsequently executed and delivered, without the issuance of a valid purchase order, the District shall have no obligation or liability to any supplier for goods or services delivered, performed or otherwise provided to the District. In addition, once a valid purchase order is issued, executed and delivered, a supplier shall have no right to receive payment from the District unless and until the goods and services that are the subject of the validly issued purchase order are delivered, performed or otherwise provided to the District, that is to say that unless and until the District receives the benefit of its bargain under the purchase order and/or the contract, if any, the District shall have no obligation to make payment to the supplier or any assign or any other party claiming under, by, or through such supplier that did not deliver value to the District. Furthermore, any supplier which delivers, performs or otherwise provides goods, services or other thing or things of value to the District without a validly issued, executed and delivered purchase order first being issued and in place and not expired, revoked, rescinded or otherwise without legal effect, shall have no right against the District for payment for such goods or services delivered, performed or otherwise provided while no validly issued, executed and delivered purchase order in place that was not at the time expired, revoked, rescinded or otherwise without legal effect.)***

Once the supplier ships or otherwise delivers the goods or performs the services, the Stakeholder must then acknowledge receipt of the goods or services within the BusinessPlus System. The BusinessPlus System shall be configured, or a feature added such that the act of receiving goods or services through the BusinessPlus System shall require a password or other encryption which makes in the BusinessPlus System a record of who acknowledged receipt of the goods or services and caused the BusinessPlus System to issue the obligation to pay to the accounts payable department. The receipt of goods or services, as itemized on the purchase order, and the issuance of the obligation to pay shall be accompanied by the Stakeholder's acknowledgement that he or she makes the receipt and issues the obligation to pay with full understanding that false statements are a crime and that SPS will prosecute all acts of dishonesty. Once accounts payable receives the supplier's invoice and the acknowledgement from the BusinessPlus System, payment to the supplier should be issued.

The Purchasing Specialist is encouraged though not required, during the academic year, to visit Department/School sites to meet the Stakeholders and to see how the goods or services which were procured are being used. These visits shall also serve as an audit function. Should the Purchasing Specialist be unable to confirm that any goods or services were in fact received and in cases where there is the appearance of fraud, then he or she shall be under an obligation to inform his or her direct supervisor. Additional action should be taken by the direct supervisory including informing the Chief Financial Officer and General Counsel of the District of the Purchasing Specialist's findings. A Purchasing Specialist's failure to report his or her findings correctly and honestly shall make him or her complicit in and an accessory to the suspected fraud

he or she failed to report. In all events, the Purchasing Specialist shall indicate by making a written report and document in the appropriate supplier file that he or she visited a SPS site and note any findings that were noted.

Michigan Based Business Preference

All other things being equal, Southfield Public Schools must give preference to products manufactured or services offered by Michigan-based firms. Consideration will also be given to minority-owned, women-owner, veteran-owned and small businesses.

Exception: Expenditures using federal funds

Meeting all material terms and conditions; SPS will award to the lowest “responsive and responsible bidder”.

VI. RECORD KEEPING

In order to ensure good record keeping and to verify that all items, goods, services and every other thing or things of value used and procured by the District is done properly and with the utmost care, diligence, and strict adherence to all Laws; the Finance Office has created and uses a File Checklist. The file checklist is a guideline to ensure that all processes and procedures results in an electronic record of all documents required and acquired during the sourcing process and related to the sourcing decision including by way of example and not limited to:

- A description of services required – stated in the Requisition / Purchase Order
- An approved requisition for goods or services - electronic
- A bidder list - stored on the shared drive for each RFP/RFQ/IFB solicitation
- Source comparison of bids received – stored on the shared drive for each RFP/RFQ/IFB solicitation
- Pricing analysis of bidders' responses; evaluation team analysis – stored on the shared drive for each RFP/RFQ/IFB solicitation
- Verification that the supplier is not suspended, debarred or otherwise disqualified – SAM.gov; Michigan.gov
- Verifiable proof of each approval required, including those added approvals required prior to the spending of grant funds - electronic
- A copy of the signed contract, if required– stored on the shared drive for each RFP/RFQ/IFB solicitation
- A copy of the purchase order that is required and must be issued to all suppliers which receive payment from the District - electronic

It is the Finance Office's policy to retain all contracts for a minimum of seven (7) years after the expiration date of the contract. All bids, proposals and quotes must be retained for seven (7) years.

All other records maintained in Finance Office are to be maintained per the *State of Michigan Records Retention and Disposal Schedule for Michigan Public Schools*.

VII. TRAINING AND COMPLIANCE

Finance Office will conduct annual in-service training for all principals, administrators, procurement personnel and other stakeholders. Attendance at the sessions is mandatory and each employee will be required to sign a form attesting to;

- Their attendance to the training
- Their acknowledgement of the District Procedure Policy
- Their agreement to abide by the Policy

VIII. PROCUREMENT RESOURCES AND WEBSITES

Applicable Legal Statutes and Policies List

Procurement Legal Reference MCL 380 - The Revised School Code

- MCL 380.1274 - Procurement for Goods
- MCL 380.1267 - Procurement for Construction
- MCL 380-623 – Board; General Duties and Conducting Business at Public Meetings

Procurement Related Board Policies

- Board Policy - PO6320 – Purchasing
- Board Policy - PO6321 - New Construction
- Board Policy - PO6325 - Procurement (Federal Grant Funds)

Procurement Legal Reference - 34 CFR 80-36

(This is not an all-inclusive list)

Legal Notice - (Local Publications)

When submitting a notice, please send to oelegals@michigan.com.

- **LEGAL NOTICES FOR A THURSDAY PUBLICATION**
 - Observer & Home Town Weekly Newspapers
 - **Submit copy by: Previous Thursday by 2pm**
 - Approval of proof by: Friday at 2pm
- **LEGAL NOTICES FOR A SUNDAY PUBLICATION**
 - Detroit news & Detroit Free Press
 - **Submit copy by: Monday by 2pm**
 - Approval of proof by: Tuesday by 2pm

Observer & Eccentric Newspapers: Send to: oelegals@michigan.com

- The Observer papers, are published on Thursday and Sunday.
 1. They include: Livonia Observer, Westland Observer, Farmington Observer,
 2. Canton Observer & Plymouth Observer.

Hometown Weekly Newspapers: Send to: htwlegals@michigan.com

- Hometown weekly papers include Northville Record, No News, South Lyon Herald and Milford Times, which is the htwlegals@michigan.com address. Publish Thursday only

Detroit News and Detroit Free Press

- Contact oelegals@michigan.com for specifics

Your notice will be published on the next available publication date unless otherwise requested.

Please send your notice as soon as possible to allow time for review, corrections/changes, and approval.

NOTE: THE DEADLINES ARE ALWAYS MOVED UP WHEN THERE IS A HOLIDAY IN THE WEEK.

Punchout Accounts

- Office Depot
- Staples
- School Specialty
- Lakeshore
- Amazon

Ecommerce Websites

Site Name	Staples Advantage
Purpose	Retail Office Supplies at Contract Discount
Website	www.staplesadvantage.com

Site Name	Office Depot
Purpose	Retail Office Supplies at Contract Discount
Website	www.business.officedepot.com

Site Name	School Specialty
Purpose	Retail Office Supplies at Contract Discount
Website	www.store.schoolspecialty.com

Site Name	Amazon
Purpose	Retail Office Supplies at Contract Discount
Website	www.amazon.com

Cooperative Purchasing Websites

DTMB - MiDEAL

REMC SAVE

US Communities / OMNIA Partners

AEP Coop

Bid Sites

Site Name	Demand Star
Purpose	Supply RFP/RFQ
Website	www.demandstar.com/app/login

Site Name	FedBid
Purpose	Supply RFP/RFQ
Website	www.fedbid.com

Site Name	Sigma Procurement
Purpose	Construction RFP/RFQ/IFB
Website	Sigma Procurement

Site Name	Bidnet Direct (MITN)
Purpose	Supply RFP/RFQ
Website	www.bidnetdirect.com

IX. EXHIBITS

Exhibit A1 – Supplier Acknowledgement of Conflict of Interest

SUPPLIER ACKNOWLEDGEMENT OF SPS CONFLICT OF INTEREST POLICY AND SUPPLIER DISCLOSURE STATEMENT

AFFIDAVIT OF _____

(name of affiant)

STATE OF MICHIGAN

COUNTY OF _____

_____ makes this Affidavit under oath and states as follows:

I, the undersigned, being first duly sworn, depose and say that I have read the standards related to Conflicts of Interest involving members or employees of the District, understand them and make the following disclosures concerning myself, the owners/officers of the firm I represent, or any member of it. The statement prohibits public servants from directly or indirectly soliciting any contract between his or her public entity employer and any of the following:

- (a) Him or Herself.
- (b) Any firm, meaning a co-partnership or other unincorporated association, of which one is a partner, member or employee.
- (c) Any private corporation in which one is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which one is a director officer, or employee.
- (d) Any trust of which he or she is a beneficiary or trustee.
- (e) Do not take part in the negotiations for such a contract or the renegotiation or amendment of the contract, or the approval of the contract.
- (f) Represent either party in the transaction.
- (g) Promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings.

Furthermore, neither I, nor the owner/officers of the firm, nor any member of it, is involved, directly or indirectly, in a business relationship with any member or employee of the Southfield Public Schools, and that, to the best of my knowledge, a conflict of interest situation, within the meaning of the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING MEMBERS OR EMPLOYEES OF THE SOUTHFIELD PUBLIC SCHOOLS does not exist other than: _____

Name (type or print): _____

Signature: _____
(Must be signed by President or Vice President)

Position: _____

Firm: _____

Subscribed and sworn to before me this ____ day of _____, 2018

Notary Public, _____

My Commission expires: _____,

Review by Office of Procurement and Logistics:

Comments: _____

Accept: _____ Decline: _____

Signature of Authorized Representative

Exhibit A2 – Affidavit of Bidder -Familial Relationships Form

The undersigned, the owner or authorized officer of _____ (the “Bidder”), pursuant to the familial disclosure requirement provided in the Southfield Public School District (the “School District”) advertisement for service bids, hereby represent and warrant, except as provided below, that no familial relationships exist between the bidder(s) or any employee of the School District, and any member of the Board of Education of the School District or the Superintendent of the School District.

List any Familial Relationships:

BIDDER: _____

By: _____

Its: _____

STATE OF MICHIGAN)

)ss.

COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of _____, 2023, by

_____.

BOARD OF EDUCATION

President:	Ashanti L. Bland
Vice President:	Yvette Ware-Devaul
Secretary:	Leslie L. Smith-Thomas
Treasurer:	Amani Johnson
Trustee:	Darrell B. Joyce
Trustee:	Talisha Belk
Trustee:	Jillian Holloway
Superintendent:	Dr. Jennifer Martin-Green

, Notary Public

_____ County, Michigan

My Commission Expires: _____

Acting in the County of: _____

Exhibit A3 – Affidavit of Compliance – Iran Economic Sanctions Act
Michigan Public Act No. 517 of 2012

The undersigned, the owner or authorized officer of _____ (the “Bidder”), pursuant to the compliance certification requirement provided in the Southfield Public Schools Request For Proposal hereby certifies, represents and warrants that the Bidder (including its officers, directors and employees) is not an “Iran Linked Business” within the meaning of the Iran Economic Sanctions Act, Michigan Public Act No. 517 of 2012 (the “Act”), and that in the event Bidder is awarded a Contract the Bidder will not become an “Iran Linked Business” at any time during the course of performing under the Contract.

The Bidder further acknowledges that any person who is found to have submitted a false certification is responsible for a civil penalty of not more than \$250,000.00 or 2 times the amount of the Contract or proposed Contract for which the false certification was made, whichever is greater, the cost of the School District’s investigation, and reasonable attorney fees, in addition to the fine. Moreover, any person who submitted a false certification shall be ineligible to bid on an RFP for three (3) years from the date the it is determined that the person has submitted the false certification.

BIDDER: _____

By: _____

Its: _____

STATE OF MICHIGAN

COUNTY OF _____

The instrument was acknowledged before me on the _____ day of _____, 2023, by _____.

_____(signature)

_____(printed)

Notary public, State of Michigan, County of _____

My commission expires on _____

Acting in the County of _____

Exhibit B1 – Procurement File Checklist

1. A description of services required
 - a. Stated in the Requisition / Purchase Order
 - b. Maintained in BusinessPlus POUPPR
2. Approved Requisition / Purchase Order / Supporting Documents (quotes)
 - a. Maintained in BusinessPlus POUPPR
3. Verifiable proof of each approval required, including those added approvals required prior to the spending of grant funds
 - a. Maintained in BusinessPlus POUPPR
4. RFP / RFQ / ITB / RFI / Bid List
 - a. Maintained on shared drive by RFP Number
5. Advertisement Print Out
 - a. Maintained on shared drive by RFP Number
6. Supplier Responses Date Stamped
 - a. Maintained on Bids@southfieldk12.org
 - b. Maintained on Bid Sites
 - i. MITN
 - ii. DemandStar
 - iii. FedBid
 - iv. Sigma Procurement
7. Bid Opening and Reading Sign-in Sheet
 - a. Maintained on shared drive by RFP Number
8. Supplier Responses to Bid
 - a. Maintained on shared drive by RFP Number
9. Supplier Comparison / Supplier Pricing analysis
 - a. Maintained on shared drive by RFP Number
10. Side by side comparison of all supplier bid responses based on the criteria outlined.
 - a. Maintained on shared drive by RFP Number
11. Evaluation Team Analysis
 - a. Maintained on shared drive by RFP Number
12. Side by side summary of the pricing analysis completed with a cost breakdown by supplier and the factors used to evaluate the pricing provided by each supplier.
 - a. Maintained on shared drive
13. Sourcing Selection/Source Rationale
 - a. Maintained on shared drive by RFP Number
14. Sole/Source Rationale
 - a. Maintained on shared drive
15. Print Out of Excluded Parties List System (EPLS)
16. PDF copy of the search performed on the selected supplier on www.sam.gov
17. PDF copy prints of the search performed on the selected supplier on State of Michigan Debarment website
18. A copy of the signed contract and any amendments or additional Scopes of Work, if required
 - a. Maintained on shared drive by RFP Number

Exhibit B2 – Contract File Checklist Definitions

- 1) Statement of Work/Scope of Service/Description of Services – A document that details requirements and/or descriptions of services needed. This document is prepared by the Department that is requesting goods or services.
- 2) Requisition (check either a. or b.)- A request for goods or services which includes items needed and the quantity requested. The requisition is originated and approved by the requesting department.
 - a. Special Request- A requisitions manually entered into BusinessPlus.
 - b. Item Catalog/Direct Merchant Process (do not attach, see BusinessPlus)-A qualified item with pricing to be purchased from prequalified suppliers in BusinessPlus.
- 3) RFP/RFQ- RFI - All documents, whether attached or incorporated by reference, utilized for inviting suppliers to participate in the competitive bidding process.
- 4) Advertisement Print Out – hard copy of newspaper ad printed for construction. This is a requirement in the bond competitive bid process.
- 5) Bid List - A list of all suppliers requested to bid.
- 6) Supplier Responses Date Stamped- In the Bond competitive bid process, supplier responses with the date stamped displaying the time the responses were received is required.
- 7) Bid Opening and Reading Sign-In Sheet the formal process in which sealed bids are opened, usually in the presence of one or more witnesses at the time and place specified in the invitation for bids. The amount of each bid is recorded and bids are made available for public inspection. This is a bond competitive bid process requirement.
- 8) Supplier Responses to Bid – actual bid responses received from each supplier(s) including supplier back up materials.
- 9) Supplier Comparison – grid of all key items by supplier.
 - a. Side by side comparison of all supplier bid responses based on the criteria outlined.
- 10) Supplier Pricing Analysis – side by side summary of the pricing analysis completed with a cost breakdown by supplier and the factors used to evaluate the pricing provided by each supplier.
- 11) Sourcing Selection/Source Rationale – a summary document listing key points of the contract being signed with a brief rationale of how the supplier was selected.

- 12) Sole Source Rationale – A request to procure goods or services from a pre-qualified source usually because of a unique expertise, licensing, patent, copy right, etc. without conducting a competitive bid process.
- 13) Executive Summary – High level description of the sourcing and selection process detailing the parties involved, background and current state, recommendation and next steps
- 14) Print Out of Excluded Parties List System (EPLS) – Hard copy print of the search performed on the selected supplier on www.epls.gov
- 15) EPLS Sign Off Sheet Signed by Director – a verification of the fact that the selected supplier is not an excluded party pursuant to a search performed on www.epls.gov
- 16) Type of Agreement
 - a. Contract-A legally binding promise, enforceable by law.
 - b. Purchase Order Only--A purchaser's written document to a supplier formalizing all the terms and conditions of a proposed transaction, such as description of the requested item(s), delivery, schedule, terms of payment and transportation.
 - c. Contract with Purchase Order – combination of 17a. and 17b.
 - d. Amendment-A revision or change to a contract executed by all parties.
 - e. Change Order-A written alteration to a contract or purchase order, signed by the purchasing authority, in accordance with the terms of the contract, unilaterally directing the contractor to make changes. This is specific to the Bond procurement process.
- 17) Contract Review and Approval Form – Review and approval of the contract by Risk Management, where applicable, General Counsel for contract language and by the Executive Director of Procurement and Logistics prior to execution.
- 18) Background Check Verification – criminal background check and finger printing of all suppliers that have regular and ongoing contact with students.
- 19) Copy of the Certificate of Insurance – hard copy of the supplier's insurance certificate matching the contract requirements showing SPS as a covered party.

Exhibit C - Debarment, Suspension, and Ineligibility

9.400 Scope of subpart.

(a) This subpart—

(1) Prescribes policies and procedures governing the debarment and suspension of contractors by agencies for the causes given in 9.406-2 and 9.407-2;

(2) Provides for the listing of contractors debarred, suspended, proposed for debarment, and declared ineligible (see the definition of “ineligible” in 2.101); and

(3) Sets forth the consequences of this listing.

(b) Although this subpart does cover the listing of ineligible contractors (9.404) and the effect of this listing (9.405(b)), it does not prescribe policies and procedures governing declarations of ineligibility.

9.401 Applicability.

In accordance with Public Law 103-355, Section 2455 (31 U.S.C. 6101, note), and Executive Order 12689, any debarment, suspension or other Governmentwide exclusion initiated under the Non-procurement Common Rule implementing Executive Order 12549 on or after August 25, 1995, shall be recognized by and effective for Executive Branch agencies as a debarment or suspension under this subpart. Similarly, any debarment, suspension, proposed debarment or other Governmentwide exclusion initiated on or after August 25, 1995, under this subpart shall also be recognized by and effective for those agencies and participants as an exclusion under the Non-procurement Common Rule.

9.402 Policy.

(a) Agencies shall solicit offers from, award contracts to, and consent to subcontracts with responsible contractors only. Debarment and suspension are discretionary actions that, taken in accordance with this subpart, are appropriate means to effectuate this policy.

(b) The serious nature of debarment and suspension requires that these sanctions be imposed only in the public interest for the Government’s protection and not for purposes of punishment. Agencies shall impose debarment or suspension to protect the Government’s interest and only for the causes and in accordance with the procedures set forth in this subpart.

(c) Agencies are encouraged to establish methods and procedures for coordinating their debarment or suspension actions.

(d) When more than one agency has an interest in the debarment or suspension of a contractor, the Interagency Committee on Debarment and Suspension, established under Executive Order 12549, and authorized by Section 873 of the National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417) (31 U.S.C. 6101, note), shall resolve the lead agency issue and coordinate such resolution among all interested agencies prior to the initiation of any suspension, debarment, or related administrative action by any agency.

(e) Agencies shall establish appropriate procedures to implement the policies and procedures of this subpart.

9.403 Definitions.

As used in this subpart—

“Affiliates.” Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third-party control or has the power to control both. Indicia of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized following the debarment, suspension, or proposed debarment of a contractor which has the same or similar management, ownership, or principal employees as the contractor that was debarred, suspended, or proposed for debarment.

“Agency” means any executive department, military department or defense agency, or other agency or independent establishment of the executive branch.

“Civil judgment” means a judgment or finding of a civil offense by any court of competent jurisdiction.

“Contractor” means any individual or other legal entity that—

(1) Directly or indirectly (*e.g.*, through an affiliate), submits offers for or is awarded, or reasonably may be expected to submit offers for or be awarded, a Government contract, including a contract for carriage under Government or commercial bills of lading, or a subcontract under a Government contract; or

(2) Conducts business, or reasonably may be expected to conduct business, with the Government as an agent or representative of another contractor.

“Debarring official” means—

(1) An agency head; or

(2) A designee authorized by the agency head to impose debarment.

“Indictment” means indictment for a criminal offense. An information or other filing by competent authority charging a criminal offense is given the same effect as an indictment.

“Legal proceedings” means any civil judicial proceeding to which the Government is a party or any criminal proceeding. The term includes appeals from such proceedings.

“Non-procurement Common Rule” means the procedures used by Federal Executive Agencies to suspend, debar, or exclude individuals or entities from participation in non-procurement transactions under Executive Order 12549. Examples of non-procurement transactions are grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, insurance, payments for specified use, and donation agreements.

“Suspending official” means—

- (1) An agency head; or
- (2) A designee authorized by the agency head to impose suspension.

“Unfair trade practices” means the commission of any or the following acts by a contractor:

- (1) A violation of Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) as determined by the International Trade Commission.
- (2) A violation, as determined by the Secretary of Commerce, of any agreement of the group known as the “Coordination Committee” for purposes of the Export Administration Act of 1979 (50 U.S.C. App. 2401, *et seq.*) or any similar bilateral or multilateral export control agreement.
- (3) A knowingly false statement regarding a material element of a certification concerning the foreign content of an item of supply, as determined by the Secretary of the Department or the head of the agency to which such certificate was furnished.

9.404 System for Award Management Exclusions.

(a) The General Services Administration (GSA)—

- (1) Operates the web-based System for Award Management (SAM) Exclusions; and
- (2) Provides technical assistance to Federal agencies in the use of SAM.

(b) The SAM Exclusions contains the—

- (1) Names and addresses of all contractors debarred, suspended, proposed for debarment, declared ineligible, or excluded or disqualified under the non-procurement common rule, with cross-references when more than one name is involved in a single action;
- (2) Name of the agency or other authority taking the action;
- (3) Cause for the action (see 9.406-2 and 9.407-2 for causes authorized under this subpart) or other statutory or regulatory authority;
- (4) Effect of the action;
- (5) Termination date for each listing;
- (6) Unique Entity Identifier;
- (7) Social Security Number (SSN), Employer Identification Number (EIN), or other Taxpayer Identification Number (TIN), if available; and
- (8) Name and telephone number of the agency point of contact for the action.

(c) Each agency must—

- (1) Obtain password(s) from GSA to access SAM for data entry;

- (2) Notify GSA in the event a password needs to be rescinded (*e.g.*, when an agency employee leaves or changes function);
 - (3) Enter the information required by paragraph (b) of this section within 3 working days after the action becomes effective;
 - (4) Determine whether it is legally permitted to enter the SSN, EIN, or other TIN, under agency authority to suspend or debar;
 - (5) Update SAM Exclusions, generally within 5 working days after modifying or rescinding an action;
 - (6) In accordance with internal retention procedures, maintain records relating to each debarment, suspension, or proposed debarment taken by the agency;
 - (7) Establish procedures to ensure that the agency does not solicit offers from, award contracts to, or consent to subcontracts with contractors whose names are in SAM Exclusions, except as otherwise provided in this subpart;
 - (8) Direct inquiries concerning listed contractors to the agency or other authority that took the action; and
 - (9) Contact GSA for technical assistance with SAM, via the support e-mail address or on the technical support phone line available at the SAM web site provided in paragraph (d) of this section.
- (d) SAM is available via <https://www.acquisition.gov>.

9.405 Effect of listing.

- (a) Contractors debarred, suspended, or proposed for debarment are excluded from receiving contracts, and agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors, unless the agency head determines that there is a compelling reason for such action (see 9.405-1(b), 9.405-2, 9.406-1(c), 9.407-1(d), and 23.506(e)). Contractors debarred, suspended, or proposed for debarment are also excluded from conducting business with the Government as agents or representatives of other contractors.
- (b) Contractors included in SAM Exclusions as having been declared ineligible on the basis of statutory or other regulatory procedures are excluded from receiving contracts, and if applicable, subcontracts, under the conditions and for the period set forth in the statute or regulation. Agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors under those conditions and for that period.
- (c) Contractors debarred, suspended, or proposed for debarment are excluded from acting as individual sureties (see Part 28).
- (d)(1) After the opening of bids or receipt of proposals, the contracting officer shall review SAM Exclusions.

(2) Bids received from any listed contractor in response to an invitation for bids shall be entered on the abstract of bids, and rejected unless the agency head determines in writing that there is a compelling reason to consider the bid.

(3) Proposals, quotations, or offers received from any listed contractor shall not be evaluated for award or included in the competitive range, nor shall discussions be conducted with a listed offeror during a period of ineligibility, unless the agency head determines, in writing, that there is a compelling reason to do so. If the period of ineligibility expires or is terminated prior to award, the contracting officer may, but is not required to, consider such proposals, quotations, or offers.

(4) Immediately prior to award, the contracting officer shall again review SAM Exclusions to ensure that no award is made to a listed contractor.

9.405-1 Continuation of current contracts.

(a) Notwithstanding the debarment, suspension, or proposed debarment of a contractor, agencies may continue contracts or subcontracts in existence at the time the contractor was debarred, suspended, or proposed for debarment unless the agency head directs otherwise. A decision as to the type of termination action, if any, to be taken should be made only after review by agency contracting and technical personnel and by counsel to ensure the propriety of the proposed action.

(b) For contractors debarred, suspended, or proposed for debarment, unless the agency head makes a written determination of the compelling reasons for doing so, ordering activities shall not—

(1) Place orders exceeding the guaranteed minimum under indefinite quantity contracts;

(2) Place orders under Federal Supply Schedule contracts, blanket purchase agreements, or basic ordering agreements; or

(3) Add new work, exercise options, or otherwise extend the duration of current contracts or orders.

9.405-2 Restrictions on subcontracting.

(a) When a contractor debarred, suspended, or proposed for debarment is proposed as a subcontractor for any subcontract subject to Government consent (see Subpart 44.2), contracting officers shall not consent to subcontracts with such contractors unless the agency head states in writing the compelling reasons for this approval action. (See 9.405(b) concerning declarations of ineligibility affecting sub-contracting.)

(b) The Government suspends or debars contractors to protect the Government's interests. By operation of the clause at 52.209-6, Protecting the Government's Interests When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment, contractors shall not enter into any subcontract in excess of \$35,000, other than a subcontract for a commercially available off-the-shelf item, with a contractor that has been debarred, suspended, or proposed for

debarment unless there is a compelling reason to do so. If a contractor intends to enter into a subcontract in excess of \$35,000, other than a subcontract for a commercially available off-the-shelf item, with a party that is debarred, suspended, or proposed for debarment as evidenced by the parties' listing in SAM Exclusions (see 9.404), a corporate officer or designee of the contractor is required by operation of the clause at 52.209-6, Protecting the Government's Interests when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment, to notify the contracting officer, in writing, before entering into such subcontract. For contracts for the acquisition of commercial items, the notification requirement applies only for first-tier subcontracts. For all other contracts, the notification requirement applies to subcontracts at any tier. The notice must provide the following:

- (1) The name of the subcontractor;
 - (2) The contractor's knowledge of the reasons for the subcontractor being listed in SAM Exclusions;
 - (3) The compelling reason(s) for doing business with the subcontractor notwithstanding its listed in SAM Exclusions; and
 - (4) The systems and procedures the contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.
- (c) The contractor's compliance with the requirements of 52.209-6 will be reviewed during Contractor Purchasing System Reviews (see Subpart 44.3).

9.406 Debarment.

9.406-1 General.

(a) It is the debarring official's responsibility to determine whether debarment is in the Government's interest. The debarring official may, in the public interest, debar a contractor for any of the causes in 9.406-2, using the procedures in 9.406-3. The existence of a cause for debarment, however, does not necessarily require that the contractor be debarred; the seriousness of the contractor's acts or omissions and any remedial measures or mitigating factors should be considered in making any debarment decision. Before arriving at any debarment decision, the debarring official should consider factors such as the following:

- (1) Whether the contractor had effective standards of conduct and internal control systems in place at the time of the activity which constitutes cause for debarment or had adopted such procedures prior to any Government investigation of the activity cited as a cause for debarment.
- (2) Whether the contractor brought the activity cited as a cause for debarment to the attention of the appropriate Government agency in a timely manner.
- (3) Whether the contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the debarring official.

- (4) Whether the contractor cooperated fully with Government agencies during the investigation and any court or administrative action.
- (5) Whether the contractor has paid or has agreed to pay all criminal, civil, and administrative liability for the improper activity, including any investigative or administrative costs incurred by the Government, and has made or agreed to make full restitution.
- (6) Whether the contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes cause for debarment.
- (7) Whether the contractor has implemented or agreed to implement remedial measures, including any identified by the Government.
- (8) Whether the contractor has instituted or agreed to institute new or revised review and control procedures and ethics training programs.
- (9) Whether the contractor has had adequate time to eliminate the circumstances within the contractor's organization that led to the cause for debarment.
- (10) Whether the contractor's management recognizes and understands the seriousness of the misconduct giving rise to the cause for debarment and has implemented programs to prevent recurrence.

The existence or nonexistence of any mitigating factors or remedial measures such as set forth in this paragraph (a) is not necessarily determinative of a contractor's present responsibility. Accordingly, if a cause for debarment exists, the contractor has the burden of demonstrating, to the satisfaction of the debarring official, its present responsibility and that debarment is not necessary.

(b) Debarment constitutes debarment of all divisions or other organizational elements of the contractor, unless the debarment decision is limited by its terms to specific divisions, organizational elements, or commodities. The debarring official may extend the debarment decision to include any affiliates of the contractor if they are—

- (1) Specifically named; and
 - (2) Given written notice of the proposed debarment and an opportunity to respond (see 9.406-3(c)).
- (c) A contractor's debarment, or proposed debarment, shall be effective throughout the executive branch of the Government, unless the agency head or a designee (except see 23.506(e)) states in writing the compelling reasons justifying continued business dealings between that agency and the contractor.
- (d)(1) When the debarring official has authority to debar contractors from both acquisition contracts pursuant to this regulation and contracts for the purchase of Federal personal property pursuant to the Federal Property Management Regulations (FPMR) 101-45.6, that official shall consider simultaneously debarring the contractor from the award of acquisition contracts and from the purchase of Federal personal property.

(2) When debarring a contractor from the award of acquisition contracts and from the purchase of Federal personal property, the debarment notice shall so indicate and the appropriate FAR and FPMR citations shall be included.

9.406-2 Causes for debarment.

The debarring official may debar—

(a) A contractor for a conviction of or civil judgment for—

(1) Commission of fraud or a criminal offense in connection with—

(i) Obtaining;

(ii) Attempting to obtain; or

(iii) Performing a public contract or subcontract.

(2) Violation of Federal or State antitrust statutes relating to the submission of offers;

(3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(4) Intentionally affixing a label bearing a “Made in America” inscription (or any inscription having the same meaning) to a product sold in or shipped to the United States or its outlying areas, when the product was not made in the United States or its outlying areas (see Section 202 of the Defense Production Act (Public Law 102-558)); or

(5) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a Government contractor or subcontractor.

(b)(1) A contractor, based upon a preponderance of the evidence, for any of the following—

(i) Violation of the terms of a Government contract or subcontract so serious as to justify debarment, such as—

(A) Willful failure to perform in accordance with the terms of one or more contracts; or

(B) A history of failure to perform, or of unsatisfactory performance of, one or more contracts.

(ii) Violations of 41 U.S.C. chapter 81, Drug-Free Workplace, as indicated by—

(A) Failure to comply with the requirements of the clause at 52.223-6, Drug-Free Workplace; or

(B) Such a number of contractor employees convicted of violations of criminal drug statutes occurring in the workplace as to indicate that the contractor has failed to make a good faith effort to provide a drug-free workplace (see 23.504).

(iii) Intentionally affixing a label bearing a “Made in America” inscription (or any inscription having the same meaning) to a product sold in or shipped to the United States or its outlying

areas, when the product was not made in the United States or its outlying areas (see Section 202 of the Defense Production Act (Public Law 102-558)).

(iv) Commission of an unfair trade practice as defined in 9.403 (see Section 201 of the Defense Production Act (Pub. L. 102-558)).

(v) Delinquent Federal taxes in an amount that exceeds \$3,500.

(A) Federal taxes are considered delinquent for purposes of this provision if both of the following criteria apply:

(1) *The tax liability is finally determined.* The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(2) *The taxpayer is delinquent in making payment.* A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(B) Examples.

(1) The taxpayer has received a statutory notice of deficiency, under I.R.C. §6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(2) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. §6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(3) *The taxpayer has entered into an installment agreement pursuant to I.R.C. §6159.* The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(4) *The taxpayer has filed for bankruptcy protection.* The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(vi) Knowing failure by a principal, until 3 years after final payment on any Government contract awarded to the contractor, to timely disclose to the Government, in connection with the award, performance, or closeout of the contract or a subcontract thereunder, credible evidence of—

(A) Violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code;

(B) Violation of the civil False Claims Act (31 U.S.C. 3729-3733); or

(C) Significant overpayment(s) on the contract, other than overpayments resulting from contract financing payments as defined in 32.001.

(2) A contractor, based on a determination by the Secretary of Homeland Security or the Attorney General of the United States, that the contractor is not in compliance with Immigration and Nationality Act employment provisions (see Executive Order 12989, as amended by Executive Order 13286). Such determination is not reviewable in the debarment proceedings.

(c) A contractor or subcontractor based on any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor or subcontractor.

9.406-3 Procedures.

(a) *Investigation and referral.* Agencies shall establish procedures for the prompt reporting, investigation, and referral to the debarring official of matters appropriate for that official's consideration.

(b) Decision-making process.

(1) Agencies shall establish procedures governing the debarment decision-making process that are as informal as is practicable, consistent with principles of fundamental fairness. These procedures shall afford the contractor (and any specifically named affiliates) an opportunity to submit, in person, in writing, or through a representative, information and argument in opposition to the proposed debarment.

(2) In actions not based upon a conviction or civil judgment, if it is found that the contractor's submission in opposition raises a genuine dispute over facts material to the proposed debarment, agencies shall also—

(i) Afford the contractor an opportunity to appear with counsel, submit documentary evidence, present witnesses, and confront any person the agency presents; and

(ii) Make a transcribed record of the proceedings and make it available at cost to the contractor upon request, unless the contractor and the agency, by mutual agreement, waive the requirement for a transcript.

(c) *Notice of proposal to debar.* A notice of proposed debarment shall be issued by the debarring official advising the contractor and any specifically named affiliates, by certified mail, return receipt requested—

(1) That debarment is being considered;

(2) Of the reasons for the proposed debarment in terms sufficient to put the contractor on notice of the conduct or transaction(s) upon which it is based;

(3) Of the cause(s) relied upon under 9.406-2 for proposing debarment;

(4) That, within 30 days after receipt of the notice, the contractor may submit, in person, in writing, or through a representative, information and argument in opposition to the proposed debarment, including any additional specific information that raises a genuine dispute over the material facts;

(5) Of the agency's procedures governing debarment decision-making;

(6) Of the effect of the issuance of the notice of proposed debarment; and

(7) Of the potential effect of an actual debarment.

(d) Debarring official's decision.

(1) In actions based upon a conviction or civil judgment, or in which there is no genuine dispute over material facts, the debarring official shall decide on the basis of all the information in the administrative record, including any submission made by the contractor. If no suspension is in effect, the decision shall be made within 30 working days after receipt of any information and argument submitted by the contractor, unless the debarring official extends this period for good cause.

(2)(i) In actions in which additional proceedings are necessary as to disputed material facts, written findings of fact shall be prepared. The debarring official shall base the decision on the facts as found, together with any information and argument submitted by the contractor and any other information in the administrative record.

(ii) The debarring official may refer matters involving disputed material facts to another official for findings of fact. The debarring official may reject any such findings, in whole or in part, only after specifically determining them to be arbitrary and capricious or clearly erroneous.

(iii) The debarring official's decision shall be made after the conclusion of the proceedings with respect to disputed facts.

(3) In any action in which the proposed debarment is not based upon a conviction or civil judgment, the cause for debarment must be established by a preponderance of the evidence.

(e) Notice of debarring official's decision.

(1) If the debarring official decides to impose debarment, the contractor and any affiliates involved shall be given prompt notice by certified mail, return receipt requested—

(i) Referring to the notice of proposed debarment;

(ii) Specifying the reasons for debarment;

(iii) Stating the period of debarment, including effective dates; and

(iv) Advising that the debarment is effective throughout the executive branch of the Government unless the head of an agency or a designee makes the statement called for by 9.406-1(c).

(2) If debarment is not imposed, the debarring official shall promptly notify the contractor and any affiliates involved, by certified mail, return receipt requested.

(f)(1) If the contractor enters into an administrative agreement with the Government in order to resolve a debarment proceeding, the debarring official shall access the website (available at www.cpars.csd.disa.mil, then select FAPIIS) and enter the requested information.

(2) The debarring official is responsible for the timely submission, within 3 working days, and accuracy of the documentation regarding the administrative agreement.

(3) With regard to information that may be covered by a disclosure exemption under the Freedom of Information Act, the debarring official shall follow the procedures at 9.105-2(b)(2)(iv).

9.406-4 Period of debarment.

(a)(1) Debarment shall be for a period commensurate with the seriousness of the cause(s). Generally, debarment should not exceed 3 years, except that—

(i) Debarment for violation of the provisions of the Drug-Free Workplace Act of 1988 (see 23.506) may be for a period not to exceed 5 years; and

(ii) Debarments under 9.406-2(b)(2) shall be for one year unless extended pursuant to paragraph (b) of this subsection.

(2) If suspension precedes a debarment, the suspension period shall be considered in determining the debarment period.

(b) The debarring official may extend the debarment for an additional period, if that official determines that an extension is necessary to protect the Government's interest. However, a debarment may not be extended solely on the basis of the facts and circumstances upon which the initial debarment action was based. Debarments under 9.406-2(b)(2) may be extended for additional periods of one year if the Secretary of Homeland Security or the Attorney General determines that the contractor continues to be in violation of the employment provisions of the Immigration and Nationality Act. If debarment for an additional period is determined to be necessary, the procedures of 9.406-3 shall be followed to extend the debarment.

(c) The debarring official may reduce the period or extent of debarment, upon the contractor's request, supported by documentation, for reasons such as—

(1) Newly discovered material evidence;

(2) Reversal of the conviction or civil judgment upon which the debarment was based;

(3) Bona fide change in ownership or management;

(4) Elimination of other causes for which the debarment was imposed; or

(5) Other reasons the debarring official deems appropriate.

9.406-5 Scope of debarment.

(a) The fraudulent, criminal, or other seriously improper conduct of any officer, director, shareholder, partner, employee, or other individual associated with a contractor may be imputed to the contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the contractor, or with the contractor's knowledge, approval, or acquiescence. The contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval, or acquiescence.

(b) The fraudulent, criminal, or other seriously improper conduct of a contractor may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with the contractor who participated in, knew of, or had reason to know of the contractor's conduct.

(c) The fraudulent, criminal, or other seriously improper conduct of one contractor participating in a joint venture or similar arrangement may be imputed to other participating contractors if the conduct occurred for or on behalf of the joint venture or similar arrangement, or with the knowledge, approval, or acquiescence of these contractors. Acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval, or acquiescence.

9.407 Suspension.

9.407-1 General.

(a) The suspending official may, in the public interest, suspend a contractor for any of the causes in 9.407-2, using the procedures in 9.407-3.

(b)(1) Suspension is a serious action to be imposed on the basis of adequate evidence, pending the completion of investigation or legal proceedings, when it has been determined that immediate action is necessary to protect the Government's interest. In assessing the adequacy of the evidence, agencies should consider how much information is available, how credible it is given the circumstances, whether or not important allegations are corroborated, and what inferences can reasonably be drawn as a result. This assessment should include an examination of basic documents such as contracts, inspection reports, and correspondence.

(2) The existence of a cause for suspension does not necessarily require that the contractor be suspended. The suspending official should consider the seriousness of the contractor's acts or omissions and may, but is not required to, consider remedial measures or mitigating factors, such as those set forth in 9.406-1(a). A contractor has the burden of promptly presenting to the suspending official evidence of remedial measures or mitigating factors when it has reason to know that a cause for suspension exists. The existence or nonexistence of any remedial measures or mitigating factors is not necessarily determinative of a contractor's present responsibility.

(c) Suspension constitutes suspension of all divisions or other organizational elements of the contractor, unless the suspension decision is limited by its terms to specific divisions, organizational elements, or commodities. The suspending official may extend the suspension decision to include any affiliates of the contractor if they are—

(1) Specifically named; and

(2) Given written notice of the suspension and an opportunity to respond (see 9.407-3(c)).

(d) A contractor's suspension shall be effective throughout the executive branch of the Government, unless the agency head or a designee (except see 23.506(e)) states in writing the compelling reasons justifying continued business dealings between that agency and the contractor.

(e)(1) When the suspending official has authority to suspend contractors from both acquisition contracts pursuant to this regulation and contracts for the purchase of Federal personal property pursuant to FPMR 101-45.6, that official shall consider simultaneously suspending the contractor from the award of acquisition contracts and from the purchase of Federal personal property.

(2) When suspending a contractor from the award of acquisition contracts and from the purchase of Federal personal property, the suspension notice shall so indicate and the appropriate FAR and FPMR citations shall be included.

9.407-2 Causes for suspension.

(a) The suspending official may suspend a contractor suspected, upon adequate evidence, of—

(1) Commission of fraud or a criminal offense in connection with—

(i) Obtaining;

(ii) Attempting to obtain; or

(iii) Performing a public contract or subcontract.

(2) Violation of Federal or State antitrust statutes relating to the submission of offers;

(3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(4) Violations of 41 U.S.C. chapter 81, Drug-Free Workplace, as indicated by—

(i) Failure to comply with the requirements of the clause at 52.223-6, Drug-Free Workplace; or

(ii) Such a number of contractor employees convicted of violations of criminal drug statutes occurring in the workplace as to indicate that the contractor has failed to make a good faith effort to provide a drug-free workplace (see 23.504);

(5) Intentionally affixing a label bearing a "Made in America" inscription (or any inscription having the same meaning) to a product sold in or shipped to the United States or its outlying areas, when the product was not made in the United States or its outlying areas (see Section 202 of the Defense Production Act (Public Law 102-558));

(6) Commission of an unfair trade practice as defined in 9.403 (see section 201 of the Defense Production Act (Pub. L. 102-558));

(7) Delinquent Federal taxes in an amount that exceeds \$. See the criteria at 9.406-2(b)(1)(v) for determination of when taxes are delinquent;

(8) Knowing failure by a principal, until 3 years after final payment on any Government contract awarded to the contractor, to timely disclose to the Government, in connection with the award, performance, or closeout of the contract or a subcontract thereunder, credible evidence of—

(i) Violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code;

(ii) Violation of the civil False Claims Act (31 U.S.C. 3729-3733); or

(iii) Significant overpayment(s) on the contract, other than overpayments resulting from contract financing payments as defined in 32.001; or

(9) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a Government contractor or subcontractor.

(b) Indictment for any of the causes in paragraph (a) of this section constitutes adequate evidence for suspension.

(c) The suspending official may upon adequate evidence also suspend a contractor for any other cause of so serious or compelling a nature that it affects the present responsibility of a Government contractor or subcontractor.

9.407-3 Procedures.

(a) *Investigation and referral.* Agencies shall establish procedures for the prompt reporting, investigation, and referral to the suspending official of matters appropriate for that official's consideration.

(b) Decision-making process.

(1) Agencies shall establish procedures governing the suspension decision-making process that are as informal as is practicable, consistent with principles of fundamental fairness. These procedures shall afford the contractor (and any specifically named affiliates) an opportunity, following the imposition of suspension, to submit, in person, in writing, or through a representative, information and argument in opposition to the suspension.

(2) In actions not based on an indictment, if it is found that the contractor's submission in opposition raises a genuine dispute over facts material to the suspension and if no determination has been made, on the basis of Department of Justice advice, that substantial interests of the Government in pending or contemplated legal proceedings based on the same facts as the suspension would be prejudiced, agencies shall also—

(i) Afford the contractor an opportunity to appear with counsel, submit documentary evidence, present witnesses, and confront any person the agency presents; and

(ii) Make a transcribed record of the proceedings and make it available at cost to the contractor upon request, unless the contractor and the agency, by mutual agreement, waive the requirement for a transcript.

(c) *Notice of suspension.* When a contractor and any specifically named affiliates are suspended, they shall be immediately advised by certified mail, return receipt requested—

(1) That they have been suspended and that the suspension is based on an indictment or other adequate evidence that the contractor has committed irregularities—

(i) Of a serious nature in business dealings with the Government or

(ii) Seriously reflecting on the propriety of further Government dealings with the contractor—any such irregularities shall be described in terms sufficient to place the contractor on notice without disclosing the Government's evidence;

(2) That the suspension is for a temporary period pending the completion of an investigation and such legal proceedings as may ensue;

(3) Of the cause(s) relied upon under 9.407-2 for imposing suspension;

(4) Of the effect of the suspension;

(5) That, within 30 days after receipt of the notice, the contractor may submit, in person, in writing, or through a representative, information and argument in opposition to the suspension, including any additional specific information that raises a genuine dispute over the material facts; and

(6) That additional proceedings to determine disputed material facts will be conducted unless—

(i) The action is based on an indictment; or

(ii) A determination is made, on the basis of Department of Justice advice, that the substantial interests of the Government in pending or contemplated legal proceedings based on the same facts as the suspension would be prejudiced.

(d) Suspending official's decision.

(1) In actions—

(i) Based on an indictment;

(ii) In which the contractor's submission does not raise a genuine dispute over material facts; or

(iii) In which additional proceedings to determine disputed material facts have been denied on the basis of Department of Justice advice, the suspending official's decision shall be based on all the information in the administrative record, including any submission made by the contractor.

(2)(i) In actions in which additional proceedings are necessary as to disputed material facts, written findings of fact shall be prepared. The suspending official shall base the decision on the

facts as found, together with any information and argument submitted by the contractor and any other information in the administrative record.

(ii) The suspending official may refer matters involving disputed material facts to another official for findings of fact. The suspending official may reject any such findings, in whole or in part, only after specifically determining them to be arbitrary and capricious or clearly erroneous.

(iii) The suspending official's decision shall be made after the conclusion of the proceedings with respect to disputed facts.

(3) The suspending official may modify or terminate the suspension or leave it in force (for example, see 9.406-4(c) for the reasons for reducing the period or extent of debarment).

However, a decision to modify or terminate the suspension shall be without prejudice to the subsequent imposition of—

(i) Suspension by any other agency; or

(ii) Debarment by any agency.

(4) Prompt written notice of the suspending official's decision shall be sent to the contractor and any affiliates involved, by certified mail, return receipt requested.

(e)(1) If the contractor enters into an administrative agreement with the Government in order to resolve a suspension proceeding, the suspending official shall access the website (available at www.cpars.csd.disa.mil, then select FAPIIS) and enter the requested information.

(2) The suspending official is responsible for the timely submission, within 3 working days, and accuracy of the documentation regarding the administrative agreement.

(3) With regard to information that may be covered by a disclosure exemption under the Freedom of Information Act, the suspending official shall follow the procedures at 9.105-2(b)(2)(iv).

9.407-4 Period of suspension.

(a) Suspension shall be for a temporary period pending the completion of investigation and any ensuing legal proceedings, unless sooner terminated by the suspending official or as provided in this subsection.

(b) If legal proceedings are not initiated within 12 months after the date of the suspension notice, the suspension shall be terminated unless an Assistant Attorney General requests its extension, in which case it may be extended for an additional 6 months. In no event may a suspension extend beyond 18 months, unless legal proceedings have been initiated within that period.

(c) The suspending official shall notify the Department of Justice of the proposed termination of the suspension, at least 30 days before the 12-month period expires, to give that Department an opportunity to request an extension.

9.407-5 Scope of suspension.

The scope of suspension shall be the same as that for debarment (see 9.406-5), except that the procedures of 9.407-3 shall be used in imposing suspension.

9.408 [Reserved]

9.409 Contract clause.

The contracting officer shall insert the clause at 52.209-6, Protecting the Government's Interests when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment, in solicitations and contracts where the contract value exceeds \$35,000.

X. REVISED SCHOOL CODE (EXCERPT) ACT 451 OF 1976

§380.1267 School Buildings; Construction

§380.1267 School buildings; construction, addition, repair, or renovation; bids; exception; advertising; security; opening and reading of bids; rejection of bids; advertising; local policy giving preference to Michigan-based business; applicability of section; adjustment of maximum amount; "Michigan-based business" defined.

Sec. 1267.

(1) Before commencing construction of a new school building, or addition to or repair or renovation of an existing school building, **except repair in emergency situations**, the board of a school district or intermediate school district or board of directors of a public-school academy, shall obtain competitive bids on **all** the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building.

(2) The board, intermediate school board, or board of directors shall advertise for the bids required under subsection (1) by placing an advertisement for bids at least once in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place and by posting an advertisement for bids for at least 2 weeks on the department of management and budget website on a page on the website maintained for this purpose or on a website maintained by a school organization and designated by the department of management and budget for this purpose. If the department of management and budget designates a school organization website for this purpose, the department of management and budget shall indicate this fact on its website and include a link on its website to the school organization website.

(3) The advertisement for bids shall do all of the following:

(a) Specify the date and time by which all bids must be received by the board, intermediate school board, or board of directors.

(b) State that the board, intermediate school board, or board of directors will not consider or accept a bid received by the board, intermediate school board, or board of directors after the date and time specified for bid submission.

(c) Identify the time, date, and place of a public meeting at which the board, intermediate school board, or board of directors or its designee will open and read aloud each bid received by the board, intermediate school board, or board of directors by the date and time specified in subdivision (a).

(d) State that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the board, intermediate school board, or board of directors or the superintendent of the school district, intermediate superintendent of the intermediate school district, or chief

executive officer of the public-school academy. A board, intermediate school board, or board of directors shall not accept a bid that does not include this sworn and notarized disclosure statement.

(4) The board, intermediate school board, or board of directors shall require each bidder for a contract under this section to file with the board, intermediate school board, or board of directors security in an amount not less than 1/20 of the amount of the bid conditioned to secure the school district from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the board, intermediate school board, or board of directors.

(5) The board, intermediate school board, or board of directors shall not open, consider, or accept a bid that the board, intermediate school board, or board of directors receives after the date and time specified for bid submission in the advertisement for bids described in subsection (3).

(6) At a public meeting identified in the advertisement for bids described in subsection (3), the board, intermediate school board, or board of directors or its designee shall open and read aloud each bid that the board, intermediate school board, or board of directors received at or before the time and date for bid submission specified in the advertisement for bids. The board, intermediate school board, or board of directors may reject any or all bids, and if all bids are rejected, shall re-advertise in the manner required by this section.

(7) The board of a school district or intermediate school district or board of directors of a public-school academy may adopt and implement a local policy that gives a preference to a Michigan-based business in awarding a contract under this section. The policy may provide for a preference based on the status of the primary contractor as a Michigan-based business or based on the status of one or more subcontractors of the primary contractor as Michigan-based businesses, or both. A policy adopted under this subsection shall be consistent with federal statutes and regulations and shall not be applied to a contract that is to be paid with federal funds. Upon request by a school district, intermediate school district, or public-school academy that has adopted and implemented a policy described in this subsection, the department of treasury shall disclose to that school district, intermediate school district, or public-school academy verifying information as described in section 268(3) of the management and budget act, 1984 PA 431, MCL§18.1268. The adoption, implementation, or application of a policy described in this subsection, or a decision not to adopt, implement, or apply such a policy, does not create a cause of action.

(8) This section does not apply to buildings, renovations, or repairs costing less than \$20,959.00 or to repair work normally performed by school district, intermediate school board, or public-school academy employees. The maximum amount specified in this subsection shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(9) As used in this section, "Michigan-based business" means a business that would qualify for a preference in a procurement contract with this state under section 268 of the management and budget act, 1984 PA 431, MCL§18.1268.

§380.1274 Procurement of Supplies, Materials, and Equipment;

§380.1274 Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; local policy giving preference to Michigan-based business; items purchased through cooperative bulk purchasing program; acquisition of equipment; payment; purchase of heating and cooking equipment; "Michigan-based business" defined.

Sec. 1274.

(1) The board of a school district or board of directors of a public-school academy shall adopt written policies governing the procurement of supplies, materials, and equipment.

(2) Except as otherwise provided in subsection (4) or (5), a school district or public-school academy shall not purchase an item or a group of items in a single transaction costing \$20,959.00(?) or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board or board of directors. The maximum amount specified in this subsection shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) The board of a school district or board of directors of a public-school academy may adopt and implement a local policy that gives a preference to a Michigan-based business in awarding a contract under this section. The policy may provide for a preference based on the status of the primary contractor as a Michigan-based business or based on the status of one or more subcontractors of the primary contractor as Michigan-based businesses, or both. **A policy adopted under this subsection shall be consistent with federal statutes and regulations and shall not be applied to a contract that is to be paid with federal funds.** Upon request by a school district or public-school academy that has adopted and implemented a policy described in this subsection, the department of treasury shall disclose to that school district or public-school academy verifying information as described in section 268(3) of the management and budget act, 1984 PA 431, MCL§18.1268. The adoption, implementation, or application of a policy described in this subsection, or a decision not to adopt, implement, or apply such a policy, does not create a cause of action.

(4) A school district or public-school academy is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under section 263(3) of the management and budget act, 1984 PA 431, MCL§18.1263.

(5) A school district or public-school academy is not required to obtain competitive bids for purchasing food unless the food is purchased in a single transaction costing \$100,000.00 or more.

(6) The board of a school district or local act school district or board of directors of a public-school academy may acquire by purchase, lease, or rental, with or without option to purchase, equipment necessary for the operation of the school program, including, but not limited to, heating, water heating, and cooking equipment for school buildings, and may pay for the equipment from operating funds of the district or public-school academy. Heating and cooking equipment may be purchased on a title retaining contract or other form of agreement creating a security interest and pledging in payment money in the general fund or funds received from state school aid. The contracts may extend for not more than 10 years.

(7) As used in this section, "Michigan-based business" means a business that would qualify for a preference in a procurement contract with this state as determined under section 268 of the management and budget act, 1984 PA 431, MCL§18.1268.

§380.623 Board; Duties Generally; Conducting Business at Public Meeting

§380.623 Board; duties generally; conducting business at public meetings; actions of board; public notice of meetings.

Sec. 623.

(1) The intermediate school board shall do all of the following:

(a) Perform duties required by law and by the state board, but shall not supersede or replace the board of a constituent district, nor shall the intermediate school board control or otherwise interfere with the rights of constituent districts or public-school academies except as provided in this part.

(b) Employ a superintendent, assistants, and other employees the intermediate school board considers necessary and fix their compensation. The compensation of the intermediate superintendent, assistants, and other employees shall include salaries, travel expenses incurred in the discharge of their official duties, and other benefits the board approves. The necessary contingent expenses of the office of the intermediate school board and the intermediate superintendent shall be paid by the treasurer subject to the authorization of the intermediate school board. The intermediate superintendent shall have the qualifications prescribed in section 651 and perform the duties provided by law and by the intermediate school board.

(2) The business the intermediate school board is authorized to perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. An act of the board shall not be valid unless voted at a meeting by a majority vote of the members elected and serving on the board and a record made of the vote. An action of an intermediate school board on matters of personnel, property transfers, bonding, expenditures of money, or other matters designated by the board's bylaws shall be by yea and nay vote entered upon its record. Public notice of the time, date, and place of the meeting shall be given in the manner required by section 5 of Act No. 267 of the Public Acts of 1976, being section 15.265 of the Michigan Compiled Laws.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977; -- Am. 1994, Act 413, Imd. Eff. Dec. 29, 1994; -
- Am. 1994, Act 416, Eff. Mar. 30, 1995; -- Am. 1995, Act 289, Eff. July 1, 1996
Popular Name: Act 451

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Competitive Bid Threshold FY 2018



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

MEMORANDUM

DATE: September 28, 2017

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle Guerrant, Deputy Superintendent

SUBJECT: Competitive Bid Threshold, FY 2018

The purpose of this letter is to communicate changes to the base amount above which competitive bids must be obtained for remodeling, procurement of supplies, materials, and equipment. Sections 623a, 1267, and 1274 of the Revised School Code establish a base above which competitive bids must be obtained and provide for an increase in the base that corresponds with increases in the Consumer Price Index. The fiscal year 2017-2018 base for Section 1267, pertaining to construction, renovation, repair, or remodeling and the new base for Sections 623a and 1274, pertaining to procurement of supplies, materials, and equipment, is \$23,881.

Our analysis shows that the average Consumer Price Index (CPI) for the 12 month period ending August 31, 2016 was 238.65. The similar average for the 12 months ending August 31, 2017 was 243.39, a percentage increase of 1.98%. Therefore, the fiscal year 2016-2017 base of \$23,417 for Sections 623a, 1267, and 1274 items increases by \$464 to \$23,881 ($\$23,417 \times 1.0198$) for fiscal year 2017-2018.

Section 620(1) of the Revised School Code [MCL 380.620(1)] establishes a base above which travel expenses paid with intermediate funds must be posted to the ISD website. Section 620(1) provides for an increase in the base that corresponds with increases in the Consumer Price Index. For fiscal year 2017-18, the base amount for travel increases by \$75 to \$3,906 ($3,831 \times 1.0198$).

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