6320 - PURCHASING

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

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

Each year the State of Michigan informs the School of the legal amount for purchases which require a formal bidding process of a single item, which shall, for purposes of this policy, be known as the "State Bid Threshold".

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

A. Competitive bidding shall not be required for purchases of supplies, materials, or equipment when the cost of the order is less than the State Bid Threshold. Purchases shall not be artificially split into fewer orders to make a single order fall below the State Bid Threshold.

B. When the purchase of, and contract for, single items of supplies, materials, or equipment is greater than or equal to the State Bid Threshold, competitive bids shall be obtained by the Superintendent or his/her designee.

For purposes of this policy, the Superintendent or his/her designee may obtain competitive bids by soliciting written quotes or proposals from an adequate number of known vendors of the particular supply, material, or equipment provided, however, that any quotes or proposals submitted by vendors that were not invited to bid shall also be considered. The Superintendent or his/her designee may, at his/her option, create a written Request for Proposals or other document containing bid specifications. Such RFP or bid specifications document may be distributed to known vendors, posted on the District’s website, or posted on a State of Michigan procurement website designated for school district bids.

Where competitive bidding is required by law or this policy, the Superintendent or his/her designee shall obtain at least three (3) bids unless the circumstances clearly indicate that fewer than three (3) vendors can provide the requested supplies, materials, or equipment under the terms of the RFP or bid specifications, if any.
**Exceptions**

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

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

**Responsible Bidders**

All orders or contracts shall be awarded to the lowest responsible bidder; in determining which bidders are "responsible", consideration can be given to:

A. its conformity with specifications;

B. delivery terms;

C. past performance of vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders when the bidder is a primary contractor that is a Michigan-based business as provided by Section 1274 of the Revised School Code.

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

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

Contracts may be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than the State Bid Threshold. All other contracts require Board approval prior to purchase.

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

**General Provisions**

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

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase exceeds the function by $15,000.

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

In order to promote efficiency and economy in the operation of the school, the Board requires that the Superintendent periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cost consistent with good quality.
Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped but with staggered delivery dates, shall be made a part of the bid specifications.

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

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that upon the placement of a purchase order, the Superintendent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

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

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

Procurement – Federal Grants

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

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

Revised 1/26/09
Revised 3/11/13
Revised 7/5/16

© Neola 2015