

PURCHASING

Reference:

MCL 380.1267, 380.1274 et seq.

Procurement of all supplies, materials, equipment, and services paid for from School 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 in the selection, award, and administration of contracts are established in Policy 1130 – Conflict of Interest. The Board designates the Academy's Educational Service Provider to serve as "Purchasing Agent" for the Board.

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 Michigan Department of Education sets the threshold amount at which schools must competitively bid for the purchase of supplies, materials, and equipment.

For purchases of supplies, materials, and equipment with a total value of \$10,000 or less, the Purchasing Agent is expected to use his or her best judgment to obtain the best price, but will not be required to produce multiple quotes unless the effort required is small and the potential savings significant.

For purchases of supplies, materials, and equipment with a total value of more than \$10,000 up to the competitive bid threshold as adjusted annually by the Michigan Department of Education (MDE), the Purchasing Agent will be required to produce evidence of price competition. Ordinarily, three quotations from major suppliers should be obtained.

A. The following is evidence of price competition:

1. Written quotation from vendors
2. Catalog prices taking into account any discounts the Academy may be entitled to receive
3. Reliance on bids taken by other governmental or non-profit organizations, i.e., the State of Michigan; and
4. Price quotations obtained by phone with proper documentation.

B. The Board should be notified of these purchases.

Competitive Bids(no sealed bids)

As required by Michigan law, the purchase of supplies, materials, and equipment in a single transaction exceeding the competitive bid threshold, as adjusted annually by the Michigan Department of Education, shall require competitive bids and approval by the Academy Board of Directors. In addition, competitive bids are not required when

- A. the Educational Service Provider reasonably determines that there is only one practical supply source (examples being an item for which competition is precluded by patent or copyright; a film, manuscript, or book; a utility service; or a captive replacement part or component); or
- B. for emergency purchases or repairs as hereinafter defined.

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.A. 18.1263.

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

All orders or contracts should be awarded to the lowest responsible bidder; however, consideration can be given to:

- A. the quality of the item(s) to be supplied;
- B. its conformity with specifications;
- C. suitability to the requirements of the School;
- D. delivery terms;
- E. past performance of vendor.

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

- A. which use a Michigan-based business as the primary contractor.
- B. which use one (1) or more Michigan-based business as subcontractors.

For purposes of this preference a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L.A. 18.1268, which requires that the businesses certify that since inception or during the last twelve (12) months it has done one of the following:

- A. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. have filed a Michigan income tax return showing income generated in or attributed to Michigan
- C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

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

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

General Provisions

The Educational Service Provider 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

- A. was not contemplated during the budgeting process.
- B. exceeds the line item by 10%.

The Educational Service Provider is authorized to make emergency purchases which may arise as a result of an accident or unforeseen occurrence, of which could affect the life, health, welfare or safety of the Academy's students, staff or property and Board approval is not otherwise feasible, without prior Board approval. 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 Educational Service Provider 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 Educational Service Provider 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.

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

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

Procurement – Federal Grants

The Educational Service Provider shall maintain a procurement and contract administration system in accordance with the United States Department of Education requirements (34 CFR 80.36) for the administration and management of Federal grants and federally-funded programs. The School 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.

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