

Book	Policy Manual
Section	6000 Finances
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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.

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

- A. Seek informal price quotations on purchases in excess of \$1,000.00
- B. When the purchase of, and contract for, single items of supplies, materials, or equipment less than the amount allowed by State statute, but exceeds \$10,000.00 the Superintendent shall whenever possible, require three (3) competitive price quotations.

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

Competitive Bids

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

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

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

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

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.

Contracts can be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than \$10,000. 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.

Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request For Proposals (RFP) or the individual bid specifications package, for resolution. Bid protests must be filed in writing with the Office of the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

General Provisions

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

The Superintendent is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the schools 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 District, 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 the Superintendent places a purchase order, s/he shall have the business manager 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 District. All purchase orders shall be numbered consecutively.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained;
- B. opportunity be provided to as many responsible suppliers as possible to do business with the School District;
- C. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. where the requisitioner has recommended a supplier, the Director of Business Services may make alternate suggestions to the requisitioner if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- E. upon the placement of a purchase order, the Director of Business Services shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

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

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

Procurement – Federal Grants

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

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6320A - **PURCHASING**

Purchasing - General Provisions

- A. All purchases shall be by purchase order processed through the Business Office.
- B. The Director of Business shall be the contracting agent for all financial obligations.
- C. The Director of Business/Superintendent shall be responsible for encumbering the funds as soon as the purchase order has been issued.
- D. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order. Before such a commitment is made, the Director of Business shall be contacted for prior approval and for a purchase order number. In all such cases, a purchase order shall be issued as soon as possible after the commitment is made.
- E. Confirming purchase orders will be honored only in cases cited in the above paragraph.
- F. Employees are forbidden to use the name of the District, any discounts provided the District, or any other means for associating a personal purchase with the District. They are to make clear to any District supplier from whom they are purchasing an item that it is a personal purchase by the employee and is not associated with the District. Failure to abide by this provision could lead to disciplinary action.
- G. Ongoing commitments such as service contracts and leases should be renewed annually, in writing, at the renewal date.
- H. Blanket purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. Blanket purchase orders must be approved by the Director of Business before they are issued.
- I. Purchases of contracted services shall be negotiated either verbally, by a Request for Proposal, or through the bid process, as determined by the Superintendent. Such services that cost more than \$10,000.00 require the approval of the Board.
- J. The Director of Business will determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
- K. Quotes will be requested for any item or group of items in a single transaction costing between \$5,000.00 and \$10,000.00.
- L. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board.
- M. Annual purchase order cut-off dates shall be as follows:
 - 1. Purchase orders must be received in the Director of Business on or before April 15th prior to the close of the fiscal or project year, unless the services or supplies are essential to continue the daily operation of the department or building for the remainder of the current year, or unless an emergency exists.

2. Requests for purchases of equipment, materials, improvements, or remodeling that will be subject to a bidding procedure must be sent to the Director of Business on or before April 15th prior to the end of the fiscal or project year.

Purchase Order Procedure

- A. The requestor completes the requisition-purchase order, keeps one (1) copy and submits other copy to the principal/supervisor for review and approval.
- B. If approved, the principal/supervisor causes the purchase order to be entered into the computerized accounting system.
- C. The requisition-purchase order is reviewed for verification, and if verified, the Director of Business affixes a date and assigns a number.
- D. A printed copy of the requisition-purchase order is sent to the vendor unless there are specific instructions to the contrary.

Payment of Claims Procedure

- A. When delivery is made, the principal/supervisor compares a copy of the requisition-purchase order with the packing slip and contents to ensure the order has been received correctly and in proper condition.
- B. If so, the packing or delivery slip or copy of the requisition-purchase order is initialed or signed and forwarded to the central business office.
- C. The Accounts Payable Clerk checks the purchase order against the invoice, and if everything is in order, a warrant is drawn.
- D. The original requestor will notify the principal or supervisor in case of any problems with the order. If the accounts payable clerk finds discrepancies or has questions, s/he shall contact the principal/supervisor for resolution.
- E. If the Accounts Payable Clerk finds discrepancies or has questions, s/he shall contact the principal/supervisor.
- F. The vendor's invoice is filed with the a copy of the requisition-purchase order and a copy of the warrant.