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### **Technical Correction Policy - Vol. 38, No. 2**

#### **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, year~~ the State of Michigan informs the School of the legal amount for purchases which require a formal bidding process of a single item.

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

A. Seek informal price quotations on purchases

That are under ~~fifty~~ percent (~~50%~~) of the amount allowed by State statute for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the School.

B. When the purchase of, and contract for, single items of supplies, materials, or equipment is

~~(x)~~ in excess of fifty percent (50%) [**fifty percent (50%) recommended**] but less than the amount allowed by State ~~statute, statute~~ the Superintendent ~~shall, 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**

**[x]** 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 or similar programs operated by other public agencies within this state or other states, as allowed by law.

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 Superintendent or other designee 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 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 **[CHOOSE OPTION]**  which use a Michigan-based business as the primary contractor.  which use one (1) or more Michigan-based ~~businesses~~ ~~business~~ as subcontractors.

For purposes of this ~~preference, preference~~ a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L. 18.1268, which requires that the ~~business certifies that, businesses~~ ~~certify that~~ since inception or during the last twelve (12) ~~months, months~~ it has done ~~one (1) 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 may be awarded by the Assistant Superintendent without Board approval for any single item or group of identical items costing less than the legal amount for purchases which require formal bidding, as determined annually by the State of Michigan. 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~~ ~~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.

**[x]** 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, 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.

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.

**[x] Procurement – Federal Grants**

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (34 C.F.R. 80.36) for the administration and management of Federal grants and ~~Federally funded~~ ~~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).

**[NOTE: The intent of the purchasing policy is to establish several levels at which purchasing can occur and to determine at what level Board involvement is required, when it is necessary to get a simple "quote" and when the "competitive bid" procedure is required.]**

**[Cross References:  
po6350]**

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

Cross References po6350 - PREVAILING WAGE

**Last Modified by Tamara Young on November 8, 2024**