

Livonia Public Schools

Finance Office

Date: October 31, 2017

To: Andrea L. Oquist, Superintendent

From: Alison Smith, Director of Finance

Re: Consortium Pricing vs Bidding

We would like to discuss how the district fulfills competitive bidding requirements as required by law and specifically touch upon the difference between making a purchase from a consortium bid versus a Livonia Public Schools bid at the next Board of Education Finance Committee meeting on Monday, November 6, 2017.

Competitive bids must be obtained for construction, addition, repair or renovation of school buildings as well as procurement of supplies, materials, and equipment. Sections 1267, and 1274 of the Revised School Code establish a base above which competitive bids must be obtained. The base amount by law for fiscal year 2017-2018 is \$23,881. Our current board policy requires competitive bids and board approval for purchases over \$23,000.

The exception to this rule is when the district makes purchases from a cooperative bulk purchasing program such as MiDEAL. MiDEAL is an extended purchasing program which allows Michigan local units of government to use state contracts to buy goods and services. Local governments benefit directly from the reduced cost of goods and services and indirectly by eliminating the time needed to process bids.

Please include this item on the agenda. Thank you.

AS/kp