

PURCHASING

Reference: MCL 380.1267, 380.1274 et seq.

It is the policy of the Board of Directors that the Board Liaison Officer or Education Provider seek at least three (3) price quotations on purchases that cost more than what the State allows 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 the nature of emergency purchases shall be documented.

When the purchase of, and contract for, single items of supplies, materials, or equipment exceeds the amount designated by statute, the Education Provider shall obtain 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 MCL 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 School Leader in the presence of at least one (1) witness. All orders or contracts should be awarded to the lowest responsible bidder, however, consideration should 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 the 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 MCL 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 Education Provider without Board approval for any single item or group of identical items costing less than \$500. 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.

The Board Liaison Officer and the Education 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 was not contemplated during the budgeting process, and exceeds the line item.

The Board Liaison Officer 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 School, the Board requires that the Education 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 the Education Provider places a purchase order on behalf of the Academy s/he 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:

- A. opportunity be provided to as many responsible suppliers as possible to do business with the School;
- B. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;

- C. where the requisitioner has recommended a supplier, the Board Liaison Officer 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;

Upon the placement of a purchase order, the Education Provider shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Education Provider shall determine the amount of purchase which shall be allowed without a properly signed purchase order.

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.

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