

## Oakridge Public Schools Bylaws & Policies

---

### **6320 - PURCHASING**

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

Each year the State of Michigan informs the school of the legal amount for purchases which require a competitive bidding process. The District may, but is not required to competitively bid purchases below the bid threshold established by the State. Purchases may not be artificially segregated into smaller orders to avoid competitive bidding obligations. The Board encourages local vendor participation where practical.

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 in excess of fifty percent (50%) recommended but less than the amount allowed by State statute the Superintendent shall whenever possible, require three (3) competitive price quotations.

Purchases in a single transaction that are in excess of the bid threshold established each year by the State 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 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.

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 Business Manager in the presence of at least one (1) witness. All orders or contracts should be awarded to the lowest responsible bidder.

### **Lowest Responsible Bidder**

Bids shall be awarded in compliance with applicable bidding obligations imposed by law to the Lowest Responsible Bidder. Lowest Responsible Bidder shall mean a responsible bidder that has submitted a fully complete and responsive bid that provides the lowest net dollar cost for all labor and/or materials required for the complete performance of the work or order. Such bid must satisfy the requirements of all applicable local, State, and Federal laws, this Policy, any administrative rules associated with this Policy developed by the Superintendent at the Board's direction, any bid documents used to solicit bids, and any other guidelines and specifications required for the project or order. Because a bidder with the net lowest dollar cost bid may not be a responsible bidder, the lowest dollar cost bidder may not always receive award of the bid. Notwithstanding the foregoing, the Board may, in its discretion, award a bid to a bidder whose bid does not meet the formal requirements of the request for proposals, bid specifications, or other bid documents but whose bid is nevertheless substantially responsive.

### **Responsible Contracting Criteria**

In evaluating a bid submitted for order, the Board shall consider each of the following responsibility criteria listed herein when determining whether a bidder is a responsible bidder, however, the list set forth below shall in no way bar or prohibit the Board's consideration of any additional criteria that it may deem relevant for purposes of making a determination of bidder responsibility or (b) the exclusion of one (1) or more of the identified criteria, so long as such additional or excluded criteria do not conflict with applicable law or the spirit and intent of competitive bidding.

- A. General information about the bidder's company, its principles, and its history, including state and date of incorporation.
- B. Reputation of the bidder within the bidder's industry.
- C. The District's past experience with the bidder, if any.
- D. Other school districts' past experience with the bidder.
- E. Evidence that the selected bidder has financial resources to start up and follow through on the project(s) or purchase order and to respond to damages in case of default as shown by written verification through any reasonable means, including provision of audited financial statements.
- F. A warrant statement regarding equipment, supplies and materials.
- G. A disclosure of any litigation resulting in a judgment or decision against the company within the past five (5) years, including an explanation of each and how each was resolved.
- H. Proof of Certificates of insurance, confirming current worker's compensation coverage, public liability and property damage insurance according to the scope of the construction project and/or as required by law.
- I. A list of individuals or entities for which the contractor has worked from which references might be sought and the quality of the references' experience with the bidder.
- J. Assurance that the selected bidder will do all in its power to assure compliance with the contract and/or purchase order in a timely manner and that the project will be completed as outlined in the contract, bid, and/or specifications.
- K. The recommendation of any consultant hired by the District for the purpose of evaluating bidders and/or product quality (for example, a technology consultant).
- L. With input from the Districts legal counsel, the favorability of contract terms proposed by the bidder.

In addition to the factors above, the Board may consider and provide a preference to bidders that are Michigan-based businesses; or 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. 18.1268.

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.

The Board shall be informed of the terms and conditions of all competitive bids and shall award all competitively bid contracts.

The Superintendent 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 exceeds the budgeted amount for the function code area of the budget.

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 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.

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

- A. items commonly use 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 supplier as possible to do business with the school;
- 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 Superintendent 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 Superintendent 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 C.F.R. 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 [6320A](#)).

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

Revised 8/18/10

Revised 5/1/13

Revised 9/3/14

Revised 5/18/16

Revised 9/14/16

© **Neola 2015**