

PURCHASING

Reference: MCL 380.1267, 380.1274 et seq.

It is the policy of the Board of Directors that the Director of Finance seek at least three (3) price quotations on purchases of items or a group of items equaling or exceeding the statutory limit as established by M.C.L.A. 380.1274 except in cases of emergency.

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.

Bids shall be sealed and shall be opened by the Director of Finance 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 the vendor.

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 contracts as a consequence of such bids.

The Director 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 function.

The Director 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 Director periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid or quote 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 Director 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 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 Director 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;
- D. upon the placement of a purchase order, the Business Manager shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Director 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.

General Recitals

- A. The Academy Board desires to provide teachers and staff at the Academy with quality supplies, materials, and equipment (collectively the "Materials") and Services necessary to enable them to effectively and efficiently perform their tasks at the Academy.
- B. It is the Academy Board's objective when acquiring Materials and Services with Board funds to seek the lowest reasonable cost balanced against the quality of Materials and Services and also to consider the best interests of the Academy.
- C. This policy is intended to comply with MCLA 380.1274.
- D. It is recognized that the Board relies upon the Administrators and their staff to administer the operations of the school. Because the Board cannot relinquish its responsibility and accountability as an agent of the state, the guidelines herein contained are hereby established with regard to purchasing procedures.

1. General Guidelines

- 1.1 Purchasing Agent. The Academy Board hereby designates the Academy Administrators to serve and act as purchasing agents for the Academy Board.

"Academy Administrators" are defined to be the Academy Director, Deputy Director, or Business Manager of Holly Academy.

- 1.2 Competitive Bidding. It is the Board's desire to obtain vendor competition whenever practical. Competitive bids are not required: (a) for the acquisition of textbooks; (b) if the amount of the transaction does not exceed the statutory limit established by MCLA 380.1274, as amended; or (c) if the Purchasing Agents reasonably determine that there is only one practical supply source.
- 1.3 Purchasing Considerations. The Purchasing Agents shall consider the following when acquiring Materials and Services for the Academy with Board funds: (a) price; (b) quality of the Materials and Services; (c) service, delivery, and maintenance of the Materials and Service; (d) suitability of the Materials and Services to the Academy's needs; (e) conformity of the Materials and Services to specifications; (f) past service of the supplier to the Academy; and (g) vendor reliability. However, in this context, services typically require a special expertise, and it is not the desire of the board to limit the Purchasing Agents' access to such services.
- 1.4 Documentation. The Purchasing Agents shall obtain documentation with respect to the criteria set forth in Section 1.2 above prior to purchasing Materials and Services on behalf of the Board with Board funds, unless the purchase is of a minor or emergency nature.
- 1.5 Purchase Order System. The Board authorizes and directs its Purchasing Agents to develop and implement a purchasing order system as a means of budgetary control. The Business Manager shall monitor, supervise, and approve all purchases to ensure compliance with the budgetary and financial objectives of the Academy.

2. Competitive Bids

- 2.1 When competitive Bids Are Necessary. The Purchasing Agent shall obtain competitive bids before purchasing Materials and Services for the Board with Board funds if the purchase price, as an item or group of related items, equals or exceeds Sixteen Thousand One Hundred Twenty-Seven and No/100 (\$16,127.00) Dollars, unless otherwise allowed by this Policy (inclusive of but not limited to Section 1.2 and Section 3.2) and State statute or regulation.
- 2.2 Discretion of Purchasing Agents. The Purchasing Agents shall have discretion in deciding whether the purchases are made on the basis of requested term quotations (which can be obtained in writing or orally), or advertising for bids.
- 2.3 Process. Competitive bids shall be opened by the Purchasing Agents as stated in the bid advertisement or in the invitation to bid quote. If no time and place is specified, the Purchasing Agents may open the bids at a time and place determined by the Purchasing Agents, in their decisions.
- 2.4 Low Bid; Exceptions. Subject to the factors set forth in Section 1.3 above, the lowest responsible bidder (as determined by the sole discretion of the Purchasing Agents) submitting a competitive price quotation or bid shall ordinarily be awarded the

contract. However, the Academy Board hereby reserves the right to accept or reject any bid when the Board and Purchasing Agents feel it is in the best interests of the Academy to do so. In the case of the construction, if all bids are rejected, the Purchasing Agent shall re-advertise in the manner provided by law. The Academy Board must formally award (at a Board Meeting) all contracts for which a competitive bid must be obtained.

- 2.5 Late Bids. All bids received after the date and time specified by the Purchasing Agents shall be returned to the bidder unopened. Changes in the amount or condition of the bid shall not be allowed once the bid has been received.
- 2.6 Alternate Bids. Voluntary alternate bids submitted to the Purchasing Agents by a bidder shall not be considered in determining low bids. However, alternate bids may be negotiated after the successful bidder has been determined.
- 2.7 Construction Bids. Construction bidders shall be required to file security with the Academy Board in the amount of five percent (5%) of the amount of the bid, to secure the Academy from loss or damage by reason of the withdrawal of the bid or failure of the bidder to enter into a contract for the performance if the bid is accepted by the Board.
- 2.8 Retention of Bids. The Purchasing Agents shall make available to the Academy Board upon request the price quotations or competitive bids obtained from vendors for Materials and Services. This information shall be retained by the Purchasing Agents until the audit for the fiscal year has been formally accepted by the Academy Board.
3. Miscellaneous
- 3.1 Information Quotations. The Purchasing Agents may use the informal quotations (verbal information of price and terms on equal products or services) secured in person or by telephone or by means of other electronic communications to purchase ordinary supplies used by the Academy or Materials which are commodities and are readily available in the market place.
- 3.2 Emergency Purchases. The Purchasing Agents are authorized to make emergency purchases without using the quotation or bidding process. Such emergencies may arise as a result of an accident or unforeseen occurrence which could affect the life, health, welfare, or safety of the Academy's students, staff, or property.
- 3.3 Purchasing Rules and Regulations. The Purchasing Agents shall develop any rules or regulations necessary to implement this policy, including requisition and approval procedures, verification of purchases, and verification that goods have been received in an acceptable condition.

Procurement – Federal Grants

The Director of Finance 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 Academy 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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