

BUSINESS

Purchasing

The purchase of 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 Policies 4139 and 8250 – Conflict of Interest.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative regulations and best practices.

The superintendent shall implement purchasing procedures in accordance with this policy. The superintendent shall also 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 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 (R3323).

Purchases of supplies, materials, equipment and services (only to the extent services will be paid for with Federal funds) shall be based upon bids and/or quotations received from vendors in response to specifications established by the district and provided to potential vendors. Bids shall be evaluated based upon the price, quality, past performance of the vendor and reliability of the item or items identified in each bid and/or quotation that is compliant with the district's specifications. Vendor references or prior experience with this or other districts may be considered.

A competitive bid or quotation for purchasing, which includes services if those services will be paid for with Federal funds, shall be obtained in the event the cost of the purchase of an item or group of items in a single transaction exceeds the annually established threshold (see #1 in Regulations R3323) as calculated by the Michigan Department of Education and reported to school districts in accordance with Section 1274 of the State of Michigan Revised School Code. Such purchases must be approved by the board of education.

Any item or group of items to be purchased from **non-Federal funds**, in a single transaction costing less than the annually established threshold as calculated by the Michigan Department of Education amount may be purchased with or without a competitive bid or quote.

Any item or group of items, including services, to be purchased **with Federal funds**, in a single transaction costing less than the amount established in 41 U.S. Code Section 1902(a)(2)(A), may be purchased with or without a competitive bid or quote. For item(s) purchased with **Federal funds** over the amount established in 41 U.S. Code Section 1902(a)(2)(A) but less than

the annually established base amount, price or rate quotations must be obtained from an adequate number of qualified sources.

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No item or group of items shall be broken down into a smaller group of items for the sole purpose of falling below the established base amount requiring competitive bid or quotation.

The board authorizes the use of cooperative, competitive bids initiated by other school districts, professional organizations or governmental units, including but not limited to the Ingham Intermediate School District, Michigan Association of School Business Officials and/or the State of Michigan that are consistent with this policy.

Emergency purchases may be made without utilizing a bidding or quote process. Emergency purchases may arise out of an accident or other unforeseen occurrence that could affect the life, health or safety of students and/or employees or interrupt the school schedule and where action cannot await competitive pricing or bidding. Emergency purchases that under ordinary circumstances would have required competitive bidding shall be separately identified and reported to the board at its next regular meeting.

In the event the administration uses a sealed bid process to secure competitive bids, sealed bids are to be opened on district property at the specific time and location stated on the bid form. All bidders are invited to be present during the opening of the bids. Unless there had been a change in the specifications and all bidders are equally advised and given adequate time to change their bids, changes in the amount or the condition of the bid will not be allowed once the bid has been received by the board designee, or its agent. Awards shall be made only on the specifications issued by, or on behalf of, the district as may be amended by the district prior to the official opening of the bids. The board retains the right to reject any and all bids and waive any irregularities at the board's discretion.

Legal Reference:
Revised School Code as Amended
2 C.F.R. 200.317 - .326

Policy

Adopted: 10-08-79

Amended: 10-14-19

Reviewed:

All purchases are reviewed by the district's business office to ensure compliance with law and board policy.

1. In accordance with Section 1274 of the Revised School Code, the base amount above which competitive bids must be obtained for procurement of supplies, materials and equipment is \$19,650 for the 2007-08 school year. In subsequent years, this amount shall, without further action of the Okemos Public Schools, be automatically adjusted to the adjusted value calculated in September of each year by the Michigan Department of Education for that purpose.
 - 1.1 Bids will be opened at a date, time and location as specified.
 - 1.2 Any item or group of items to be purchased in a single transaction costing less than the annually established base amount may be purchased with or without a competitive bid or quote. No item or group of items shall be broken down into a smaller group of items for the sole purpose of falling below the established base amount requiring competitive bid or quotation.
2. All purchases for the Okemos Public Schools, except petty cash disbursements, shall be made through the business office. The business office will always seek to find the best available option for purchases.
3. Administrators and supervisors are responsible to submit only requests which will be charged out of their respective budgets.
4. Purchases shall not be made without an assigned purchase order number. The board of education may refuse payment for unauthorized purchases. Recurring expenditures such as monthly phone bills, utilities, group health insurance, etc. do not require accompanying purchase order numbers but are to be reviewed monthly for accuracy by appropriate departmental and business office personnel.
5. Purchases of items for which there is only one supply source or when matching or repairing existing furniture or equipment may be made so long as this policy is fully satisfied to the extent that it applies to such purchases.
6. The business office has the responsibility to assure that no purchase is approved unless there are sufficient funds to cover such expenditures.
7. The superintendent shall provide the board of education the price quotations or competitive bids obtained from vendors for goods or services when a recommendation is made to the board for a purchase.
8. The business office is authorized to purchase cooperatively with other school districts or governmental units when it is in the best interest of the school district. As part of the purchasing process, cooperative purchase agreements are reviewed. Any such cooperative purchasing process must be consistent with this purchasing policy.

9. The business office shall, whenever feasible, consolidate as many items as possible when requesting bids or quotations in order to obtain the best price available. Toward this end, it is essential that such items be identified early in the budget process.
10. The business office shall seek to take advantage of all discounts offered by firms by paying bills promptly, whenever reasonably feasible. Invoices requiring early payment because of discount and penalty deadlines will be paid and approved as paid bills by the board.
11. In the event any process is used other than a sealed bid process, the results of any bid or quotation shall not be disclosed by Okemos Public Schools personnel or agents to any non-district personnel until all bids or quotations are received, at which time said results shall be generally available to bidders and the general public.
12. For all formal bids, the business office will obtain a familial statement from the vendor which identifies any relationship between the vendor and any board member or the superintendent of schools.

GLOSSARY

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| <u>Competitive Bid</u> | The receipt of a written price on equal products as requested by written specifications from the district. |
| <u>Competitive Price Quotation</u> | The receipt of a written price on equal products. |
| <u>Informal Quotation</u> | Oral information or pricing on equal products requested by visitation or telephone. |
| <u>Sealed Bid</u> | The receipt of a competitive bid in a sealed envelope that is opened at an appointed place, date and time pursuant to written specifications of the Okemos Public Schools. |

Regulations: 07-19-17