3605- District Credit/Procurement Cards

Monday, December 19, 2016 3:13 PM

3605 District Credit Cards (Cf. 1162, 1168, 3600) 3605

The Superintendent shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District credit or procurement cards for employees.

Issuance

District employees may be issued a District credit or procurement card that shall be used solely for the purchase of goods and/or services needed for official business of the District.

Documentation

When an employee uses a District credit or procurement card, documentation shall be provided to the Superintendent on a monthly basis detailing the goods or services purchased, the name of the vendor, the cost of such goods or services, the date of purchase, and the account number to charge. An original receipt must be submitted for all purchases.

Lost Credit/Procurement Cards

Each employee issued a credit/procurement card is responsible for the protection and custody of District credit/procurement card. If a District credit/procurement card is lost or stolen, the Superintendent shall be notified immediately.

Return of Credit/Procurement Cards

A District employee who is no longer employed by the District shall return the credit/procurement card upon termination to the Superintendent, but no later than five calendar days after termination.

Misuse and Unauthorized Use

An employee who violates a provision of this policy shall be subject to disciplinary action as determined by the Superintendent.

If the Superintendent violates a provision of this policy, he/she shall be subject to disciplinary action as determined by the Board.

Other Provisions

The total combined authorized credit limit of all credit/procurement cards issued by the District shall not exceed 1% of the total budget of the District for the current fiscal year. The Superintendent shall create administrative rules for this policy.

Approved: April 13, 2009
LEGAL REF: MCL 15.321-330; 129.221 et. seq.; 129.241 et. seq.; 380.1254

3610- Purchasing Goods and Services

Monday, December 19, 2016 3:18 PM

3610 Purchasing Goods and Services 3610

The Board shall provide services, materials and supplies that provide District personnel the most effective and efficient means to perform their duties. The District will acquire these at the minimum possible cost, but taking into consideration the best interests of the District. The quality of the service, materials, or supplies shall be considered in making the purchasing decision.

The Superintendent shall be the sole purchasing agent for the District but may delegate certain duties to other administrators or employees.

Purchasing from District Employees

The Board shall not purchase equipment, supplies, or services from any employee who is employed by the District for more than an average of 25 hours per week, nor from a member of a household of that employee, nor from any firm in which that employee or member of his/her household holds a 10 percent or greater financial interest.[1]

Purchases through the District

Board members and employees shall not make any purchase through the District for personal use. The name of the District or school, or an employee's position, shall not be used in such manner that discounts or cost preferences are given to such person. Purchasing equipment and supplies by the District for resale to employees is prohibited.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process. Such emergencies may arise because of an accident or other unforeseen occurrence that could affect the life, health, welfare, or safety of the District's students or employees.

The Superintendent shall develop Administrative Rules to implement the purchasing policy.

Approved: April 13, 2009
LEGAL REF: MCL 15.321-330; 380.1216; 380.1274

[1] MCL 15.322 Sec.2 (1) Except as provided in sections 3 and 3a, a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee. MCL 15.323 Sec. 3 (1) Section 2 does not apply to either of the following: (a) A public servant who is paid for working an average of 25 hours per week or less for a public entity (b) A public servant who is an employee of a public community college, junior college or state college or university.

3620- Administrative Leeway

Monday, December 19, 2016 3:21 PM

3620 Administrative Leeway (Cf. 2750, 3660) 3620

In the event of an emergency such as a power failure, severe cold weather or other such natural disasters, the Superintendent shall have the authority to purchase capital equipment needed to keep the schools of the District open or to reopen the schools. The Board, at a special or regular meeting as soon as possible after the purchase is made, shall approve any such purchases.

Such purchases shall not be made to circumvent the purposes of the competitive bid law.

Approved: April 13, 2009

3625- Procurement- Federal Grants/Funds

Thursday, July 13, 2017 3:12 PM

3625 Procurement – Federal Grants/Funds 3625

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and Local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration 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 the District's documented general purchasing policies.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award and administration of contracts as established in district policy.

The District will avoid acquisition of unnecessary duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase, where appropriate, an analysis shall be made of lease versus purchase alternatives and other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the permissibility of each purchase made with Federal funds.

To foster greater economy and efficiency, the District may enter into State and Local intergovernmental agreements, where appropriate, for procurement or use of common or shared goods and services.

Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and is in accordance with good administrative practice and sound business judgment. In order to promote objective contractor performance and eliminate unfair competitive advantage the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

1. unreasonable requirements on firms in order for them to qualify to do business;
2. unnecessary experience and excessive bonding requirements;
3. noncompetitive contracts to consultations that are on retainer contracts;
4. organizational conflicts of interest;
5. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
6. any arbitrary action in the procurement process.

Further, the District does not use statutorily or administratively imposed State, Local, or Tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; or (2) the District is contracting for architectural and engineering services, in which case geographical location may be a selection criterion

provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent that the District maintains a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be place on the list, if maintained, semi-annually.

Solicitation Language

The District shall require all solicitations incorporate a clear and accurate description of the technical requirements for the materials, products or services to be procured. The description shall not, in competitive procurement, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the materials, products or services to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand, which shall be met by offers, shall be clearly stated and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

Procurement Methods

The District shall utilize the following methods of procurement:

A. Micro-Purchases

Procurement by micro-purchase is the acquisition of supplies or services, in which the aggregate dollar amount does not exceed $3,500 ($2,000 if it is for construction and subject to Davis-Bacon Act) or as adjusted annually by the Federal government. To the extent practicable, the District shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting quotations if the Superintendent considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all purchases made by this method.

B. Small Purchases

Procurement by small purchase provides a relatively simple and informal procurement method for securing, supplies and other property that does not exceed the competitive bid threshold of $150,000. Note, if State law or District policy (3610) is more restrictive it shall apply. Small purchase procedures requires that price or rate quotations shall be obtained from an adequate number (typically not less than three) of qualified sources.

C. Sealed Bids

Procurement by sealed competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment that equals or exceeds the amount allowed by Michigan statute, and when the Board determines to build, repair, enlarge, improve, or demolish a school building / facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

1. a complete, adequate and realistic specification or purchase description is available;
2. two (2) or more responsible bidders are willing and able to compete effectively for the business; and

3. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State Law and Policy 3660. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening bids. The invitation to bid shall be publicly advertised.
2. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
3. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.
4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
5. The Board reserves the right to reject any or all bids for sound documented reason.

D. Competitive Proposals

Procurement by competitive proposal is normally conducted with more than one source submitting an offer and is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. As with sealed bids, Federal Law does not require a competitive proposal unless the procurement is for over $150,000. The State/District may set a lower threshold for sealed bids and competitive proposals. Michigan Law stipulates a threshold for which sealed bids are required.

If this method is used, the following requirements apply:

1. Requests for proposals will be publicized, identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
2. Proposals shall be solicited from an adequate number of sources.
3. The District shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. A contract shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. Competitive proposals cannot be used to purchase other types of services though A/E when firms are a potential source to perform the proposed effort.

E. Noncompetitive Proposals

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. the item is available only from a single source

2. a public emergency for the requirement will not permit a delay resulting from competitive solicitation
3. the Federal awarding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written request from the District
4. after solicitation of a number of sources and competition is determined to be inadequate

Contract/Price Analysis

The District shall perform a cost or price analysis in connection with procurements in excess of $150,000, including contract modifications. A cost analysis generally means evaluating the separate cost components that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost components.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate profit as a separate component of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, contractor investment, the amount of subcontracting, the quality of the contractor's record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Time and Material Contracts

Time and materials contracts are the sum of the actual costs of materials, direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses and profit. A time and materials contract generates an open-ended contract price which provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over $25,000, the District shall confirm the vendor is not debarred or suspended by either checking the Federal Government's System for Award Management at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

Bid Protest

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the

Request for Proposals (RFPs) or the individual bid specifications package for resolution. Bid protests shall file such notice in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The District maintains records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Approved: June 26, 2017

MASB Rec.

LEGAL REF: 2 C.F.R. 200.317-.326

3650- Cooperative Purchasing

Monday, December 19, 2016 3:22 PM

3650 Cooperative Purchasing (Cf. 3660) 3650

The Superintendent is authorized to consider, and recommend for Board approval, membership in cooperative purchasing organizations that would be of benefit to the District.

Cooperative purchasing also pertains to what is commonly referred to as "third party bids." Third party bidding shall constitute a competitive bid for purposes of policy 3660 - Competitive Bids.

Approved: April 13, 2009

3660- Bids and Quotation Requirements

Monday, December 19, 2016 3:22 PM

3660 Bids and Quotation Requirements (Cf. 4760) 3660

All purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedure by the District's purchasing agent.

The purchasing agent shall develop and maintain lists of potential bidders for various types of materials, equipment, and supplies. Such bid lists shall be used in the development of mailing lists for distribution of specification and invitations to bid.

Any supplier may be included in the list upon request. The purchasing agent shall review all bid lists annually.

A copy of this policy shall be given to all bidders upon creation of bid lists and upon request.

All bids and supporting documentation shall be retained in the District office with the Superintendent for a period of one year after bids have been opened.

Competitive Bids

No purchases shall be made of supplies, materials or equipment in a single transaction costing more than allowed under current law unless competitive bids for those goods and services are obtained and the Board approves the purchase.

Bid Specifications

The District's purchasing agent shall write all bid specifications in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with preferential bid law; financial statements; the Board's right to reject any or all bids; compliance with all federal, state and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs.

Approved: April 13, 2009
LEGAL REF: MCL 380.1267; 380.1274

3690- Local Purchasing

Monday, December 19, 2016 3:24 PM

3690 Local Purchasing (Cf. 3610) 3690

The Board shall purchase school equipment and supplies from local vendors whenever possible, providing that price, quality, and service of the local vendor compare favorably with those from non-local vendors. Bids shall be solicited from non-local vendors in order to establish a fair market price for equipment and supplies.

Local vendors may be given preference if their bid or quoted price is within two percent of the low bid or quoted price if all other matters are equal. Local purchases shall be divided among several local vendors when appropriate. The Superintendent shall make all authorized purchases, as he/she deems best after carefully weighing all matters.

Approved: April 13, 2009

The Board shall purchase school equipment and supplies from Michigan-based vendors whenever possible, providing that price, quality, and service of the Michigan-based vendor compare favorably with those from out-of-state vendors and the purchase is not inconsistent with federal statutes. Bids shall be solicited from out-of-state vendors in order to establish a fair market price for equipment and supplies.

Michigan-based vendors shall be given preference if their bid or quoted price is within five percent of the low bid or quoted price, not to exceed a maximum of $100.00, if all other matters are equal and if not inconsistent with federal statutes. State-based purchases shall be divided among several Michigan-based vendors when appropriate. The Superintendent shall make all authorized purchases.