

The purchasing objective of the board is to provide quality services, materials and supplies to district personnel to maximize their effectiveness and efficiency in providing excellence in education to the students attending district schools.

The policy of the board is to make all purchases at the optimum cost (minimum cost for quality functional performance) while taking into consideration the best interests of the district.

The assistant superintendent for business shall have the responsibility for the purchasing function.

General Guidelines

1. The State of Michigan Department of Education, under Sections 380.1267 and 380.1274 of the School Code and P.A. 159 of 1990, requires competitive bidding and board approval for remodeling, procurement of supplies, materials and equipment if the expenditure will exceed the base established by law and increased/decreased annually in line with increases/decreases in the Consumer Price Index (hereinafter CPI). The base amount will adhere to state statute.
2. The board directs that any purchase with a value of \$1,000 or more, using funds under its control and fiscal responsibility, be made only after a written request is provided to the business office defining what is required (functional specifications), why required, when delivery is needed, the source of funding and signed by the budget control officer. Emergency needs are excluded if authorized by the assistant superintendent for business in advance of the purchase.
3. The board directs that all purchases are to be made by issuing purchase orders, except that local purchases of \$50 or less may be made using petty cash funds. Reimbursement to a petty cash fund must be supported by receipts signed by the budget control officer.

4. Competitive pricing, utilizing three or more vendors, shall be obtained whenever possible and practical and must be obtained for any purchase that will exceed \$5,000 from a vendor.
5. In awarding purchase orders or contracts for services, equipment, materials or supplies, the assistant superintendent for business shall consider the following: (a) price; (b) conformance to written specifications; (c) quality of product or service required to meet functional performance requirements (d) warranty; (e) cost of labor and materials after warranty for maintenance; and (f) vendor performance history including delivery as promised and timely maintenance service.
6. The qualified bidder submitting the lowest competitive price or bid ordinarily shall be awarded the contract. However, the board reserves the right to accept or reject any bid which it feels is in the best interest of the district and delegates this authority to the assistant superintendent for business for purchases not coming before the board.
7. The assistant superintendent for business shall make available to the board, the appropriate bid tab comparing price quotations or competitive bids obtained from vendors for goods or services. Originals of all quotations are to be retained by the business office until the audit for a just completed fiscal year has been formally presented to the board.
8. The board expects that three or more competitive bids be obtained on any item that exceeds \$5000.

Informal Quotations

Informal quotations (obtaining price quotations by telephone, FAX, or email) covering products or services of like functional performance may be secured by telephone or personal contact before purchasing the many small value supplies and

materials used by the district. Informal quotations apply to purchases that total less than \$5,000.

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Formal, Competitive Quotations

The assistant superintendent for business is authorized to purchase any budgeted item, or group of budgeted items in a single transaction, costing less than the State of Michigan Department of Education limit, adjusted annually based on the CPI, upon the receipt of at least three written quotations or bids. Less than three quotations or bids may be accepted if the proper procedures have been followed as described in the administrative regulations covering purchasing. The assistant superintendent for business shall use discretion in deciding whether such purchases are made on the basis of mailing invitations to bid to known bidders or through newspaper advertising for bids.

Competitive Sealed Bids

No purchases shall be made for goods or services performed by other than the district's employees in a single transaction costing more than the State of Michigan Department of Education limit, adjusted annually based on the CPI, unless competitive bids for those goods and services are obtained and the purchase is approved by the board.

Such bids shall be opened at a specific time and place as stated in the bid advertisement or in the invitation to bid. Bids may be opened by the assistant superintendent for business or the purchasing agent in the presence of one or more witnesses at the time and place as stated. They will be analyzed and brought to the board at a regular or special meeting with the recommendations by the superintendent and the assistant superintendent for business as to which bids should be accepted. The board will take action at a meeting of the board.

All bids received after the date and time specified shall be returned to the bidder unopened. Changes in the amount or terms and conditions of the bid will not be allowed once any bid has been received.

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Competitive Bids on Building Construction, Renovation and Repairs

Prior to commencing construction of a new building; or additions, repair or renovation of an existing building costing more than State Board of Education limit, adjusted annually based on the CPI, the assistant superintendent for business shall arrange to obtain competitive bids on all material and labor to be required to complete the proposed construction, addition, repair or renovation. Repair work normally done by district employees is exempted from this bidding requirement. Competitive bids for building construction, renovation and repair in excess of the State of Michigan Department of Education limit shall be advertised in accordance with current Michigan Department of Education requirements. These bids shall require a five percent bid deposit or bond. Bids may be opened at a specific time and place as stated in the bid advertisement by the assistant superintendent for business or by the purchasing agent, analyzed and then brought as a recommendation from the superintendent and the assistant superintendent for business to the board at a regular meeting for action.

Voluntary alternatives submitted by bidders shall not be considered in determining low bids. However, such alternatives may be negotiated after the successful bidder has been determined.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process, but must be approved by the assistant superintendent for business and the superintendent. Such emergencies may arise as a result of an accident or other

unforeseen occurrence which could affect the life, health, welfare or safety of the district's students, employees, facilities, or general public.

The board authorizes the assistant superintendent for business to approve purchase agreements or contracts in excess of the State Board of Education limit when deemed necessary to meet an emergency situation or when such authorization is in the

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best interests of the district. The superintendent and assistant superintendent for business will present such purchases to the board for approval at its next regular meeting.

Purchases of \$1,000 or Less

Purchases for less than \$1,000 shall be authorized by the purchasing agent and shall be consistent with identified procedures.

Purchases Exceeding \$1,000

Purchases exceeding \$1,000 to state minimum shall be approved by the assistant superintendent for business.

Bonding and Requirements

A five percent bond shall be required in all cases where the bid is estimated to exceed the amount specified by school code, as adjusted annually, for construction, addition, repair or renovation of a school building. For all advertised bids estimated to exceed \$50,000, where labor and materials are required to complete a contract or where a contract will involve repairs, alterations or new construction, a performance bond and a labor and materials (payment) bond may be required in the amount of not less than 25 percent of the contract as provided by Michigan law. In cases where two or more responsible bidders furnishing the required security submit identical bids as to price, the award may be made to either or any of such bidders.

Sole Source

In the event that specific goods and/or services are obtainable from a sole source, the assistant superintendent for business can authorize the purchase without soliciting for bids. Such goods and/or services will be so identified in a prior report to the board.

Long-Term Relations

Recognizing that there are advantages to the district to maintain long-term relationships with certain vendors for specific services and that there are other advantages to engage in periodic bidding, the following guidelines shall apply:

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Service

Legal - Bidding and term of service are at the discretion of the board.

Audit - The assistant superintendent for business will make recommendations to the board concerning term of service, which is at the discretion of the board.

Architectural and Engineering and Construction Management – Bidding and term of service are at the discretion of the board.

General Insurance - The insurance (property, casualty and liability) is self insurance through the West Michigan Risk Management Trust administered by Arthur J. Gallagher & Company;. The policy of self insurance shall be re-evaluated every five years unless special circumstances warrant continuance of this policy for a longer or shorter period of time.

Employee Benefit Insurance - This insurance (life, LTD, dental and vision and FLEX) will be publicly bid every five years unless special circumstances or provisions of collective bargaining agreements warrant continuance of any or all policies for a longer or shorter period of time.

Termination - The board reserves the right to terminate any of the above services with any vendor on the anniversary date of the service.

Cooperative Purchasing

The purchasing of items meeting district requirements in cooperation with other entities such as, but not limited to, the State of Michigan and Kent Intermediate School District shall be allowed and deemed to comply with these policies.

Qualified Vendors

All recognized and responsible vendors who formally agree that their companies conform to the district's policy to not discriminate on the basis of race, religion, color, creed, sex, national origin, age, political belief, or disability shall be given equal opportunity to furnish goods and services.

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Purchasing Rules and Regulations

The assistant superintendent for business shall develop the necessary rules and regulations to implement this policy for approval by the superintendent, including requisition and approval procedures, verification of purchases, and verification that goods have been received in an acceptable condition and services have been performed in an acceptable manner.

All purchases shall comply with the General School Laws of Michigan 380.623a, 380.1267 and 380.1274.

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