

Beaver Island Community School Board of Education Policies & Bylaws

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Purchasing

It is the general policy of the Board of Education that the purchase of all goods and services be at the lowest possible cost in the best interest of the School District.

Before placing a purchase order, the Superintendent or his/her designee 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 District.

Purchasing of Supplies, Materials, or Equipment

Each year the State of Michigan informs the School of the legal amount for purchases which require a formal (sealed competitive) bidding process of a single item.

It is the policy of the Board that the Superintendent or his/her designee adhere to the following:

- A. Seek informal price quotations on purchases that are under \$5,000. Informal price quotations consist of written, verbal or published pricing.
- B. When the purchase of single items of supplies, materials, or equipment is in excess of \$5,000 but less than the amount allowed by State statute the Superintendent or his/her designee shall whenever possible, request three (3) competitive written price quotations.
- C. Purchases in a single transaction that are in excess of the dollar amount permitted by State statute 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.
- D. 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.A. 18.1263.
- E. Cooperative purchasing with other school districts or governmental agencies may be practiced whenever such practice is economical and/or desirable. Cooperative purchasing also pertains to what is commonly referred to as "Third Party Bids." Third Party bidding shall constitute a competitive bid.

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Sealed bids shall be opened by the Director of Fiscal Services 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 vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders

- A. which use a Michigan-based business as the primary contractor.
- B. 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.A. 18.1268, which requires that the businesses certify that since inception or during the last twelve (12) months it has done one of the following:

- A. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. have filed a Michigan income tax return showing income generated in or attributed to Michigan
- C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

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.

Contracts may be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than the State purchasing limit. **All other contracts require Board approval prior to purchase.**

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The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase was not contemplated during the budgeting process.

The Superintendent or his/her designee 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 or his/her designee 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.

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. upon the placement of a purchase order, the Superintendent or his/her designee 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 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.