

Birmingham Public Schools

Bylaws & Policies

6320 - PURCHASING

The major objective of the purchasing procedure is to procure the best quality materials and/or services for the intended function at the time needed, at the best prices possible. Purchases or use of District property, materials, and manpower shall be accomplished in accordance with good business practices and within the framework of applicable laws and guidelines. Not only the letter but the spirit of all laws and guidelines relating to purchases and of the use of the District property, materials, and manpower shall be followed.

Purchases, except exempt items listed below, involving expenditures of more than the amount designated by State statute shall be awarded by the administration on the basis of public sealed bids. The amount shall be adjusted each year based on the formula specified in Act No. 159, Public Acts of 1990, amended sections 1267 and 1274 of the Revised School Code.

Exempt Purchases:

- A. Board-approved textbooks
- B. Utilities
- C. Employee benefit programs
- D. Property, casualty and worker's compensation insurance
- E. Legal and audit services
- F. Construction/renovation consultants/architects
- G. Emergency situations (see definition below)

The exempt purchases shall be reviewed at least annually and competitively bid if the Board of Education or administration determines that it would best serve the District's interest.

Insurance, legal, audit, construction/renovation consultants and architects services will be selected through a request for proposal and/or interview process. These unique services will be reviewed on a periodic basis to assure that the District is obtaining the best quality service at an acceptable cost.

Competitive bids are not required for items purchased through a cooperative bulk purchasing program approved by the Board of Education and operated by the Michigan Department of Management and Budget pursuant to M.C.L.A. 18.1263.

Emergency Purchases

The Board recognizes that a policy cannot always deal specifically with all situations. Therefore, the exceptions noted below will provide continuing control and ensure operational flexibility.

- A. An "emergency" is defined as an accident or other unforeseen occurrence which could affect life, health or safety, or substantially interrupt normal District operation (where immediate action cannot await competitive bidding).

B. In addition, other situations may make it desirable to waive the Public Bidding Policy.

C. The Superintendent or designee shall review and approve all exceptions to normal purchasing policy regarding items in excess of the competitive bid threshold under Sections 623a, 1267, and 1275 of the Revised School Code (amount is changed annually by the State of Michigan) and/or where the low bid is not accepted. Documentation for the rationale accepting other than low bid shall be provided the Superintendent or designee for review. The Superintendent or designee shall report on the acceptance rationale to the Board before (if possible) the contract is consummated. Emergency purchases are subject to the exception noted herein.

Bidding Procedure:

- A. A public bid notice shall be advertised at least once in a newspaper of general circulation in the District.
- B. Bidder shall be required to file a bid bond of not less than five percent (5%) of the amount of the bid, when dealing with construction bids.
- C. The bids required under this section shall be opened, examined and read aloud at a public bid meeting.
- D. The District may reject any or all bids; and if all bids are rejected, may re-advertise in the manner required by this section.
- E. All bids must include a familial relationships affidavit of bidder, compliance with school safety legislation and any other regulations required by law.

The Assistant Superintendent for Business Services or designee shall open bids 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 the quality of the item(s) to be supplied, its conformity with specifications, suitability to the requirements of the District, delivery terms, and past performance of the vendor.

Opportunistic Purchasing of Material

The exception in this situation shall be allowed if the nature of the material represents necessary goods and the purchase will not affect the District's ability to inventory other necessary supplies and is in the best interest of the District, and the opportunity can be justified by an individual who is knowledgeable of the product market, relative prices, and product quality.

Unique Services Purchased on Time-and-Materials Basis

This exception shall be used when the scope of the work cannot be accurately predetermined.

Standardization of Materials and Equipment

This exception can be used in situations when standardization may limit the number of vendors through restrictive specifications. The standardization must be in the best interest of the District.

Other Purchasing Procedures:

- A. In order to promote efficiency and economy in the operation of the District, the Board requires that the Assistant Superintendent for Business Services or 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.
- B.

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.

- C. Before the Assistant Superintendent for Business Services or designee places a purchase order, the following must occur 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. All purchase orders shall be numbered consecutively.
- D. Single items, orders of numerous identical items, and work orders whose estimated cost is greater than \$5,000 require a minimum of three (3) quotations, where possible, unless the items are exempt purchases as defined above.
- E. In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:
 - 1. Items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained.
 - 2. Opportunities be provided to as many responsible suppliers as possible to do business with the District.
 - 3. Where the requisitioner has recommended a supplier, the Assistant Superintendent for Business Services or designee 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.
 - 4. Upon the placement of a purchase order, the Assistant Superintendent for Business Services or designee shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.
- F. Employees may be held personally and financially 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.

Procurement – Federal Grants

The Superintendent 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 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 (AG 6320).

Employee and Board Member Personal Involvement

Employees and Board members shall not be given special consideration in dealings with the District. Employees and Board members are not allowed to use the District credit or purchasing system to purchase or obtain equipment, supplies, or services for personal use. In addition, any employee and/or Board member providing a service or product to the District shall not have been included in the decision-making process

involving said purchase; nor shall the employee and/or Board member have occupied such position to have unduly influenced such a decision.

M.C.L. 380.1267, 380.1274 et seq.

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6440 - COOPERATIVE PURCHASING

The Board of Education recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this District through joint agreements for the purchase of supplies, equipment, or services with the governing body(ies) of other governmental units.

The Board authorizes the Assistant Superintendent for Business Services or designee to negotiate such joint purchase agreements for services, supplies, and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement approved by the Board and the participating contracting body(ies) which shall specify the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all legal bidding requirements.

M.C.L.A. 124.1 et seq.