

6320A - PURCHASING

Purchasing - General Provisions

- A. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order. Before such a commitment is made, the Superintendent shall be contacted for prior approval and for a purchase order number. In all such cases, a purchase order shall be issued as soon as possible after the commitment is made.
- B. Employees are forbidden to use the name of the District, any discounts provided the District, or any other means for associating a personal purchase with the District. They are to make clear to any District supplier from whom they are purchasing an item that it is a personal purchase by the employee and is not associated with the District. Failure to abide by this provision could lead to disciplinary action.
- C. Confirming purchase orders will be honored only in cases cited in the above paragraph.
- D. Ongoing commitments such as service contracts and leases should be renewed annually, in writing, at the beginning of each fiscal year.
- E. Open purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. Open purchase orders must be approved by the Superintendent before they are issued.
- F. Purchases of contracted services shall be negotiated either verbally, by a Request for Proposal, or through the bid process, as determined by the Superintendent. Such services that cost more than \$2,500.00 require the approval of the Board.
- G. Budgeted items that cost less than \$2,500.00 may be purchased without approval of the Board.
- H. The Superintendent may determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
- I. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board.
- J. Capital-outlay purchases must have prior approval of the Superintendent.
- K. Capital-outlay purchases shall conform to the bidding procedure stated further in these guidelines.
- L. Process purchase orders as follows:
- M. Annual purchase order cut-off dates shall be as follows:
 - 1. Purchase orders must be received in the Central Office on or before thirty (30) days prior to the close of the fiscal or project year, unless the services or supplies are essential to continue the daily operation of the department or building for the remainder of the current year, or unless an emergency exists.
 - 2. Requests for purchases of equipment, materials, improvements, or remodeling that will be subject to a bidding procedure must be sent to the Superintendent on or before sixty (60) days prior to the end of the fiscal or project year.

Purchase Order Procedure

- Step 1 - Requester submits purchase order to supervisor.
- Step 2 - Supervisor reviews - initials - sends to Superintendent
- Step 3 - Superintendent approves
- Step 4 - Purchase order number assigned by accounting department; original copy to vendor; pink copy to accounting office; yellow copy to department supervisor; and golden rod copy to requester

Payment of Claims Procedure

- A. When delivery is made, the principal/supervisor checks the pink copy of the requisition-purchase order to ensure the order has been received correctly and in proper condition;
- B. If so, the packing or delivery slip is initialed, attached to the pink copy of the requisition-purchase order, and both the pink and blue copies are sent, within five (5) working days, to the Accounts Payable Clerk for payment;
- C. The Accounts Payable Clerk checks the pink copy against the invoice, and if everything is in order, a warrant is drawn;
- D. If the Accounts Payable Clerk finds discrepancies or has questions, s/he shall contact the principal/supervisor;
- E. The vendor's invoice is filed with the pink copy of the requisition-purchase order and a copy of the warrant;
- F. Upon payment, the blue copy of the requisition-purchase order is returned to the principal/supervisor indicating the amount and date paid.

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It is the policy of the Board of Education that the Superintendent obtain at least two (2) price quotations on purchases of more than \$3,000.00 for a single item or service except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the District.

When the purchase of and contract for single items of supplies, materials, or equipment exceeds the amount designated by statute, the Superintendent shall obtain competitive bids.

Bids shall be sealed and shall be opened by the Superintendent 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 District;
- D. delivery terms;
- E. past performance of the vendor.

The Board reserves the right to reject any and all bids.

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

The Superintendent is authorized to purchase all items within budget allocations.

The Superintendent is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the schools 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 District, the Board requires that the Superintendent 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.

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.

Before the Superintendent places a purchase order, s/he 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. All purchase orders shall be numbered consecutively.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained;
- B. opportunity be provided to as many responsible suppliers as possible to do business with the

School District;

- C. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. where the requisitioner has recommended a supplier, the Superintendent 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;
- E. upon the placement of a purchase order, the Superintendent 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 office 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 C.F.R. 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).

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

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