

Lenawee Intermediate School District Bylaws & Policies

6320 - PURCHASING

Procurement of all supplies, materials, equipment, and services paid for from District funds shall be made in accordance with all applicable Federal and State statutes, Board policies, and administrative guidelines. Standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts are established in Policy [1130](#), Policy 3110, and Policy [4110](#) regarding conflict of interest.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgement.

Each year the State of Michigan informs the District of the legal amount for purchases which require a formal bidding process of a single item.

It is the policy of the Board of Education that the District seek price quotations on all purchases in excess of \$1,000, unless one or more of the following exceptions applies:

- A. The item or group of items are of such a nature that only one or two suppliers are capable of providing the item or group of items making the obtainment of three or more quotes impossible or impractical.
- B. The item or group of items are unique and/or require a special skill and/or experience which would make it impossible or impractical to obtain comparable quotes.
- C. The Superintendent determines that a legitimate emergency exists and that the obtainment of three or more quotes would significantly jeopardize the health and/or safety of persons or severely disrupt the District's educational programs or services.
- D. The District has an existing, valid written contract with the supplier that requires the District to purchase the item or group of items from the contracted supplier.
- E. The District has an established, positive relationship with a supplier and the Superintendent reasonably believes that the cost of the items and/or group of items is competitive with similar suppliers and that the obtainment of three or more quotes would create an unreasonable burden on the District.

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.

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. 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more.

When required by law, bids shall be sealed and shall be opened by the Superintendent or designee 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;
- F. contractual terms.

In addition to the factors above, the Board may consider and provide a preference to bidders which use a Michigan-based business as the primary contractor.

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. 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.

The Board authorizes the Superintendent to make purchases on behalf of the District without approval by the Board for those purchases which total less than the then-current State statutory limit for the purchase of goods, provided, however, that the purchase is within the Board approved budget allocations and that the purchase is made in accordance with applicable law and the Board's policies. Purchases for goods and/or services which exceed the then-current State statutory limit for the purchase of goods shall not be made unless prior approval is obtained from the Board.

The Superintendent is authorized to make emergency purchases which exceed the then-current State statutory limit for the purchase of goods, 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.

Before the purchasing agent 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.

The Superintendent shall determine the amount of purchase and type 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 preauthorization.

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.

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

- A. opportunity be provided to as many responsible suppliers as possible to do business with the District;
- B. a prompt and courteous reception, insofar as conditions permit, be given to all who contact the District on legitimate business matters;
- C. where the purchase requisitioner has recommended a supplier, the Purchasing Agent 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;
- D. upon the placement of a purchase order, the Purchasing Agent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

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 [6320A](#)).

Purchasing from District Employees

The District shall not generally make purchases from District employees, however, should the Superintendent determine that a purchase from a District employee is advantageous to the District, the District must, prior to purchasing any goods or services in any amount from a District employee which is outside of the employment relationship, obtain not less than three written quotes, including the District employee's quote.

District employees in a position to influence decisions on purchases shall not have a personal financial interest either directly or indirectly in purchases made by the District, or benefit directly or indirectly from any purchasing decision, unless that interest has been fully disclosed and the person or persons involved have removed himself or herself from the decision making process.

Purchases Through the District Prohibited

Board members and employees shall not make any purchase through the District for personal use. Purchasing equipment and supplies by the District for resale to employees is prohibited.

The Superintendent shall prepare an appropriate Business Procedures and Operations Manual for use by the District in matters pertaining to this policy.

Suspended or Debarred Vendors

The Board shall not enter into any contract for the delivery of goods or services, paid for in part or in full with Grant Funds, with a suspended or debarred vendor ("Excluded Party") who is listed in the Excluded Party List System (www.epls.gov).

Iran Economic Sanctions Act

The District will not enter into or renew a contract with any Iran linked business while Iran is a state sponsor of terror as defined under Section 2 of the Divestment From Terror Act, 2008 PA 234, M.C.L. 129.292. To this end, and in accordance with the Iran Economic Sanctions Act of Michigan, the District shall require a person that submits a bid on a request for proposal with the District to certify that it is not an Iran linked business.

M.C.L. 380.623a, 380.1267, 380.1274 et seq.

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