

Book	Administrative Guidelines
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6320 - PURCHASE OF EQUIPMENT, MATERIALS, AND SERVICES OTHER THAN PERSONAL SERVICE CONTRACTS

A. Purchasing Guidelines

All purchases for Dearborn Public Schools ("District") shall be made as set forth in the "Purchasing Guidelines" with observance to the letter and spirit of all laws and regulations relating to purchases for goods and services necessary for the successful operation of the education program. All expenditures shall be within the limitations of the approved budget.

1. These guidelines shall apply to expenditures from all funds under the direct control of the Board of Education.
2. Guidelines for construction of any school building, or addition to any existing school buildings, are covered by Section MCL 380.1267, Michigan School Code of 1976.

B. Micro-Purchase or Small Purchase Threshold

Purchase transactions for a single item, or group of items, involving an expenditure of \$10,000 or less may be awarded at the discretion of the Purchasing Agent.

C. Request for Quotations

Purchases transactions involving expenditures between \$10,000 and the maximum limit as established by MCL 380.1274 shall be awarded on the basis of at least three (3) competitive quotations. Competitive quotes may be requested in writing or verbally, but in either case must be documented and included as part of the purchasing file. If three (3) competitive quotations cannot be found, fewer quotations may be used provided suitable written verification is made. This written verification is to be made to, and approved by, the Director of Operations and Business Services within a reasonable time.

D. Competitive Sealed Bids

Purchases involving expenditures over the maximum limit as established in MCL 380.1274, shall be awarded on the basis of competitive sealed bids. If three (3) qualified bidders cannot be found, fewer bidders may be used provided suitable written verification is made. This written verification is to be made to, and approved by, the Director of Operations and Business Services.

(1) All procurements of the District shall be awarded by competitive sealed bidding, as set forth in this section, except as is otherwise provided in parts B and C of these Guidelines.

(2) **General Requirement and Exceptions.** In the reasonable discretion of the Purchasing Department, where there are no significant measurable qualitative factors other than price, procurements may be awarded by competitive sealed bidding, as set forth in this section.

(3) Invitation for Bids. An invitation for bids shall be issued which shall include specifications, and all contractual terms and conditions applicable to the procurement.

(4) Public Notice. Enough public notice of the invitation for bids shall be given to reasonably assure an optimal level of competition. Notice shall be given within a reasonable time, preferably fourteen (14) days but not less than seven (7) calendar days, before the date set forth therein for the opening of bids. This notice may include publication in a newspaper of general circulation, or on the District website, or on the Internet, or in professional and trade bulletins, if those kinds of notice are likely to produce more effective competition in the opinion of the Purchasing Department. The public notice shall state the place, date, and time of bid opening.

(5) Register of Interested Businesses. The Purchasing Department may maintain a register of businesses that have asked to be notified of specified kinds of invitation for bids, and may make good faith, but not guaranteed efforts to honor those requests.

(6) Bid Opening. Bids shall be opened publicly by a representative of the Purchasing Department, or designee, in the presence of one or more witnesses at the time and place set forth in the invitation for bids. The amount of each bid, and such other relevant information as the opening person deems appropriate, together with the name of each bidder shall be read clearly aloud and recorded.

(7) Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in these Guidelines. Bids shall be evaluated based only upon those requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria which will affect the bid price and which will be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs or savings, and total or life cycle costs.

(8) Correction or Withdrawal of Bids; Cancellation of Awards.

(a) When deemed appropriate by the Director of Operations and Business Services, a bidder may be permitted to correct or withdraw a bid, which contains inadvertent errors, both before and after bid opening. An award or contract may also be canceled based upon such bid mistakes. A notice of this correction policy and procedures shall be included in all invitations for bids.

(b) Mistakes discovered before bid opening may be corrected or withdrawn by written, faxed or other telegraphic notice received in the office designated in the invitation for bids at any time before the time set for bid opening.

(c) After bid opening, no changes shall be permitted in bid prices or in other provisions of bids, which are prejudicial to the interest of the District or to fair competition. After bid opening, a bid may be corrected only if and to the extent that the bidder can show by clear and convincing evidence:

- (i) the nature of the mistake,
- (ii) that the mistake was not one of business judgment, and
- (iii) what bid price had actually been intended.

(d) Instead of bid correction, a low bidder who alleges a material mistake of fact may be permitted to withdraw its bid if:

- (i)** the mistake is clearly evident on the face of the bid document, but the intended correct bid is not similarly evident; or
- (ii)** the bidder submits evidence which clearly and convincingly demonstrates that a mistake was made.

(e) All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written file determination made by the Director of Operations and Business Services.

(9) Award. The contract shall be awarded with reasonable promptness by appropriate written notice to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids. Notwithstanding anything

foregoing, the District, in its sole discretion, shall have the right to reject any and all bids that do not meet the best interest of the District, and the District hereby reserves the right to accept or reject any or all offers.

(10) Tie Bids. If two or more bidders are tied in price, while otherwise meeting all of the required terms and conditions of the bid, awards may, in the District's sole discretion, be determined by flipping of a coin in the presence of both bidders.

(11) Cancellation of Solicitations. An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part. Each solicitation issued by the District shall so state. Notice of cancellation or rejection of all bids shall be sent to all businesses solicited.

(12) Minor Informalities and Irregularities in Bids. The Purchasing Department shall either give the bidder the opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive any such deficiency when it is to the advantage of District. Such communication or determination shall be in writing.

(13) When bids received pursuant to an Invitation for Bids are unreasonable, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the Chief Financial Officer of the District, and it is determined in writing by the Director of Business and Operations that time or other circumstances will not permit the delay required to resolicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that each responsive/responsible bidder, who submitted a bid under the original solicitation, is notified of the determination and is given reasonable opportunity to negotiate;

1. the negotiated price is lower than the lowest rejected bid by any responsive/responsible bidder under the original solicitation;

2. the negotiated price is the lowest negotiated price offered by any responsive/responsible bidder.

E. Approval Process:

1. Purchases requiring an expenditure of less than the maximum limit as established by MCL 380.1274 shall be awarded by the Director of Operations and Business Services responsible for budget expenditures of P-12, or designee.

2. Purchases requiring an expenditure of the maximum limit as established by MCL 380.1274, or above, shall be awarded by the Board of Education.

F. Aggregating Purchases

Every attempt shall be made to accumulate volume within the normal processing time to obtain the best price. Purchases of aggregated items shall be treated as one (1) transaction for purposes of determining the controls which should be applied to such expenditure.

G. Commitment to Purchase

A commitment to purchase (verbal, letter of intent, purchase order) shall be made only after award approval by the appropriate authority as designated in guidelines E, 1 & 2.

H Cooperative Purchasing

Participation in cooperative and/or group purchasing arrangements and/or programs with other school districts, and/or governmental units, may be used at the discretion of the Director of Operations and Business Services. Cooperative contracts utilized by the District must have been awarded through processes that are consistent with purchasing/bidding procedures followed by Dearborn Public Schools. Expenditures resulting from such participation will follow approvals as in paragraphs E 1 and 2.

I. Emergency Purchase Procedures

Emergency Purchase is defined as; a purchase made due to an unexpected and urgent request where health and safety, or the conservation of public resources is at risk.

Emergency purchases may be authorized by the Director of Operations and Business Services, without utilizing the quotation or bidding process, in

circumstances where there is a threat to life, health, and safety of students, staff, the general public, and/or district property. If the emergency purchase is at, or above, the competitive bidding threshold, as established by MCL 380.1267, it shall require approval from the Director of Operations and Business Services, with concurrence from the Executive Director of Operations and Business, and the Superintendent. The Board of Education shall be advised of an approved emergency purchase, if over the state bid limit, at the next regularly scheduled district Board meeting.

J. Blanket Purchase Orders

An agreement to purchase goods from a specific supplier over a defined period of time, up to a maximum dollar amount. A Blanket Purchase Order (BPO) generally includes established prices, terms and conditions for a defined period of time, and although no quantities are specified, shipments are to be made when and as required by the purchaser

The following terms and conditions are mandatory, and shall appear on all Blanket Purchase Orders:

1. **Description of agreement.** A statement that the supplier shall furnish supplies or services, described in general terms, if and when requested by the purchasing officer (or the authorized representative) during a specified period and within a stipulated aggregate amount, if any.
2. **Extent of obligation.** A statement that the District is obligated only to the extent of authorized purchases actually made under the BPO.
3. **Purchase limitation.** A statement that specifies the dollar limitation for each individual purchase under the BPO.
4. **Individuals authorized to purchase under the BPO.** A statement that a list of individuals authorized to purchase under the BPO, identified either by title of position or by name of individual, organizational component, and the dollar limitation per purchase for each position title or individual shall be furnished to the supplier by the contracting officer.
5. **Delivery tickets.** A requirement that all shipments under the agreement shall be accompanied by delivery tickets or sales slips.
6. **Invoices.** A summary invoice shall be submitted at least monthly or upon expiration of this BPO, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by receipt copies of the delivery tickets.

K. Requests for Proposals (RFP)

A Request for Proposals (RFP) is a formal competitive process used to solicit proposals from a reasonable number of sources (proposers) for goods and/or services, and is used when conditions are not appropriate for use of sealed bids. Price is not necessarily the primary evaluation factor, but is considered. This method provides for negotiation of all terms, including price, prior to contract award, and may include a provision for the negotiation of best and final offers. This method of procurement may be a single-step or multi-step process.

If, in the reasonable discretion of the Purchasing Department, with consultation of the requesting department, determines that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be awarded by use of the competitive sealed proposals, which may include request for qualifications, as set forth in this section.

(1) **Public Notice.** Enough public notice of the request for proposals shall be given to reasonably assure an optimal level of competition. Notice shall be given within a reasonable time, preferably fourteen (14) days but not less than seven (7) calendar days, before the date set forth therein for the opening of bids. This notice may include publication in a newspaper of general circulation, or on the District website, or on the Internet, or in professional and trade bulletins, if those kinds of notice are likely to produce more effective competition in the opinion of the Purchasing Department. The public notice shall state the place, date, and time proposals are due.

(2) Receipt of Proposals. A register of proposals shall be prepared for each RFP, containing the name of each offeror, the date and time of proposal receipt, and recipient's signature. After the due date of all proposals, public inspection of proposals shall be in accordance with applicable Freedom Of Information Act guidelines.

(3) Selection of Evaluation Team. Evaluation teams shall be made up of individuals who are current district employees, and have no conflict of interest, financial or otherwise, associated with any offeror, bidder, or party being evaluated in relation to the RFP. A disclosure form shall be completed by each member of the evaluation team, and subject to approval of the Executive Director of Operations and Business Services.

Every effort shall be made to ensure no superior/subordinate relationship exists on any evaluation team. Exceptions to this may only be approved by the Executive Director of Operations and Business Services.

(4) Request for Qualifications. Prior to soliciting proposals, the Purchasing Department may issue a Request for Qualifications from prospective offerors. Such request shall contain, at a minimum, a description of goods or services to be solicited by the Request for Proposals and the general scope of the work, and shall state the deadline for submission of information and how prospective offerors may apply for consideration. The request shall require information only on an offeror's qualifications, experience, and ability to perform the requirements of the contract. After receipt of the responses to the Request for Qualifications from prospective offerors, the prospective offerors shall be ranked from most qualified to least qualified on the basis of the information provided. Proposals shall then be solicited from at least the top two prospective offerors by means of a Request for Proposals or competitive sealed bidding. The failure of a prospective offeror to be selected to receive the Request for Proposals shall not be grounds for protest.

(5) Evaluation Factors. The request for proposals shall state the relative importance of price and other evaluation factors to the full extent that those relationships can be reasonably quantified.

(6) Discussion with Responsible Offerors and Revisions to Proposals. If so provided in the Request for Proposals, discussions may be conducted with responsible offerors, in order to clarify and assure full understanding of, and conformance to, the solicitation requirements. The Purchasing Department shall assure that the interview advisory panel includes persons who are experienced and well qualified to judge issues of technical quality, competitive purchasing procedure, and legal implications.

Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. Discussions shall be scheduled and conducted in a manner which avoids disclosure of the identity of competing offerors, and of any specific ideas, information, or solutions which are derived from proposals submitted by competing offerors.

(7) Award. Award shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the District, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. Notwithstanding anything foregoing, the District, in its sole discretion, shall have the right to reject any and all proposals that do not meet the best interest of the District and/or its consumers, and the District hereby reserves the right to accept or reject any or all offers.

A copy of the evaluation, which states the basis of award, including the rating and evaluation sheets and notes of any review and interview advisory panel, shall be filed with the award. If there are significant differences between the rating and evaluation sheets, the written evaluation shall also explain why some were weighed more highly in reaching the final rankings.

(8) Cancellation of Solicitations. An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part. Each solicitation issued by the District shall so state. Notice of cancellation or rejection of all proposals shall be sent to all businesses solicited.

L. Insurance

The following insurance requirements shall be inserted in all formal solicitations, and as appropriate:

INSURANCE REQUIREMENTS TO BE MET BY THE SUCCESSFUL CONTRACTOR(S)

Contractor agrees, at its sole cost and expense, to purchase, prior to the commencement of services, and maintain the following insurance coverages in the minimum amounts indicated for the entire duration of the contract. All coverage shall be with insurance carriers licensed and admitted to do business in Michigan and acceptable to Dearborn Public Schools.

1. Commercial General Liability Insurance with limits of three million dollars (\$3,000,000) aggregate and not less than one million dollars (\$1,000,000) per occurrence for bodily injury, death, and property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and products and completed operations coverage;
2. Professional Liability Insurance (Errors & Omissions) of one million dollars (\$1,000,000) each occurrence;
3. Workers' Compensation including Employer's Liability Coverage of one hundred thousand dollars (\$100,000) per occurrence for all employees engaged in services or operations under this Contract in accordance with state law;
4. Automobile Liability with limits of one million dollars (\$1,000,000) each occurrence combined single limit of liability for bodily injury, death, and property damage, including owned and non-owned automobile coverages, as applicable.

To the extent that any insurance coverage required under this Paragraph is purchased on a "claims-made" basis, such insurance shall cover all prior acts of Contractor during the term of this Contract, and such insurance shall be continuously maintained until at least three (3) years beyond the expiration or termination of this Contract.

The required coverage as described above shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days advance Notice of Cancellation, Non-Renewal, Reduction and/or Material change shall be sent to: Purchasing Office, Dearborn Public Schools, 10421 Haggerty Street, Dearborn, Michigan 48126. If such insurance is not in force, Dearborn Public Schools may, at its option, terminate and cancel the contract.

M. Protests and Disputes

Any bidder or offeror who is aggrieved in connection with the solicitation or award of a subsequent contract may protest to the Director of Operations and Business, or designee, at the Dearborn Public Schools. The protest shall be submitted in writing to the Director of Operations and Business within five (5) calendar days after such aggrieved person or company knows or should have known of the facts giving rise thereto. If the fifth (5th) calendar day falls on a weekend or a District holiday, the protesting party may submit the protest on the first business day following such weekend or holiday. Failure to submit a timely protest shall bar consideration of said protest.

The written protest shall include the Bid/RFP date, requisition number, and the title of the District project. The document should clearly state the facts related to said protest, and include the desired remedy. The Head of

Procurement is not required to take into consideration any material filed by any party after the protest deadline.

The Director of Operations and Business, or authorized designee, will provide a written decision to the protesting party within 30 days of receipt of the protest.

Until issuing a final decision on a timely protest, Dearborn Public Schools will not award a contract or purchase order pursuant to a disputed solicitation. However, if there is a threat to public health, safety or welfare or a danger of immediate and substantial harm to District property in the delay in making the award, the Purchasing Agent, or designee, may proceed with award and document justification for such action.

If the protest is not resolved to the bidders satisfaction, the bidder may submit a notice of appeal, (and it must be so identified when submitted), to the Dearborn Public Schools' Executive Director of Operations and Business, through the Director of Operations and Business, within five (5) days after receipt of the Dearborn Public Schools' response to their protest. The decision of the Executive Director of Operations and Business shall be final, conclusive, and binding on all parties concerned.

The written protest to the Director of Operations and Business must be accompanied by a filing fee in the form of a money order or cashier's check payable to the Dearborn Public Schools in the amount of one (1%) percent of the amount of the Bid/RFP (I.E. proposed contract), or \$1,000.00, whichever is less. The filing fee shall guarantee the payment of all costs, which adjudged against the protester in any administrative proceeding. If the protest is denied the filing fee shall be forfeited to the Dearborn Public Schools in lieu of payment of costs for administrative proceedings. If the Dearborn Public Schools upholds the protest, the filing fee shall be returned to the protester.

N. Sole Source

Sole Source procurement may be approved by the Director of Operations and Business, when only one supplier possesses the unique capacity or capability to meet the particular needs of a District program or dept.

A request for a sole source procurement shall include from the requester, at a minimum, the following information, as applicable:

1. Name, address, telephone number, and email address of the potential vendor.
2. Type of goods and services sought by the requesting department.
3. A thorough explanation as to how it was determined that the vendor is a "sole source."
4. A thorough explanation as to why alternative goods or services, which may be obtained from more than one vendor, cannot be utilized in order to obtain the same outcome.
5. Attached letter from the supplier, explaining why their goods or services are sole source according to the criteria for sole source. Letter must have an authorizing signature from an officer of the company.

Sole Source purchases must be approved by the Board of Education if over the maximum bid limit as established in MCL 380.1274.

O. Comparable Source

When the supplies and/or services required by the District are available from only one source, or from a limited number of sources, and no other type of supplies or services will satisfy District requirements, Comparable Source procurement may be approved by the Purchasing Department.

A request for a comparable source procurement shall include from the requestor, at a minimum, the following information:

1. Name, address, telephone number, email address, etc. of the desired vendor.
2. The type of goods and services provided by the current vendor, and how long the vendor has provided the District with these goods or services.
3. Cost(s) savings expected as a result of using the current vendor versus procuring the goods or services from an alternative source.
4. A thorough explanation as to how the procurement is in the “best interest” of the District, and how the district would be negatively impacted if an alternative vendor/source is selected.
5. A thorough explanation of the District’s past and current history, experience, and relationship with the current vendor, as applicable.

Comparable Source purchases must be approved by the Board of Education if over the maximum bid limit as established in MCL 380.1274.

P. Uniform Guidelines

For purchases made with federal funds, the district will adhere to guidelines established in 2 CFR 200.317 through 200.326, to the extent they do not conflict with or contradict local policies and procedures.

Q. Professional Services

Professional Services are defined as services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training, or direct assistance. Examples include Architect/Engineering, Construction Management, Consulting, Legal, Medical, etc. Formal competitive bidding is generally not required to procure professional services, but selection processes may include interviewing, informational requests (RFI), or similar comparative techniques. Professional Service contracts exceeding the threshold specified in MCL 380.1274.

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