

Purchasing Policies

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

FINANCES
6320/page 1 of 5

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 procedures. 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 – 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 judgment.

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

It is the policy of the Board that the Superintendent seek informal price quotations on purchases less than the amount allowed by the State Bid Threshold.

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

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.

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

FINANCES
6320/page 2 of 5

Bids shall be sealed and shall be opened by the Finance Director 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 which use a Michigan-based business as the primary contractor and/or 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. 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.

policy

BOARD OF EDUCATION MORENCI AREA SCHOOLS

FINANCES
6320/page 3 of 5

Contracts may be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than \$5,000. All other contracts require Board approval prior to purchase.

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

Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request For Proposals (RFP) or the individual bid specifications package, for resolution. Bid protests must be filed in writing with the Office of the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

General Provisions

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

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 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.

policy

BOARD OF EDUCATION MORENCI AREA SCHOOLS

FINANCES
6320/page 4 of 5

In order to promote efficiency and economy in the operation of the school, 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 placing a purchase order, the Superintendent 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 school. All purchase orders shall be numbered consecutively.

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. 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;
- D. 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.

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

**FINANCES
6320/page 5 of 5**

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 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).

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

Revised 9/12/05
Revised 3/7/17
Revised 6/12/17
Revised 6/18/18

© NEOLA 2018



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

SHEILA A. ALLES
INTERIM STATE SUPERINTENDENT

MEMORANDUM

DATE: September 27, 2018

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle L. Guerrant, Deputy Superintendent *KG*

SUBJECT: Competitive Bid Threshold, FY 2019

The purpose of this letter is to communicate changes to the base amount above which competitive bids must be obtained for remodeling, procurement of supplies, materials, and equipment. Sections 623a, 1267, and 1274 of the Revised School Code establish a base above which competitive bids must be obtained and provide for an increase in the base that corresponds with increases in the Consumer Price Index (CPI). The fiscal year 2018-2019 base for Section 1267, pertaining to construction, renovation, repair, or remodeling and the new base for Sections 623a and 1274, pertaining to procurement of supplies, materials, and equipment, is \$24,459.

Our analysis shows that the average CPI for the 12-month period ending August 31, 2017 was 243.39. The similar average for the 12 months ending August 31, 2018 was 249.28, a percentage increase of 2.42%. Therefore, the fiscal year 2017-2018 base of \$23,881 for Sections 623a, 1267, and 1274 items increases by \$578 to \$24,459 ($\$23,881 \times 1.0242$) for fiscal year 2018-2019.

Section 620(1) of the Revised School Code [MCL 380.620(1)] establishes a base above which travel expenses paid with intermediate funds must be posted to the ISD website. Section 620(1) provides for an increase in the base that corresponds with increases in the CPI. For fiscal year 2018-19, the base amount for travel increases by \$95 to \$4,001 ($3,906 \times 1.0242$).

There are changes to the limits on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or potential vendor. Section 634 places an upper limit on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a

STATE BOARD OF EDUCATION

CASANDRA E. ULBRICH – CO-PRESIDENT • RICHARD ZEILE – CO-PRESIDENT
MICHELLE FECTEAU – SECRETARY • TOM MCMILLIN – TREASURER
LUPE RAMOS-MONTIGNY – NASBE DELEGATE • PAMELA PUGH
NIKKI SNYDER • EILEEN LAPPIN WEISER

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • 833-633-5788

vendor or potential vendor. The fiscal year 2017-18 cap of \$133 for awards increases to \$137 and the cap of \$57 for gifts increases to \$59 due to the increase in the average CPI.

Please note that all of the thresholds and caps mentioned in this communication are effective as of this date and are in effect until the next communication revises them.

If you have any questions, please contact Phil Boone, Office of State Aid and School Finance, at 517-335-4059 or boonep2@michigan.gov.

Item	Section	Requirement	Base Amount	2005-06 Base	2016-17 Thresholds	2017-18 Thresholds	2018-19 Thresholds
ISD Travel expenditures	620	Posting	\$3,000	\$3,093	\$3,830	\$3,906	\$4,001
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$17,932	\$18,489	\$23,416	\$23,881	\$24,459
ISD Award value limit	634, 1814	Award Cap	\$100	\$105	\$130	\$133	\$137
ISD Gift value limit (monthly)	634	Gift Cap	\$44	\$46	\$56	\$57	\$59
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$17,932	\$18,915	\$23,416	\$23,881	\$24,459
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$17,932	\$18,489	\$23,416	\$23,881	\$24,459

cc: Michigan Education Alliance

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

FINANCES
6424/page 1 of 2

PURCHASING CARDS

The Board of Education recognizes that bank credit cards ("purchasing cards") offer an alternative to existing procurement processes and provide a convenient, efficient method of purchasing goods and services. Board employees authorized by the Superintendent may use purchasing cards only for school-related purposes in accordance with this policy and administrative guidelines to be developed by the Superintendent. Purchasing cards shall not be used to circumvent the general purchasing procedures required by State law and Board policy.

All approved cardholders must abide by purchasing card procedures and regulations set forth in this policy and relevant administrative guidelines. All transactions must be made by the individual to whom the card is issued.

To obtain a purchasing card, approved employees must provide the bank issuing the card with all personal information required by the bank to issue a card.

The Finance Director shall conduct independent regular reviews of each cardholder's activity to verify that the purchasing card is being used in accordance with this policy and administrative guidelines. Card holders must keep receipts from all purchases made and provide receipts upon request. Prices for commonly priced items should be periodically verified to prevent schemes of purposeful price inflation.

Cardholders must use common sense and good judgment when using school resources. This policy and related administrative guidelines cannot cover every issue, exception, or contingency that may arise during the cardholders use of the purchasing card.

Cardholders will immediately surrender their cards upon request of the Finance Director and shall surrender their cards upon separation from employment. Cardholders are required to take reasonable prudent measures to protect the use and custody of the card and shall immediately notify the Finance Director if the card is lost or stolen.

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

FINANCES
6424/page 2 of 2

The purchasing card may never be used to purchase alcohol, or personal items or services. The personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward by the employee/cardholder is prohibited under any circumstances.

Misuse of the purchasing card may result in disciplinary action.

Adopted 3/6/17
Revised 6/12/17

© NEOLA 2016

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 Business Manager 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.

policy

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

FINANCES
6450/page 1 of 1

LOCAL PURCHASING

The Board of Education recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the District from established local merchants.

The Board authorizes the Superintendent to award purchases placed in accordance with law, this policy, and all policies of the Board otherwise applicable to local merchants when their quotation is competitive, freight charges are a factor, maintenance service may be required, and/or promptness of delivery is a consideration, provided that all statutes pertaining to public purchasing are duly observed.

Employee Reimbursement Policy

JOB-RELATED EXPENSES

The Board of Education will provide for the payment of the actual and necessary expenses, including traveling expenses, of any professional staff member of the District incurred in the course of performing services for the District, whether within or outside the District, under the direction of the Board and in accordance with the Superintendent's administrative guidelines.

The validity of payments for job-related expenses shall be determined by the Superintendent.

The Board shall pay the expenses of professional staff members when they attend professional meetings approved in accordance with the policy of this Board and in accordance with the administrative guidelines of the Superintendent.

Board Member Reimbursement Policy

bylaw

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

**BYLAWS
0170/page 4 of 6**

0175

Association Memberships

The Board of Education may maintain membership in the National School Boards Association and/or Michigan Association of School Boards and may take part in the activities of these groups.

The Board may also maintain institutional memberships in other educational organizations which the Superintendent and Board find to be of benefit to members and District personnel.

The materials and other benefits of these memberships will be distributed and used to the best advantage of the Board and staff.

0175.1

School Board Conferences, Conventions, and Workshops

The Board of Education recognizes the value of membership and attendance at conferences and meetings at the local, County, State, and National level.

Attendance at local, County, State, and/or National workshops and conferences is encouraged.

Each Board member is expected to report back to the Board after attending a conference at District expense.

Travel and personal expenses of spouse, children, or other guest traveling with a Board member shall be the responsibility of the Board member or of the individual. Expenses for convention functions attended as a group will be borne by the District within budgetary limits.

bylaw

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

BYLAWS
0170/page 5 of 6

The following are reimbursable upon submission of receipts and documentation:

- A. conference registration fees
- B. transportation – plane, train or automobile, including buses, taxis and limousines
- C. mileage at the Board approved rate
- D. toll charges and parking
- E. lodging (In most instances reimbursement will be limited to the conference rate, however, exceptions may be made in extenuating circumstances as determined by the Treasurer.)
- F. Meals
 - 1. the maximum per-day/per-meal allowance/stipend (includes up to a twenty percent (20%) gratuity) for all travel, except for travel to the major cities listed below, is:
 - Brunch/Breakfast \$10.00
 - Lunch \$15.00
 - Dinner \$20.00

 - Brunch/Breakfast \$15.00
 - Lunch \$20.00
 - Dinner \$30.00

bylaw

**BOARD OF EDUCATION
MORENCI AREA SCHOOLS**

BYLAWS
0170/page 6 of 6

2. official conference banquets will be reimbursed at actual cost

G. phone calls for District business and reasonable limited calls home

The President of the Board will regularly receive a record of Board member attendance at conferences.

Revised 3/8/16

© NEOLA 2015

Act No. 477
Public Acts of 2014
Approved by the Governor
January 10, 2015
Filed with the Secretary of State
January 12, 2015
EFFECTIVE DATE: April 12, 2015

Policy # 0175.1

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Senators Hansen, Jones, Robertson, Green, Marleau and Walker

ENROLLED SENATE BILL No. 81

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 1254 and 1814 (MCL 380.1254 and 380.1814); section 1254 as amended by 1995 PA 289 and section 1814 as added by 2004 PA 417.

The People of the State of Michigan enact:

Sec. 1254. (1) Except as provided in subsection (3) and section 1217a, the board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority may pay the actual and necessary expenses incurred by its members and employees in the discharge of official duties or in the performance of functions authorized by the board. The expenditure, and the policy described in subsection (2)(b) that establishes specific categories of reimbursable expenses, shall be a public record and shall be made available to a person upon request.

(2) The board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority shall not approve payment of an expense incurred by a board member under subsection (1) unless 1 or both of the following conditions are met:

(a) The board, by a majority vote of its members at an open meeting, approved reimbursement of the specific expense before the expense was incurred.

(b) The expense is consistent with a policy adopted by the board, by a majority vote of its members at a regular board meeting, establishing specific categories of reimbursable expenses and the board, by a majority vote of its members at an open meeting, approves the reimbursement before it is actually paid.

(3) The board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority shall not provide, allow, or obtain credit cards for, issue credit cards to, or provide to a board member a debit card or similar instrument that pledges payment of funds from an account of the school district, intermediate school district, public school academy, or education achievement authority except in compliance with law.

Sec. 1814. (1) Except as otherwise provided in subsection (2), a person shall not use school district, intermediate school district, public school academy, or education achievement authority funds or other public funds under the control

of a school district, intermediate school district, public school academy, or education achievement authority for purchasing alcoholic beverages, jewelry, gifts, fees for golf, or any item the purchase or possession of which is illegal.

(2) Subsection (1) does not prohibit the use of public funds for the purchase of a plaque, medal, trophy, or other award for the recognition of an employee, volunteer, or pupil if the purchase does not exceed \$100.00 per recipient. Beginning January 1, 2005, the monetary amount for this exception shall be adjusted each January 1 by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The adjustment shall apply only to expenditures or violations occurring after the date of the adjusting of the amount. The adjusted amount shall be determined and announced by the department on or before December 15 of each year and shall be provided to all persons requesting the adjusted amount. If the index is unavailable, the department shall make a reasonable approximation.

(3) In addition to any other penalty provided by law, a person who knowingly or intentionally violates subsection (1) is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine, or both. The amount of the fine shall be as follows:

(a) If the cumulative amount of the funds that were used by the person in violation of subsection (1) is less than \$5,000.00, up to \$1,000.00.

(b) If the cumulative amount of the funds that were used by the person in violation of subsection (1) is at least \$5,000.00 and less than \$10,000.00, at least \$1,000.00 and not to exceed \$2,000.00.

(c) If the cumulative amount of the funds that were used by the person in violation of subsection (1) is at least \$10,000.00 and less than \$15,000.00, at least \$2,000.00 and not to exceed \$3,000.00.

(d) If the cumulative amount of the funds that were used by the person in violation of subsection (1) is at least \$15,000.00 and less than \$25,000.00, at least \$3,000.00 and not to exceed \$4,000.00.

(e) If the cumulative amount of the funds that were used by the person in violation of subsection (1) is \$25,000.00 or more, at least \$4,000.00.

(4) A court shall order a person convicted of a violation of subsection (1) to make restitution to the affected school district, intermediate school district, public school academy, or education achievement authority.

(5) As used in this section, "public funds" means funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments to a school district, intermediate school district, public school academy, or education achievement authority for services, but does not include voluntary contributions made for a specific purpose by a school district, intermediate school district, public school academy, or education achievement authority board member; a school district, intermediate school district, public school academy, or education achievement authority employee; another individual; or a private entity.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

This act is ordered to take immediate effect.

Carol Moray Viventi

Secretary of the Senate

Sandy E. Randall

Clerk of the House of Representatives

Approved

.....
Governor