

## **Board Policy Governing Procurement of Supplies, Materials and Equipment**

### **Section 5. General Purchasing.**

In order to maintain effective control over the purchase of supplies, materials and equipment for the District, the purchase of all supplies, materials and equipment shall comply with all applicable Board policies, as well as all applicable State and Federal laws, rules and regulations.

It is the general policy of the Board that the purchase of all supplies, materials and equipment be at the lowest possible cost in the best interest of the District and all purchases must be within budget allocations. All procurement processes should use good administrative practices and judgement and free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition as required by law. The lowest responsible bidder shall generally be awarded the contract; however, the Board reserves the right to accept any bid/proposal that it feels is in the best interest of the District.

If the reasonably anticipated purchase price for the supplies, materials or equipment exceeds the State of Michigan competitive bidding threshold, as adjusted annually, a procurement process with competitive bids/proposals is required. However, competitive bids/proposals are not required for the purchasing of food unless the food purchased in a single transaction costs \$100,000 or more. Board approval is required for purchases over the State of Michigan competitive bidding threshold, as adjusted annually.

Purchases made using competitive bids provided through the State of Michigan programs, other consortiums, or cooperative bids shall satisfy the requirements of this Policy, unless applicable State or Federal law requires otherwise.

The Board reserves the right to: i) accept or reject any and all bids/proposals, in whole or in part; ii) waive any informalities or irregularities in the procurement process or a bid/proposal; iii) award the contract to other than the lowest bidder.

## **Section 6. Purchasing with Federal Funds**

In order to maintain effective control over the purchase of supplies, materials, equipment and services with Federal monies or under a Federal grant, the District shall follow all applicable Federal laws, regulations and standards, as well as all applicable Board policies and applicable State laws, rules and regulations.

It is the general policy of the Board that the purchase of all federally funded supplies, materials, equipment and services be at the lowest possible cost in the best interest of the District and all purchases shall be within budget allocations. All procurement processes shall use good administrative practices and judgment and be free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition. The lowest responsible bidder shall generally be awarded the contract; however, the Board reserves the right to accept any bid/proposal that it feels is in the best interest of the District.

When purchasing supplies, materials or equipment with Federal monies or under a Federal grant, the procurement processes shall also be in accordance with and follow Section 5 – General Purchasing.

When procuring services with Federal monies or under a Federal grant, if the reasonably anticipated cost is less than \$150,000, then the District shall contact a reasonable number of potential vendors and obtain informal written quotes for the services from at least three (3) vendors, to the extent possible. If the reasonably anticipated cost for services which will be funded by Federal monies or under a Federal grant is at or over \$150,000, competitive bidding shall be used for the procurement of those federally funded services. If it is determined that a formal competitive process for the procurement of services costing less than \$150,000 is in the best interests of the District, the District may use an appropriate competitive bidding process to obtain bids/proposals for the services.

Procurement of federally funded supplies, materials, equipment or services through solicitation of a proposal from only one source may

be used only when one or more of the following circumstances apply:

- The item can be verified to be only available from a single source;
- The public necessity or emergency will not permit a delay resulting from the competitive bid process;
- A noncompetitive bid/proposal is expressly authorized by the awarding agency; or
- After solicitation of a number of sources, competition is determined inadequate.

The Board reserves the right to: i) accept or reject any and all bids/proposals, in whole or in part; ii) waive any informalities or irregularities in the procurement process or a bid/proposal; iii) award the contract to other than the lowest bidder.

## **Section 7. Construction.**

### **A. General Guidelines**

1. The Superintendent shall develop an efficient system for the construction of new school buildings, and additions to, repair or renovation of, or energy conservation improvements to existing school buildings, and shall develop and implement administrative rules and procedures for District personnel regarding the same, that are in compliance with all applicable laws and this policy. All procurement processes should use good administrative practices and judgement and free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition.

2. Before commencing construction of a new school building, or addition to or repair or renovation of an existing school building, the Board of Education shall obtain competitive bids on all the materials and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building.

3. Subsection A(2) of this section does not apply to the following:

- a. Repair work normally performed by School District employees;
- b. Construction of a new school building, addition to or repair or renovation of an existing school building if the total cost for the materials and labor costs less than the State of Michigan Competitive Bidding Threshold; and
- c. Emergency Repairs to School District Buildings. However, such emergencies must arise as a result of circumstances which if not timely repaired could affect the health, safety or welfare of the School District's students, staff or property. All emergency repairs must be reported to the Board after repair and should be ratified by the Board at its next regularly scheduled Board meeting.

B. Bidding Procedures

1. Construction projects where the materials and labor cost less than the State of Michigan Competitive Bidding Threshold may be made without obtaining competitive bids, provided that such procurement shall be made in accordance with School District Administrative Guidelines and applicable law. Projects may not be divided into subunits or separate contracts for the sole purpose of avoiding the State of Michigan Competitive Bidding Threshold or the bidding requirements of this Paragraph.

2. Construction Projects where the materials and labor cost an amount equal to or greater than the State of Michigan Competitive Bidding Threshold

a. The Board shall advertise for bids by placing an advertisement for bids at least once in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place and by posting an advertisement for bids for at least two (2) weeks on the website designated by the State of Michigan and maintained for this purpose.

b. The advertisement for bids shall do all of the following:

- i. Specify the date, time and location by which all bids must be received by the Board;
  - ii. State that the Board will not consider or accept a bid received by the Board after the date and time specified for bid submission;
  - iii. Identify the time, date, and place of a public meeting at which the Board, or its designee, will open and read aloud each bid received by the Board by the date and time specified in advertisement; and
  - iv. State that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the Board or the Superintendent of the School District. The Board shall not accept a bid that does not include this sworn and notarized disclosure statement.
- c. The Board shall require each bidder for a contract under this Policy to file with the Board security in an amount not less than 1/20 of the amount of the bid conditioned to secure the School District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the Board.
- d. The Board shall not open, consider, or accept a bid that the Board receives after the date and time specified for bid submission in the advertisement for bids as described in Subsection B(2)(b) of this section.
- e. At a public meeting identified in the advertisement for bids described in Subsection B(2)(b) of this section, the Board, or its designee, shall open and read aloud each bid that the Board received at or before the time and date for bid submission specified in the advertisement for bids. The Board may reject any or all bids, and if all bids are rejected, shall re-advertise in the manner required by this Policy.

f. Any procurement which ensues from a competitive bid solicitation shall be awarded to the lowest responsible bidder, and the purchase shall be approved by the Board of Education.

g. Any construction projected funded in whole or in part by Federal monies or under a Federal grant, the School District must follow all applicable Federal laws, regulations and standards, as well as all applicable Board policies and applicable State laws, rules and regulations.

h. All solicitation documents issued by the School District shall reserve in favor of the School District:

1. The right to accept or reject any or all bids, in whole or in part;
2. The right to waive any irregularities or informalities contained in any response/proposal to a bid solicitation to the extent not prohibited by law; and
3. The right to accept a bid other than the lowest bid.