



ADRIAN PUBLIC SCHOOLS
Policies and Regulations

NEPN Code: DJF

Fiscal Management

PURCHASING POLICY

Purpose

It is the responsibility of the Board and Administration to establish and administer purchasing and distribution policies; to negotiate and approve vendor contracts; to consolidate purchases of like or common products; to analyze school supplies, services and equipment prices; to purchase competitively, without prejudice, and to seek the maximum educational value for every dollar expended. The purpose of this policy is to abide by state statutes regulating purchasing by school districts whose purpose is to invite competition, guard against favoritism and extravagance and to secure the best workmanship and materials at the lowest price practicable. This policy aims to create a balance between ease of operation and an appropriate level of checks and balances within the system.

1. Statutory Requirements. All District purchases shall be made in accordance with the following sections of the Revised School Code MCL 380.1, et seq., as amended (the "School Code"):
 - Section 380.1267 pertaining to school buildings; construction, additions, repair or renovation and covers competitive bids; exceptions; advertising; security; opening and reading of bids; rejection of bids; readvertising; applicability of section; and adjustment of the statutory threshold amount.
 - Section 380.1274 pertaining to the procurement of supplies, materials and equipment; written policies; competitive bids; approval of purchase; adjustment of the statutory threshold amount; acquisition of equipment; payment; purchase of heating and cooking equipment.
 - Section 129.243 pertaining to the use of credit cards for the purchase of goods or services for official school business.
 - For purchases made with federal grant funds, all applicable federal laws, regulations, and administrative requirements shall be followed.
2. Purchase Order Procedures. District liabilities may only be created pursuant to

the purchasing process established by the Business Office. A purchase order system shall be maintained to accommodate the needs of the District while providing the controls of checks and balances for budgeting and prudent money management for the District. The Assistant Superintendent shall maintain the necessary procedures to implement this policy, including requisition and approval procedures, verification of purchases, and verification that goods have been received in an acceptable condition and services have been performed in an acceptable manner.

3. Credit Card Procedures: The Assistant Superintendent is responsible for the credit card issuance, accounting, monitoring, retrieval, and for overseeing compliance with internal accounting controls and this policy.
4. Micro Purchases for Food Service. The simplified acquisition procedure may be used for purchases that do not exceed the micro-purchase threshold, as outlined in 2 CFR 200.67. Purchases for supplies or services that are less than \$3,500 in aggregate do not require competitive pricing.
5. Small Purchases. Competitive bidding is not required for purchases and contracts below the statutory thresholds identified in MCL 380.1267 and/or MCL 380.1274 and/or are excluded from competitive bidding requirements under applicable laws.
6. Small Purchases for Food Service. In compliance with the U.S. Department of Agriculture (USDA) Child Nutrition Programs, informal procurement procedures are used when the purchase of food or services from a supplier (wholesaler, retailer, and/or vendor) for a single transaction is less than \$100,000. The school must contact at least three (3) known suppliers of the food or services needed and obtain competitive price quotations. The negotiation of prices and terms with one or more of the suppliers contacted is permitted. This does not apply to the purchase of food service supplies (refer to #4 and #5 above).
7. Larger Purchases. Competitive bidding and board approval is required for

purchases and contracts that exceed the statutory threshold limits set forth in School Code Sections 380.1267 \$23,881 and/or 380.1274 \$23,881. Unless a specific process is otherwise required by statute (e.g., MCL 380.1267 for construction projects), competitive bidding may be accomplished by soliciting price quotations from at least three known vendors of the product. Alternate form of competitive bidding may be pursued at the option of the Assistant Superintendent or Superintendent including soliciting bids through the District's website, state websites dedicated to school district bidding, and newspaper advertisement. Posting an RFP or bid specifications, or distributing the same to bidders, is optional.

8. Large Purchases for Food Service. In compliance with the U.S. Department of Agriculture (USDA) Child Nutrition Programs, competitive bids are required for procuring food and or services purchased in a single transaction if the purchase is \$100,000 or more. The competitive bid process requires issuing an Invitation for Bid (IFB) or a Request for Proposal (RFP) for any procurement over the small purchase threshold. Both must be formally advertised and contain reasonable bid specifications.
9. Unless required by law, the District may, but is not required to, competitively bid any service contract. The Board authorizes the Superintendent or Assistant Superintendent to enter into agreements on the District's behalf for services up to \$23,881.
10. Bond Project Purchases and Change Orders. The Superintendent and Assistant Superintendent collectively may approve of purchases and/or change orders up to \$200,000. The Finance Committee may approve of purchases and/or change orders up to \$300,000. The documentation of such transactions approved shall be maintained and the transactions reported to the Board as a report on the Consent Agenda for ratification. Any purchase and/or change order of \$300,000 or greater must be approved by the Board. Any purchase and/or change order approved shall abide by the statutory requirements for competitive bidding, where

applicable.

11. Bidding Parameters

- a. When competitive bidding is required, the Board and its designees shall award contracts to the lowest responsible bidder, and may establish legitimate factors to be considered when determining whether a bidder is “responsible”. Such factors shall be consistently applied to all bidders on a particular item or project.
- b. The Board delegates to the Assistant Superintendent the authority to reserve the right to accept or reject any or all bids/quotes and subject to applicable law to waive formalities or bid irregularities when in the best interest of the District. If all bids are rejected, the Board and/or the Assistant Superintendent shall repeat the formal bid or quote process if required by statute or Board Policy (if applicable, or if not applicable, may elect to negotiate with a bidder for service and pricing changes).
- c. Bids not in accordance with bid specifications, if any, or that do not conform to the procedures outlined in the bid packets, if any, may be rejected. Bids received after the specified time, at an erroneous location or not properly marked shall not be accepted unless such errors are corrected by the bid deadline.
- d. All bids received for purchases made with federal funds must be checked against the Excluded Parties List System (EPLS) after the opening of bids or receipt of proposals. Federal Acquisition Regulation (FAR) Subpart 9.405(d)(4) requires that the EPLS be reviewed again, immediately prior to the award, to ensure that no award is made to a listed contractor. FAR 9.405-1(b) also requires the EPLS to be reviewed prior to awarding “new work” as defined in this provision.
- e. The Board and its designees reserve the right to inquire further of any bidder to determine whether the bid contains mathematical errors, omissions, and/or erroneous assumptions, and whether the bidder has the capability to perform and complete the contract for the bid amount in a timely fashion.
- f. Voluntary alternatives submitted by bidder shall not be considered in determining low bids. However, such alternatives may be negotiated after the bid has been awarded.

- g. Where continuity and stability over a period of years may be necessary, certain purchases may be bid out for longer than one year, but not to exceed five years.
 - h. Work performed by district employees that will be compensated pursuant to, and within the scope of, their employment is exempt from the bidding process. Notwithstanding the foregoing, work performed by employees and employee-affiliated entities may be subject to statutory restrictions regarding conflicts of interest.
- 12. Emergency Purchases and contracts and Michigan-based business preference
 - a. The Assistant Superintendent may approve purchases or contracts without engaging in a competitive bidding process for repairs to school buildings in emergency situations. For purposes of this policy, an “emergency” is any situation that could adversely affect the life, health, welfare or safety of the District's students or personnel or which could imminently cause serious damage to the District's property and/or facilities. The Superintendent and Assistant Superintendent will present such purchases and/or contracts to the Board for ratification at its next regular meeting.
 - b. The Board may grant a preference to a Michigan-based business, as defined in sections 1267 and 1274 of the Revised school Code, in any bid situation, except where federal funds are used to pay for the contract and/or good. The preference may not exceed 3% of the lowest qualifies out-of-state bidder. EXAMPLE: if the lowest responsible bidder is from Ohio and submits a bid for \$100,000, the Board may accept a bid from a Michigan bidder if the Michigan bidder's bid does not exceed \$103,000 and the Michigan bidder is the lowest responsible bidder that is a Michigan-based business.
- 13. Cooperative Purchasing. The purchasing of items meeting District requirements in cooperation with other entities such as, but not limited to, the State of Michigan,

the Regional Education Media Center Purchasing Programs (REMC), the MSBO Bus Purchasing Program, the Monroe Lenawee Purchasing Consortium and other similar programs, shall be allowed notwithstanding anything such programs that may be inconsistent with the other provisions of this policy.

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