

PURCHASING

Source: MCL 380.1267, 380.1274 et seq.

Each year the State of Michigan informs the Academy 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 Educational Service Provider adhere to the following:

- A. Seek informal price quotations on purchases:
 1. that are under fifty percent (50%) of the amount allowed by State statute for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the Academy.
 2. in excess of \$1,000.00.
- B. When the purchase of, and contract for, single items of supplies, materials, or equipment is:
 1. in excess of fifty percent (50%) but less than the amount allowed by State statute the Administrator shall whenever possible, require three (3) competitive price quotations.
 2. less than the amount allowed by State statute, but exceeds \$2,500.00 the Educational Service Provider shall whenever possible, require three (3) competitive price quotations.

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.A. 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more. When food purchased in a single transaction exceeds \$100,000 the Principal shall, whenever possible, require three (3) competitive price quotations.

Bids shall be sealed and shall be opened by the Principal 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 Academy;
- D. delivery terms;
- E. past performance of vendor.
- F. which use a Michigan-based business as the primary contractor.

G. which 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 MCL 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:

Before placing a purchase order, the Educational Service Provider 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 Academy. 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 Academy;
- 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 Educational Service Provider 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;

Upon the placement of a purchase order, the Educational Service Provider shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

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 Educational Service Provider 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 Academy 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 6320).