

# **Lapeer County Intermediate School District**

## **Bylaws & Policies**

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### **6320 - 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 judgement.

Each year the State of Michigan informs the District of the competitive bid threshold (i.e., the amount of an item or group of items purchased in a single transaction requiring the solicitation of competitive bids).

It is the policy of the Board that the Superintendent adhere to the following:

- A. Seek informal (i.e., verbal) price quotations on purchases that are under \$4,000. Board approval is not required for these purchases.
- B. Seek formal (i.e., written, preferably a minimum of three (3) when possible) price quotations on purchases:
  - 1. that are equal to or greater than \$4,000 but less than or equal to fifty percent (50%) of the competitive bid threshold. Board approval is not required for these purchases.
  - 2. that are greater than fifty percent (50%) of the competitive bid threshold. Board approval is required for these purchases.

#### **Competitive Bids**

Competitive bids are not required for items purchased through the cooperative bulk purchasing program operated by the Michigan Department of Technology, Management & 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.

Bids shall be sealed and shall be opened by the Superintendent or Superintendent's designee 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 District;
- D. delivery terms;
- E. past performance of the vendor.

Board approval is required for purchases made through the competitive bid process.

The Board reserves the right to reject any and all 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.

## **Competitive Bids on Building Construction, Renovation, and Repairs**

Prior to commencing construction of a new building, or additions to or repair or renovation of an existing building costing more than the amount stipulated by statute or more, the Board shall obtain competitive bids on all material and labor to be required to complete the proposed construction, addition, repair or renovation. Repair work normally done by School District employees is exempted from this bidding requirement.

The Board shall advertise for bids once each week for two (2) successive weeks 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 the building is to take place.

Bids shall be sealed and shall be opened by the Superintendent or Superintendent's designee in the presence of at least one (1) witness. The Board may reject any or all bids, and shall readvertise in the event all bids are rejected, in the manner provided by law and this policy.

Voluntary alternates submitted by bidders shall not be considered in determining low bids. However, such alternates may be negotiated after the successful bidder has been determined.

Each bidder shall be required to file security with the Board, in the amount of five percent (5%) of the bid, conditioned to secure the School District from loss or damage by reason of the withdrawal of the bid or by failure of the bidder to enter a contract for performance if the bid is accepted by the Board.

## **Purchasing Rules and Regulations**

The Superintendent shall develop the necessary rules and regulations 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 performed in an acceptable manner.

## **Emergency Purchases**

The Superintendent and Director of Finance are authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the schools in operation. Such purchases shall be brought to the Board's attention at the next regular meeting.

In order to promote efficiency and economy in the operation of the District, the Board requires that the Director of Finance or the Director of Finance's designee 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.

In the interests of the 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 District;
- 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 Director of Finance or Director of Finance's designee 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 Director of Finance or the Director of Finance's designee shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

## **Leasing/Installment Payments**

The Board may acquire 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.

## **Local Purchasing**

It shall be the policy of this School District to purchase locally, provided goods and services of equal quality are available at competitive prices.

## **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).

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M.C.L. 380.623a, 380.1267, 380.1274 et seq.