

PURCHASING (revised 4/14/14, 6/8/15)

The Academy will follow purchasing practices in accordance with applicable law, including MCL 380.1274, 380.1267, 15.321 and 18.1268.

The purpose of this Policy is to provide guidance for purchasing at the Academy in a manner that will:

1. Ensure the best possible price and quality to meet student needs; and
2. Ensure compliance with state law and Board policy.

The Chief Administrative Officer has the final authority in ensuring funds are expended and managed according to the budget and Board policy. Part of this responsibility may be delegated to the School Leader, other Academy staff or the Educational Service Provider (ESP), and they will be held accountable for following purchasing procedures.

All purchasing must be completed in accordance with applicable conflict of interest laws.

All purchases are subject to administrative approval and Academy staff may be held accountable for failure to follow appropriate procedures. It is improper for anyone to incur purchasing obligations on behalf of the Academy without the proper approval process.

Before making a purchase, the School Leader shall determine whether the proposed purchase is subject to bid, whether sufficient funds have been allocated in the budget, and whether the material might be available elsewhere in the Academy.

- A. Before making any purchases, all vendors will be verified against the suspended and debarred list maintained by the State of Michigan.
- B. For purposes of this policy, a Michigan-based business means a business that would qualify for Michigan preference for procurement contracts under MCL 18.1268. This geographical preference shall not apply to contracts paid with Federal funds and shall not be inconsistent with federal statutes and regulations.
- C. In the event of an emergency situation, normal purchasing requirements can be waived assuming compliance was not possible and the purchaser acted in good faith. An emergency situation is one in which immediate action is required in order to protect life and limb or to preserve valuable property. . Board notification, where needed, will be sought after the fact as soon as it is reasonably possible.
- D. The ESP, Board members, and Academy staff shall not accept any gifts or favors from vendors and/or suppliers which might, in any way, influence their recommendations on eventual purchasing decisions.

Minor Purchases

For purchases with a total value of \$10,000 or less, the purchaser is expected to use his or her best judgment to obtain the best price, but will not be required to produce multiple quotes unless the effort required is small and the potential savings significant.

Major Purchases

- A. For purchases with a total value of more than \$10,000 up to the competitive bid threshold as adjusted annually by the Michigan Department of Education (MDE), the purchaser will be required to produce evidence of price competition. Ordinarily, three quotations from major suppliers should be obtained.
- B. The Board should be notified of these purchases.
- C. The following may be evidence of price competition:
 - 1. Written quotations from vendors;
 - 2. Catalog prices taking into account any discounts the Academy may be entitled to receive;
 - 3. Reliance on bids taken by other governmental or non-profit organizations, i.e., the State of Michigan; and
 - 4. Price quotations obtained by phone with proper documentation.

Competitive Bidding (No Sealed Bids)

Supplies, Materials and Equipment Purchases

- A. As required by Michigan law, purchase of an item or a group of items in a single transaction exceeding the competitive bid threshold, as adjusted annually by the Michigan Department of Education, shall require competitive bids and approval by the Academy Board of Directors.
- B. When competitive bids are solicited under this section, the bid request must contain the following:
 - 1. Specifications for the supplies, materials and equipment being purchased;
 - 2. Payment terms, delivery and warranty requirements; and
 - 3. Specifications as to how the offer must be submitted, including address and deadline for submission.
- C. Competitive bids are not required for
 - 1. Items purchased costing less than the competitive bid threshold;
 - 2. Items purchased through the cooperative bulk purchasing program operated by the department of management and budget; and
 - 3. Food purchased in a single transaction costing less than \$100,000.

Competitive Bidding (Sealed Bids)

Material and Labor for construction, addition, repair or renovation of a school building

- A. As required by Michigan law, purchases of material and labor for the construction of a new school building, or addition to, repairs or renovation of an existing school building exceeding the competitive threshold for construction, as adjusted annually by the Michigan Department of Education, shall require competitive bids and a sealed bid process as prescribed under Michigan law.
- B. Competitive bids under this section are not required for

1. Repair work normally performed by the Academy; and
 2. Emergency situations where failure to repair a school building would have a detrimental effect on the building or on the health, safety and welfare of the students.
- C. In evaluating competitive bids, the best price is not automatically the lowest price, but the following factors should be taken into account:
1. Costs of shipping and pick-up;
 2. Adherence with delivery schedules and/or completion of project timeline;
 3. Reasonable estimates of supply and maintenance costs over the lifetime of the items purchased;
 4. Past performance of the proposed supplier;
 5. Compatibility of the product with existing equipment; and
 6. Resale or salvage value at the end of the item's useful life.

Services

The procurement of services by the Academy over \$10,000 is subject to approval by the Academy Board of Directors.

Federal Purchasing

Purchasing using Federal funds and for federally-funded programs shall be conducted in accordance with applicable Federal law.