

PURCHASING

Board of Education Philosophy

The purchasing, receiving, storing and distribution of necessary supplies, equipment and services for the South Lyon Community Schools represents a significant expenditure in the District's budget. It is essential, therefore, that all items must be procured efficiently and economically. In order that this may be possible, the following will be the Board's general policy on purchasing:

1. A function of the Business Office is to serve the educational program and its supportive units and operations by assisting in the acquisition of the necessary supplies, equipment and services.
2. The Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended. Therefore, the following shall be considered in awarding purchases or contracts for services:
 - a. Price
 - b. Quality of product
 - c. Service, delivery and maintenance of product
 - d. Suitability of product
 - e. Conformance to specifications
 - f. Past performance to the District
 - g. Vendor reliability.
3. The acquisition of services, equipment and supplies is centralized in the Business Office that functions under the direct supervision of the Superintendent, or his/her designee, and through whose office all purchasing transactions are conducted.

Superintendent of Schools

The Superintendent, or his/her designee, will administer the Policies of the Board as they pertain to purchasing. In addition, he/she will:

1. Require that efficient business practices govern the procurement and storage, issuance and delivery of all materials, supplies, services and equipment required in the operation of the school system.
2. Determine that established Board policies are put into effect.

Assistant Superintendent of Business and Finance

The Assistant Superintendent of Business and will develop and administer the purchasing program of the District.

Purchasing Guidelines

A. General Provisions

1. All purchasing activities shall be conducted within the laws of the State of Michigan.
2. It is understood that all purchases are approved within the limits of current budgetary appropriations as adopted by the Board.
4. The Superintendent, or his/her designee, is authorized to issue purchase orders without prior approval of the Board where competitive bidding procedures are not required by law or Board policy and when budget appropriations are adequate to cover such obligations.
5. The following purchases and services are not subject to the bidding procedure: used vehicles, and previously approved curriculum materials.

B. Quotations

1. Purchase orders between \$3,000 and \$8,000 must have a minimum of three (3) quotes attached to the purchase order.
2. Purchases under \$3,000 may be purchased on administrative discretion. To the extent practical and feasible, quotes should be sought from multiple vendors.

C. Bids

1. Purchase orders which exceed \$8,000 but total less than the yearly indexed minimum of Act 451 as amended (see administrative guidelines for current year figures) shall request a minimum of three invitational written bids. These purchases will be opened, read and awarded by the Superintendent, or his/her designee. The Board will be informed monthly of all purchases made under this provision.
2. Purchases totaling over the indexed minimum of Act 451 as amended (see administrative guidelines for current year figures) shall require competitive bids. These bids will be opened publicly and read by the Superintendent, or his/her designee at a time and place specified. The Board reserves the right to

reject any or all bids and to accept that bid which appears to be in the best interest of the District. The Board reserves the right to waive any informality in, or reject any or all bids or any parts of any bid. Any bid may be withdrawn prior to the scheduled time for opening of bids. Any bid received after the time and date specified will not be opened or considered. The contract will be awarded at a regular or special meeting of the Board.

D. Services

1. Services include such areas as refuse/recycling, mowing, snow removal, salting. Contracts which exceed \$8,000 but total less than the yearly indexed minimum of Act 451 as amended (see administrative guidelines for current year figures) shall request a minimum of three invitational written bids. These purchases will be opened, read and awarded by the Superintendent, or his/her designee. The Board will be informed monthly of all purchases made under this provision.
2. Contracts totaling over the indexed minimum of Act 451 as amended (see administrative guidelines for current year figures) shall require competitive bids. These bids will be opened publicly and read by the Superintendent, or his/her designee at a time and place specified. The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the District. The Board reserves the right to waive any informality in, or reject any or all bids or any parts of any bid. Any bid may be withdrawn prior to the scheduled time for opening of bids. Any bid received after the time and date specified will not be opened or considered. The contract will be awarded at a regular or special meeting of the Board.
3. A request for proposal or bid shall be required for services at a minimum of once every three (3) years. An additional option is to have a one year contract with the ability to renew for up to four (4) additional years (capped at CPI increase), if mutually agreed upon by both parties.
4. The intent is to award the contract to the lowest qualified bid. This means that the vendor would have the capability of effectively performing the duties (financial capacity, staffing, equipment, location, etc.) as set forth for the term of the agreement. In the event of a non-renewal or breach of contract, the District can solicit pricing from existing contractors to complete the original contract term.

E. Professional Services

1. Professional services include such areas as legal, auditing, construction management, architectural, engineering, insurance, consulting and environmental.
2. Contracts totaling over the indexed minimum of Act 451 as amended (see administrative guidelines for current year figures) shall require competitive bids. These bids will be opened publicly and read by the Superintendent, or his/her designee at a time and place specified. The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the District. The Board reserves the right to waive any informality in, or reject any or all bids or any parts of any bid. Any bid may be withdrawn prior to the scheduled time for opening of bids. Any bid received after the time and date specified will not be opened or considered. The contract will be awarded at a regular or special meeting of the Board.
3. A request for proposal or bid shall be required for professional services at a minimum of once every five (5) years.
4. It is recognized that a low bid is not necessarily in the best interest of the school district, given the qualitative aspect of professional services. The District reserves the right to award the contract to the "Best Value" vendor which takes into account such items as price, reputation, ability to do work, efficiency, staffing, and knowledge base. It is also possible that multiple vendors may be chosen and utilized based on area of expertise.

F. New School Construction or Renovations (see Board Policy 6321)

1. Competitive bids for construction, additions or renovations over the indexed minimum of State statute (see administrative guidelines for current year figures) shall be opened and examined at a public bid meeting. The Board reserves the right to award a contract to other than the lowest bidder where there is a determination by the Board that it is in the school District's best interest. For new school construction or renovations see Board Policy 6321. Any bid received after the time and date specified will not be opened or considered. The contract will be awarded at a regular or special meeting of the Board.
2. Change Orders – It is recognized that for major construction projects, that there will be unforeseen issues that arise. In order to meet timelines and address issues efficiently and effectively, the following limitations are set for the approval of change orders.

Change orders less than \$50,000 – Approved by Superintendent or designee

Change orders from \$50,000 - \$100,000 – Approved by District Facility Committee

Change orders above \$100,000 – Approved by Board of Education

G. Emergency Conditions

In emergency situations the Superintendent, or his/her designee, shall be authorized to make purchases outside of these requirements. All such deviations of policy shall be reported to the Board at the next regular or special meeting.

H. Cooperative Purchasing

The Board recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this district through joint agreements for the purchase of supplies, equipment or services with the governing body or bodies of other governmental units.

The Board authorizes the Superintendent, or his/her designee, to negotiate such joint purchase agreements for services, supplies and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with state law, the policies of this Board and the dictates of sound purchasing procedures.

Third party competitive bidding on behalf of the District shall constitute a competitive bid for purposes of Section 1274 of the School Code of 1976, as amended. Board approval is required and limited to the approval of entry of the District into a cooperative purchase agreement.

I. Local Purchasing

The Board recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if other considerations are equal, the Board prefers to purchase within the District from established local merchants.

J. Petty Cash

Petty cash funds may be established in for each school building or budget area. Such funds will be used for the payment of properly itemized bills in nominal amounts. Allowances, responsibility, security and accounting of petty cash funds will be the responsibility of the building administrator or budget area supervisor.

**BOARD OF EDUCATION
SOUTH LYON COMMUNITY SCHOOLS**

FINANCES
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Approved:

LEGAL REFERENCE: MCL 380.1267, 380.1274 *et seq.*

*Adopted December 1, 2008
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