

3205 POLICY - Purchasing

Purchasing

It is the general policy of the Board of Education that the purchase of all goods and services be at the lowest possible cost in the best interest of the School District.

The procurement of all supplies, materials and equipment shall comply with all applicable Board policies, as well as all applicable Federal and State statutes.

All procurement processes should use good administrative practices and judgement and be free of any real or apparent conflict of interest. All procurements are to be conducted in a manner which provides open competition. The lowest responsible bidder shall ordinarily be awarded the contract; however, the Board of Education reserves the right to accept any bid that it feels is in the best interest of the School District.

No quotes are required if the purchase is less than \$3,500 and if the price is deemed reasonable.

Phone quotes are required if the purchase exceeds \$3,500 but is less than the current federal micro-purchase threshold level, as periodically indexed. Micro-purchases are defined as the acquisition of supplies, materials or equipment where the aggregate dollar amount does not exceed the current federal micro-purchase threshold level as periodically indexed (2 CFR 200.320). Documentation of quotes from at least three vendors, if possible, must be provided.

Written quotes are required for purchases over the micro-purchase level but less than the State of Michigan competitive bidding threshold, as adjusted annually. Responses from at least three vendors, if possible, must be in writing.

When the procurement of supplies, materials or equipment is reasonably anticipated to exceed the State of Michigan competitive bidding threshold, as adjusted annually, competitive bids/proposals are required. Competitive bids are not required for the purchasing of food unless the food purchased in a single transaction costs \$100,000 or more. Competitive proposals may also be used when the use of sealed bids is not appropriate. Board of Education action is required for purchases over the State of Michigan competitive bidding threshold, as adjusted annually.

When the School District is procuring supplies, materials, equipment or services under a federal award or federal grant, the School District must follow the above procurement procedures except that the services over federal micro-purchase threshold but less than the federal simplified acquisition threshold, as periodically indexed, must have documented phone or written quotes (2 CFR 200.88).

Competitive bidding will be used for the procurement of federally funded services, to which Uniform Guidance applies, when the estimated total cost will be at or over the federal simplified acquisition threshold as periodically indexed (2 CFR 200.88).

Procurement of federally funded supplies, materials and equipment through solicitation of a proposal from only one source may be used when one or more of the following circumstances apply:

- The item is only available from a single source;
- The public necessity or emergency will not permit a delay resulting from the competitive bid process;
- A noncompetitive proposal is expressly authorized by the awarding agency; or
- After solicitation of a number of sources, competition is determined inadequate.

Purchases made using competitive bids provided through the State of Michigan programs, other consortiums, or cooperative bids shall satisfy the requirements of this policy.

The Board of Education reserves the right to reject any and all bids and any parts thereof. The Board of Education has the right to waive any informalities or irregularities, and the right to award to other than the bidder submitting the best financial proposal (low bidder).

MCL 380.1267, 380.1274 – 2 CFR 200.320, 200.88

Policy

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Board of Education Utica Community Schools

3205 Rules and Regulations – Purchasing

All purchases in excess of the amount requiring quotes, sealed bids or competitive proposals as defined by board policy must conform to one of the methods of solicitation detailed below. Purchases as a result of these solicitation are subject to the review and approval of the director of purchasing and risk management.

I. Methods of Solicitation

A. Phone or written quotes:

- Phone quotes – may be performed at the building level for supplies, materials or equipment when purchases are between \$3,500 and the federal micro-purchase threshold of \$10,000 or as periodically indexed. Proof of the phone quotes must be documented showing the items to be purchased, the company name, a contact name and the price(s).
- Written quotes for purchases over the current federal micro-purchase threshold but less than the State of Michigan competitive bidding threshold, as annually indexed may be obtained at the building or department-level. Vendor responses to the quote request must be in writing.
- Federally funded purchases of services over the federal micro-purchase threshold of \$10,000, or as indexed periodically, but less than the federal simplified acquisition threshold of \$250,000 must have documented phone or written quotes.

- ##### B. Competitive sealed bids/proposals – a written solicitation requesting pricing when the purchase of supplies, materials, or equipment exceeds the amount set by the State of Michigan bid threshold as annually adjusted. Specifications are prepared that detail the items needed. A due date and time is defined and no bids may be accepted after that date and time. Potential vendors must submit their responses to the procurement document (i.e., ITB, RFP, RFB etc.) in a sealed package. Bids are opened and read aloud at the specified time. Competitive bids/proposals for services are only required when services are federally funded and the cost thereof will be in excess of the federal simplified acquisition threshold.

- II. Solicitation of sealed bids/proposals
 - A. Bid notices shall be provided to potential bidders from a list maintained by the director of purchasing and risk management. Suppliers may be added to the list upon request.
 - B. Advertising shall be done in accordance with state and federal requirements.
 - C. The specifications shall require a clear and accurate description of the technical requirements for the material, product, or service to be procured. Descriptions must not contain features which unduly restrict competition. A "Brand name or equivalent" description can be used when it is impractical or uneconomical to make a clear and accurate description of the technical requirements.
 - D. A bid bond of not less than five percent (5%) of the amount of the bid shall be required on construction or remodeling bids. Construction projects over \$50,000 may require performance and payment bonds.
 - E. All bids must include a completed and notarized financial disclosure affidavit and an affidavit of compliance in accordance with Michigan Public Act 517 of 2012 (Iran Sanctions Act) unless not required by law.
 - F. All procurement transactions must be conducted in a manner providing full and open competition.

- III. Record of Bidders
 - A. All bids are to be submitted for public opening on the date and time stated in the invitations to bid.
 - B. A record shall be kept of all persons, firms, corporations, or others to whom bid forms are sent and to persons who obtain copies of the bid forms.
 - C. An abstract of bids shall be maintained describing each bid by name of vendor, item, unit price, terms, etc.

- IV. Rules for Bids
 - A. No bid shall be withdrawn after the scheduled time for receipt.
 - B. Any bid received after bidding has closed shall be returned to the bidder unopened.
 - C. Any bidder may withdraw the bid at any time prior to the scheduled closing time for receipt of bid.
 - D. At any time prior to the opening of bids, a bidder may change or modify the bid in the same manner in which the original bid was executed and submitted.

- V. Public Reading of Bids

At the time and place set for the opening and reading of bids each and every bid received prior to the scheduled closing time for receipt of bids shall be publicly opened and read aloud, irrespective of any irregularities or informalities in such bids. The public reading of each bid shall include at least the following:

 - A. Name of bidder.
 - B. For lump sum contracts, the lump sum base bid and the bid for each alternate.
 - C. For unit price contracts, the unit price for each item and the total, if stated.
 - D. The nature and the amount of security furnished with the bid, if requested.
 - E. No decision will be made during the public reading.

- VI. Evaluation and Award
 - A. Bids will be evaluated based on conformity to all the material terms and conditions of the invitation for bids. Consideration may be given to price, the quality of the item(s), delivery terms, and past performance of the vendor or other criteria as determined by the specifications.
 - B. For awards in excess of \$25,000, the bidder will be vetted through the federal system for the award management (sam.gov) to ensure that the vendor is not debarred or suspended.
 - C. Award should generally be made to the lowest responsible bidder based on the bid/proposal most advantageous to the school district.

- VII. Other Conditions
 - A. All bid prices shall be submitted on forms provided by the Board of Education.
 - B. All bids shall be F.O.B., to the designated Utica Community Schools' facility building unless otherwise stated.
 - C. Samples, when required, must be marked with the name of the vendor and the unit price specifically stated. Samples must be delivered free of charge and those soiled in process or spoiled by examination or tests will not be paid for by the Board of Education.

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