

PURCHASING

Reference: 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 procedures:

Seek informal price quotations on purchases 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.

When the purchase of, and contract for, single items of supplies, materials, or equipment is in excess of fifty percent (50%) but less than the amount allowed by state statute the Educational Service Provider shall whenever possible, require three (3) competitive price quotations.

Purchases that are in excess of the dollar amount permitted by state statute shall, whenever possible, have at least three (3) competitive bids for substantiation of purchase and shall require approval of the Board of Directors prior to approval to purchase.

Bids shall be sealed and shall be opened by the Educational Service Provider 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; and
- E. past performance of the vendor.

The Board reserves the right to reject any and all bids.

Contracts may be awarded by the Educational Service Provider without Board approval for any single item or group of identical items costing less than the maximum statutory amount. The maximum amount is the maximum dollar amount of purchases established in accordance with MCLA§ 380.1274. The amount is adjusted each year by the Michigan Department of Education. All other contracts require Board approval prior to purchase.

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

The Educational Service Provider is authorized to purchase all items within budget allocations.

The Educational Service Provider is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the Academy 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 Academy, the Board requires that the Educational Service Provider 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.

Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped but with staggered delivery dates, shall be made a part of the bid specifications.

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. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- B. 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;
- C. 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 Educational Service Provider shall determine the amount of purchase which shall be allowed without a properly signed purchase order. Employees may be held personally responsible for anything purchased without a properly signed purchase order or authorization.

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).

Adopted 10/24/08
Revised 11/22/10; 5/21/13