

# Allegan Area Educational Service Agency

## Bylaws & Policies

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### **6320 - PURCHASING**

Each year the State of Michigan informs the Agency 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 Superintendent seek informal price quotations on purchases in excess of \$5,000.

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

Competitive bids are not required for items purchased through the cooperative bulk purchasing program operated by the Michigan Department of Management and Budget pursuant to M.C.L.A. 18.1263.

Bids shall be sealed and shall be opened by the Director of Finances and Operations 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 Agency;
- D. delivery terms;
- E. past performance of the vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders:

- A. which use a Michigan-based business as the primary contractor.
- B. which use one (1) or more Michigan-based business as subcontractors.

For purposes of this preference a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L.A. 18.1268, which requires that the

businesses certify that since inception or during the last twelve (12) months it has done one of the following:

- A. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. have filed a Michigan income tax return showing income generated in or attributed to Michigan
- C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

This preference shall not apply to any procurement or project using Federal funds, nor shall it be used if it would violate any Federal law or requirements.

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

Contracts can be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than the mandatory bidding threshold. All other contracts require Board approval prior to purchase.

The Superintendent is authorized to purchase all items within budget allocations.

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase was not contemplated during the budgeting process.

The Superintendent is 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 Agency, the Board requires that the Superintendent 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 the Superintendent makes a purchase, s/he shall have the Director of Finance and Operations 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 Agency.

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 Agency;
- B. where the requisitioner has recommended a supplier, the Director of Finance and Operations may make alternate suggestions to the

requisitioner if, in his/her judgment, better service, delivery, economy, or utility can be achieved;

- C. upon purchase, the Director of Finance and Operations shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Superintendent shall determine the amount of purchase and type of purchase which shall be allowed. Employees may be held personally responsible for anything purchased without authorization.

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.

### **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 6320).

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

Revised 10/21/13