

**BOARD OF DIRECTORS
DETROIT COMMUNITY SCHOOL
POLICY
PURCHASING**

Reference: MCL 380.1267, 380.1274 et seq.

It is the policy of the Board of Directors that the Chief Administrative Officer (CAO) or designee seek at least three (3) price quotations on purchases of more than \$25,000 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 School, e.g. sole source.

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 MCL 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more.

When food purchased in a single transaction exceeds \$100,000 the Leadership Team shall, whenever possible, require three (3) competitive price quotations.

Bids shall be sealed and shall be opened by the Chief Financial Officer (CFO) 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 School;
- 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 MCL 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:

1. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
2. have filed a Michigan income tax return showing income generated in or attributed to Michigan
3. 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 has delegated its authority to approve and execute contracts to the Chief Administrative Officer (CAO).

The CAO or designee 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 and exceeds the line item by twenty-five percent (25%).

The Chief Administrative Officer or designee 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 School, the Board requires that the CAO or designee periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cot 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 CAO or designee check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the materials might be available elsewhere in the School. All purchases orders shall be numbered consecutively.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that opportunity be provided to as many responsible suppliers as possible to do business with the School, and a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;

Upon the placement of a purchase order, the CFO shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Board, through its designee the CAO, 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 CAO or its designee 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 School 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)

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Detroit Community Schools Board of Directors at a properly noticed open meeting held on the 18th day of November 2015, at which a quorum was present.

By:


Board Secretary