

5003

Purchasing

The Board authorizes the Superintendent to purchase or supervise the purchase of all materials, equipment, supplies, and services necessary for the operation of the School District. The Board expects the Superintendent to seek maximum value for all expenditures. The Superintendent is authorized to promulgate administrative regulations necessary to implement this policy.

The Superintendent will use competitive bidding when and in the manner required by law. In cases where competitive bidding is not required by law, the Superintendent may use competitive bidding or take advantage of cooperative pricing when, in his or her opinion, these procedures serve the School District's interest.

Federal Procurement Standards The Board seeks to ensure the District complies with all procurement policies and procedures in accordance with the [Education Department General Administrative Regulations](#) (EDGAR) and/or issued pursuant to the [Federal Uniform Grant Guidance \(UGG\), 2 CFR Part 200](#). The Superintendent will delegate responsibility for the development of procedures that comply with this policy to the Assistant Superintendent for Business Services.

Automated Clearing House (ACH) Arrangements and Electronic Transaction of Funds The Superintendent may enter into Automated Clearing House (ACH) arrangements approved by the Board. The Superintendent may transact School District business electronically.

Federal Grants and Awards The Superintendent will promulgate legally-compliant administrative regulations concerning expenditures of funds received through federal grants and awards.

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The School District must procure supplies, equipment, and services to carry out its educational mission. The Executive Director of Business & Finance is the School District administrator with primary responsibility for ensuring School District procurement is: consistent with the District's educational mission; as efficient and effective as possible, given the circumstances; and, consistent with all legal requirements and Board policies. The Executive Director of Business & Finance may recommend to the Superintendent revisions to these administrative regulations necessary to accomplish these goals.

Procurement Using Federal Grants and Awards The following procedures must be followed with respect to federal grants and awards.

Cash Management. Cash management procedures are governed by [2 CFR 200.305](#). The regulation permits the School District to make payments to vendors by electronic funds transfer, check, warrant, or other means that minimize the time that elapses between the transfer of federal funds to the School.

Disbursements to School District Vendors. Advance payments of federal grants and awards to the School District must be deposited and maintained in insured accounts, whenever possible. Advance

payments of federal grants and awards to the School District must be deposited in interest bearing accounts, unless: the School District receives less than \$120,000 in federal awards and grants per year; the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances; the depository requires an average or minimum balance so high it would not be feasible given federal and non-federal case resources; or, a foreign government or banking system prohibits or precludes interest-bearing account. Interest earned amounts up to \$500 per year may be retained by the School District for administrative expense. Interest earned over \$500 must be returned according to the procedures described in the regulation.

Allowability. The allowability of costs posted against federal grants and awards is governed by the program legislation, pertinent federal agency regulations, including those referenced in [2 CFR 200.302\(b\)\(7\)](#), and the terms and conditions of the grant or award. School District personnel are also expected to comply with the December 2013 OMB Supercircular, entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," applicable Michigan law, and applicable School District policies and administrative regulations.

The School District's Executive Director of Business & Finance must approve all costs posted against federal grants and awards and, then, only after the School District's grant or award manager has approved a received bill or invoice. Payroll costs will be documented according to the December 2013 OMB Supercircular. When permitted by the grant or award, indirect costs will be charged using the rate approved by Michigan Department of Education.

Conflicts of Interest. Conflicts of interest are governed by [2 CFR 200.318](#). School District Board members, employees, and agents engaged in the selection, award, or administration of contracts paid for, in whole or in part, by federal grants and awards may not have a prohibited conflict of interest. A prohibited conflict of interest exists when a School District Board member, employee, or agent (or any members of his or her immediate family) has a financial interest in or has or would receive a tangible personal benefit from a firm considered for such a contract. A School District Board member who violates this administrative regulation is subject to discipline by the Board of Education or the Governor. A School District employee or agent who violates this administrative regulation is subject to discipline, up to and including discharge. This administrative regulation does not, and should not be interpreted to, supersede or diminish other laws, Board policies, or administrative procedures concerning prohibited conflicts of interest.

Procurement Procedures. School District procurement procedures are governed by [2 CFR 200.319](#). School District procurement solicitations must: include a clear and accurate description of the technical requirements for the material, product, or service to be procured that does not, in competitive procurements, contain features that unduly restrict competition by prospective vendors; and, identify all requirements prospective vendors must fulfill and all other factors the School District will use in evaluating bids or proposals.

Evaluations of Proposals. Most, but not all, solicitations for supplies, materials and services paid for, in whole or in part, by federal grants and awards involve competitive bidding. [2 CFR 200.320](#), [2 CFR 200.321](#), and/or [2 CFR 200.323\(a\)](#) are applicable to such situations. Among other things, the regulation requires the School District to create a written description of the manner in which the School District will conduct its technical evaluation of proposals by prospective vendors.

Travel. See [2 CFR 200.474](#). The travel costs (i.e., transportation, lodging, subsistence, and related costs) for School District Board members, employees, and agents may not be paid from federal grants and awards unless: they would be reimbursed pursuant to applicable School District policies and procedures; and, the individual's participation is necessary to the federal grant or award.

Construction. As reflected in the Board of Education Policies, the School District will construct new buildings and add to or renovate existing buildings through competitive bidding as required by law. The School District will also purchase materials, equipment, and supplies for School District operations on a competitive basis as required by law.

Procedures.

- Any construction of new buildings or additions or renovations of existing buildings will, to the extent required by law, be based on competitive bidding, typically through an RFP approved by the School District's Director of Buildings & Grounds, the School District's Superintendent and the Board of Education.
- All purchases of materials, equipment and supplies will be made through the issuance of a purchase order signed by the School District's Director of Buildings and Grounds. Any purchase of any item exceeding the State's threshold for competitive bidding must be approved by the Board of Education.
- Prior to issuing a purchase order, competitive pricing is to be pursued, as follows:
 1. *Competitive Bids.* The competitive bidding process will be followed, where required by law.
 2. *Purchases Not Subject to Competitive Bidding.* In all other instances, the School District shall use measures, considered reasonable under the particular circumstances, intended to secure the highest quality product at the lowest possible price.
- Generally, orders or contracts will be awarded to the lowest, responsible, qualified vendor, considering the following factors: price, quality, conformance to specifications, identified needs, service and maintenance, and vendor reliability.

Procurement of Professional Services Professional services, such as architectural, legal, engineering, consulting, and auditing services, frequently require familiarity with School District personnel, practices, and facilities. The School District recognizes there are advantages in maintaining continuity in the provision of these services and does not require bidding or annual re-bidding, except in cases where the Superintendent or Board of Education considers it in the School District's best interest. Periodically, the School District may competitively bid such services to ensure that service and pricing are aligned with the School District's best interests and industry norms. The criteria for awarding contracts for professional services will be determined by the Board of Education, following recommendations from the Superintendent, on an *ad hoc* basis.