

Leelanau Montessori PSA

Bylaws & Policies

APPROVED 05/09/11
6007 – PURCHASING

It is the policy of the Board that the Head of School adhere to the following:

- A. 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 School.

- B. 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 Head of School shall whenever possible, require three (3) competitive price quotations.

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.

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

Bids shall be sealed and shall be opened by the Business Manager 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 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 secondary contractor.
- B. which, use one (1) Leelanau County based business as the primary contractor when the bid is within five percent (5%) of the lowest bid.

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 may be awarded by the Head of School without Board approval for any single item or group of identical items costing less than the legal amount set by the State. 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 Head of School 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 exceeds the function by one-half of the legal amount set by the State.

The Head of School is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the school 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 Head of School 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 Head of School 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 school. All purchase orders shall be numbered consecutively. In the interests of 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 school;
- B. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- C. where the requisitioner has recommended a supplier, the Head of School 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;
- D. upon the placement of a purchase order, the Head of School shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Board shall determine the amount of purchase, which shall be allowed without a properly signed purchase order. Staff members 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.

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

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6008 - NEW SCHOOL CONSTRUCTION, RENOVATION

Before beginning construction of a new school building, or an addition, repair or renovation of an existing school building, except emergency repairs, the Board of Education, shall obtain competitive bids on all the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building which exceeds the State statutory limit.

This policy does not apply to buildings, renovations, or repairs costing less than the statutory limit or to repair work normally performed by District staff members.

The Board shall advertise for the bids required under subsection:

- A. By placing an advertisement for bids at least once in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place and by posting an advertisement for bids for at least two (2) weeks on the Department of Management and Budget website on a page on the website maintained for this purpose or on a website maintained by a school organization and designated by the Department of Management and Budget for this purpose.
- B. By submitting the request for bids for placement on the Michigan Department of Management and Budget's website for school organizations, including a link to the District's website.
- C. The advertisement for bids shall do all of the following:
 - 1. specify the date and time by which all bids must be received by the Board at a designated location;
 - 2. state that the Board will not consider or accept a bid received after the date and time specified for bid submission;
 - 3. identify the time, date, and place of a public meeting at which the Board or its designee will open and read aloud each bid received by the Board by the date and time specified in advertisement;

4. state that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any staff member of the bidder and any member of the Board or the Head of School of the District. A Board shall not accept a bid that does not include this sworn and notarized disclosure statement.
- D. The Board shall require each bidder for a contract under this policy, to file with the Board security in an amount not less than 1/20 of the amount of the bid conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the Board.
 - E. The Board shall not open, consider, or accept a bid that the Board receives after the date and time specified for bid submission in the advertisement for bids as described in subsection C of this policy.
 - F. At a public meeting identified in the advertisement for bids described in subsection C of this policy, the Board or its designee shall open and read aloud each bid that the Board received at or before the time and date for bid submission specified in the advertisement for bids. The Board may reject any or all bids, and if all bids are rejected, shall re-advertise in the manner required by this policy.

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

1. which use a Michigan-based business as the secondary contractor.
2. which use one (1) Leelanau County based business as the primary contractor when the bid is within five percent (5%) of the lowest bid.

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:

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.

- G. The competitive bid threshold amount specified in this policy is adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the twelve (12) months ending August 31st of the year in which the adjustment is made differs from that index's average for the twelve (12) months ending on August 31st of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The current exempt amount must be confirmed with the Michigan Department of Education prior to issuing contracts for construction, renovation, or repair, which exceed the amount listed in this policy.

M.C.L.A. 380.1267

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APPROVED 05/09/11 **6009 - COOPERATIVE PURCHASING**

The Board of Education recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the Head of School to seek advantages in savings that may accrue to this District through joint agreements for the purchase of supplies, equipment, or services with the governing body(ies) of other governmental units.

The Board authorizes the Head of School to negotiate such joint purchase agreements for services, supplies, and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement approved by the Head of School and the participating contracting body(ies) which shall specify the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all legal bidding requirements.

M.C.L.A. 124.1 et seq.

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APPROVED 05/09/11
6010 - LOCAL PURCHASING

It shall be the intent of the Board to purchase locally- provided goods of equal quality and at competitive prices, when they are available from local suppliers. The Head of School should not feel bound to purchase any item locally that can be secured from outside sources at a savings to the District; nor shall s/he feel bound to purchase locally unless adequate quality, service and delivery can be provided by the local supplier.

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APPROVED 05/09/11 **6001 - FEDERAL FUNDS**

It is the objective of the Board of Education to provide equal educational opportunities for all students within the District. Therefore, it is the intent of the Board to be kept apprised of Federal legislation to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Head of School shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this District. The Head of School shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals through the budget approval process.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accord with Federal guidelines on discrimination. All Federal funds received by the District will be used in accordance with the applicable Federal law. The Head of School shall require that each draw of Federal monies is as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.

No Federal funds received by the District shall be used (1) to develop or distribute materials, or operated programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.

Compliance Supplement for Single Audits of State and Local Governments
20 U.S.C. 7906

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APPROVED 05/09/11 **6002 – BORROWING**

Upon the initiative of the Board of Education and with the approval of the Municipal Finance Commission or State Department of Education, the Head of School shall prepare the data and applications regarding the borrowing of funds against State Aid Notes, Tax Anticipation Notes, and Bond Issues. Such borrowing shall be in accordance with the provisions of Section 1225 of the School Code.

Quotations shall be solicited for all short - term loans which the Board has authorized. Funds shall be borrowed from the responsible organization offering the most favorable terms, as approved by the Board.

M.C.L.A. 134.1 et seq., 188.761 et seq., 380.144, 380.1225