

PURCHASING

Reference: MCL 380.1267, 380.1274 et seq.

It is the policy of the Board of Directors that the C.E.O./Superintendent seek at least price quotations on purchases 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 District.

When the purchase of, and contract for, single items of supplies, materials, or equipment is excess of fifty (50) percent but less than the amount allowed by State statute required bid limit, the C.E.O./Superintendent shall comply with legal requirements and obtain competitive bids. The C.E.O./Superintendent shall inform the board when authorizing purchases between \$5000 and the bidding limit.

Bids shall be sealed and shall be opened by the C.E.O./Superintendent 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 District;
- D. delivery terms;
- E. past performance of the vendor.

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

Contracts can be awarded by the C.E.O./Superintendent without Board approval for any single item or group of identical items costing less than \$5000. 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 C.E.O./Superintendent is authorized to purchase all items within budget allocations.

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

The C.E.O./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 District, the Board requires that the C.E.O./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.

[NOTE: The intent of the purchasing policy is to establish several levels at which purchasing can occur and to determine at what level Board involvement is required, when it is necessary to get a simple "quote" and when the "competitive bid" procedure required.]

Additional Policies and Procedures: The following policies and procedures will be applied, to the extent that they do not conflict with or contradict adopted Board Policies:

1. The CEO/Superintendent or NSA Accountant if so designated by the CEO/Superintendent, shall obtain informal quotations, formal bid quotations, or competitive bids for goods and services, as specified by Board policy and State Law.
2. If the competitive bid threshold issued by the Michigan Department of Education differs with Board policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The CEO/Superintendent will be responsible for obtaining the information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published MDE.

<u>Expenditure Type</u>	<u>School Code Section</u>
District procurement of supplies, materials and equipment	623a
District award value limit	634 and 1814
District gift value limit (monthly)	635
School building construction, addition, renovation, repair	1267
School District or PSA procurement of material/equipment	1274

Source of Governing Requirements

The requirements of procurement are contained in the A-102 Common Rule (____.36) OMB Circular A-110 (2 CFR Sections 215.40 through 215.48), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations in 2 CFR implementing the OMB guidance; the A-102 Common Rule (____.36); OMB Circular A-110 (2 CFR section 215.13); program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

In order to ensure compliance with these requirements, North Star Academy School District has implemented the following policies and procedures:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the District (described in the section of this manual titled "Purchasing"). See Policy 6320A Suspension and Disbarment
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.
3. The CEO/Superintendent will be responsible for determining whether the District is entering into a transaction that may be subject to suspension or debarment procedures and executing appropriate oversight and control activities at that time.

TRAINING AND SANCTIONS

North Star Academy will provide training to all staff involved in finance- and grant-related procedures through activities such as:

- Orientation of new staff
- Distribution of federal laws, regulations and guidance
- Distribution of North Star Academy policies and procedures
- Developing Templates, checklists and other guidance documents as appropriate
- Internal training sessions
- Routine staff meetings
- Informal technical assistance

The CEO/Superintendent or NSA Accountant will meet with the District staff as necessary to ensure that these procedures are followed. These meetings may occur either on an individual basis or in a group setting.

EMPLOYEE ACCOUNTABILITY AND SANCTIONS:

Failure to follow the provisions of these procedures will subject the individuals responsible for the violation(s) to administrative and/or disciplinary actions in accordance with district disciplinary procedures and the judgment of management. Sanctions may include comments on employee evaluations, suspension and/or dismissal.

Compliance failures, whether noted internally by management or through the external audit process will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising and improved process to encourage compliance in the future.

Adopted 3/25/15