



# Michigan Online School

## Purchasing and Procurement Policy

Reference: MCL 380.1267, 380.1274 et seq.

Procurement of all supplies, materials, , equipment, and services paid for from Academy funds shall be made in accordance with all applicable federal and State statutes, Board policies, and administrative procedures.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgment.

Each year the State of Michigan informs the Academy 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 Academy or, if applicable, any Educational Service Provider adhere to the following:

- A. Seek informal price quotations on purchases that are under ninety percent (90%) 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 Academy.
- B. When the purchase of, and contract for, single items of supplies, materials, or equipment Exceeds ninety percent (90%) but less than the amount allowed by State statute the Administrator shall whenever possible, require two (2) 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) bids for substantiation of purchase and shall require approval of the Board prior to purchase.

### Competitive Bids

Approved by the Michigan Online School Board of Directors  
May 23, 2018

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 a Director or Treasurer 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 Academy;
- 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 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:

- A. filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. 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.

### Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request For Proposals (RFP) or the individual bid specifications package, for resolution. Bid protests must be filed in writing with

Approved by the Michigan Online School Board of Directors  
May 23, 2018

the Educational Service Provider within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Academy or, if applicable, any Educational Service Provider shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

### General Provisions

The Academy and, if applicable, any Educational Service Provider 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:

- A. was not contemplated during the budgeting process.
- B. exceeds the function by \$5,000 or ten percent (10%).

In order to promote efficiency and economy in the operation of the Academy, the Board requires the Academy, or if applicable, any Educational Service Provider 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, if applicable, any Educational Service Provider 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 Academy. 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 Academy;
- 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, if applicable, any Educational Service Provider 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, if applicable, any Educational Service Provider shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

If applicable, any Educational Service Provider shall determine the amount of purchase which shall be allowed without a properly signed purchase order. Employees 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.