

PURCHASING

Source: MCL 380.1267, 380.1274 et seq.

Each year the State of Michigan informs the Educational Service Provider (ESP) of the legal amount for purchases which require a formal bidding process. While the ESP respects state driven standards, it purchases curriculum materials in the aggregate, with the intent to serve all ESP locations. This allows for greater cost benefit than focusing on per state volume and process would provide.

The ESP will adhere to the following process:

- A. Seek informal price quotations on purchases that are under \$5,000 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 ESP.
- B. Whenever possible, obtain three (3) competitive price quotations on purchases that are over \$5,000 for a single item, or \$10,000 in aggregate.
- C. Purchase student supplies (e.g. textbooks, computers, digital content, etc.) for all of its schools in aggregate, considering the following factors:
 1. The ESP has the competitive advantage of being a Pearson family member, and is able to acquire a large portion of its textbooks and digital material at cost.
 2. Student equipment is purchased from vendors or value added resellers via a private, internal bid process. The ESP will not handle these purchases as official public bids, where the advertising of the bid and a public opening are required due to what could be contradictory requirements amongst various states.

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.

Bids shall be obtained and opened by the ESP. 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 ESP;
- D. delivery terms; and
- E. the 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. 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.

The ESP 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.

The ESP is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the Academy 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 Academy, the Board requires that the ESP 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 ESP 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, the ESP 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 ESP shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The ESP 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.