

## **Section 3000 – Fiscal Management**

### **3605 District Credit/Procurement Cards**

3605

(Cf. 1162, Board Member Development Opportunities,  
Cf. 1168, Reimbursement for Expenses,  
Cf. 3600, Reimbursement of Expenses)

The Superintendent shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District credit or procurement cards for employees.

#### **Issuance**

District employees may be issued a District credit or procurement card that shall be used solely for the purchase of goods and/or services needed for official business of the District.

#### **Documentation**

When an employee uses a District credit or procurement card, documentation shall be provided to the Superintendent (within 10 calendar days) detailing the goods or services purchased, the cost of such goods or services, the date of purchase, and the purpose for which such goods or services were purchased.

#### **Lost Credit/Procurement Cards**

Each employee issued a credit/procurement card is responsible for the protection and custody of District credit/procurement card. If a District credit/procurement card is lost or stolen, the Superintendent shall be notified immediately.

#### **Return of Credit/Procurement Cards**

A District employee who is no longer employed by the District shall return the credit/procurement card upon termination to the Superintendent, but no later than five calendar days after termination.

#### **Payment**

The Board shall approve all District credit/procurement card invoices prior to payment. Such payments shall be made no later than 60 days after receipt of the initial statement date.

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3605 District Credit/Procurement Cards 3605-2  
(Cf. 1162, Board Member Development Opportunities,  
Cf. 1168, Reimbursement for Expenses,  
Cf. 3600, Reimbursement of Expenses)

### Misuse and Unauthorized Use

An employee who violates a provision of this policy shall be subject to disciplinary action as determined by the Superintendent.

If the Superintendent violates a provision of this policy, he/she shall be subject to disciplinary action as determined by the Board.

### Other Provisions

The total combined authorized credit limit of all credit/procurement cards issued by the District shall not exceed 5% of the total budget of the District for the current fiscal year.

Under no circumstances shall a District credit card ever be used for the purchase of “alcoholic beverages, tobacco products, nor personal, durable goods of any kind.”

Approved: September 8, 2008

LEGAL REF: MCL 15.321-330; 129.221 et. seq.; 129.241 et. seq.; 380.1254

## **Section 3000 – Fiscal Management**

### **3605-R District Credit/Procurement Cards**

3605-R

(Cf. 1162, Board Member Development Opportunities,  
Cf. 1168, Reimbursement for Expenses,  
Cf. 3600, Reimbursement of Expenses)

The District may include in its budget and pay the balance due on any credit/procurement cards, including the annual fees and interest.

There shall be a system of internal accounting controls to monitor the use of credit/procurement cards.

The Superintendent or administrator in charge of business/finance is authorized and encouraged to develop categories of the type of credit/procurement card purchases that may be made by District employees.

## **Section 3000 – Fiscal Management**

### **3610 Purchasing Goods and Services**

3610

The Superintendent shall be the sole purchasing agent for the District.

#### **Purchasing from District Employees**

The Board shall not purchase equipment, supplies, or services from any employee who is employed by the District for more than an average of 25 hours per week, nor from a member of a household of that employee, nor from any firm in which that employee or member of his/her household holds a 10 percent or greater financial interest.<sup>14</sup>

#### **Purchases through the District**

Board members and employees shall not make any purchase through the District for personal use. The name of the District or school, or an employee's position, shall not be used in such manner that discounts or cost preferences are given to such person. Purchasing equipment and supplies by the District for resale to employees is prohibited.

#### **Emergency Purchases**

Emergency purchases may be made without using the quotation or bidding process. Such emergencies may arise because of an accident or other unforeseen occurrence that could affect the life, health, welfare, or safety of the District's students or employees.

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LEGAL REF: MCL 15.321-330; 380.1216; 380.1274

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<sup>14</sup> MCL 15.322 Sec.2 (1) Except as provided in sections 3 and 3a, a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee. MCL 15.323 Sec. 3 (1) Section 2 does not apply to either of the following: (a) A public servant who is paid for working an average of 25 hours per week or less for a public entity (b) A public servant who is an employee of a public community college, junior college or state college or university.

## **Section 3000 – Fiscal Management**

3610-R Purchasing Goods and Services

3610-R

In order to properly oversee the purchasing function and protect the resources of the District, the following administrative rules shall apply to policy 3610, Purchasing Goods and Services. These rules shall apply equally to all employees of the District regardless of assignment.

1. No employee has authority to sign any contract for the purchase of any goods or services, nor encumber the District with any debts or obligations beyond the amount of \$500.00 without the specific, written permission of the Superintendent of Schools. Should he/she so desire, the Superintendent may issue written authorizations annually to certain District employees that authorizes expenditures of more than \$500.00 on a limited basis and for specific reasons.
2. Any expenditure for goods or services of \$500.00 or less is authorized only if such expenditures are chargeable, specifically, to an appropriate line item in the budget adopted by the Board of Education.
3. The Superintendent, or a person designated specifically by the Superintendent, shall be empowered to sign lease agreements on behalf of the District regardless of duration of the lease or the amount of the expenditure. It shall be the general practice of the District that, with the exception of technology equipment, such as computers, printers, scanners, copying machines, and the like, and certain transportation equipment, no lease shall be entered into that encumbers the District and the Board for more than a two-year period.
4. Any employee violating or attempting to circumvent these rules will be subject to disciplinary action, up to and including discharge.

## **Section 3000 – Fiscal Management**

### 3610-R Purchasing Goods and Services

3610-R-2

In addition, the Superintendent has authority to pursue any legal remedy necessary to seek restitution from the offending employee for any outstanding debts or obligations incurred by the District because of the employee's violation of these rules, subject to applicable collective bargaining agreements and law.

5. All vendors doing business with the District, or seeking to do business with the District, will be informed of these rules. Any vendor who seeks to circumvent or violate these rules may be barred, permanently, from doing business with the District.

## **Section 3000 – Fiscal Management**

3620 Administrative Financial Discretion

3620

(Cf. 2750, Administrative Rules, 3660, Bids and Quotation Requirements)

In the event of an emergency such as a power failure, severe cold weather or other such natural disasters, the Superintendent shall have the authority to purchase capital equipment needed to keep the schools of the District open or to reopen the schools. The Board, at a special or regular meeting as soon as possible after the purchase is made, shall approve any such purchases.

Such purchases shall not be made to circumvent the purposes of the competitive bid law.

Approved:     September 8, 2008

## **Section 3000 – Fiscal Management**

3650 Cooperative Purchasing (Cf. 3660, Bids and Quotation Requirements) 3650

The Superintendent is authorized to consider, and recommend for Board approval, membership in cooperative purchasing organizations that would be of benefit to the District.

Cooperative purchasing also pertains to what is commonly referred to as “third party bids.” Third party bidding shall constitute a competitive bid for purposes of policy 3660, Bids and Quotation Requirements.

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## **Section 3000 – Fiscal Management**

### **3660 Bids and Quotation Requirements**

3660

(Cf. 4760, Responsible/Quality Contractor Policy)

All purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedure by the Administrator in Charge of Finance. The Administrator in Charge of Finance shall develop and maintain lists of potential bidders for various types of materials, equipment, and supplies. Such bid lists shall be used in the development of mailing lists for distribution of specification and invitations to bid.

Any supplier may be included in the list upon request. The Administrator in Charge of Finance shall review all bid lists annually.

A copy of this policy shall be given to all bidders upon creation of bid lists and upon request.

All bids and supporting documentation shall be retained in the District office with the Superintendent for a period of one year after bids have been opened.

#### **Competitive Bids**

No purchases shall be made of supplies, materials or equipment in a single transaction costing more than allowed under current law unless competitive bids for those goods and services are obtained and the Board approves the purchase.

#### **Bid Specifications**

The Administrator in Charge of Finance shall write all bid specifications in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with preferential bid law; financial statements; the Board's right to reject any or all bids; compliance with all federal, state and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs.

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LEGAL REF: MCL 380.1267; 380.1274

## **Section 3000 – Fiscal Management**

3660-R Bids and Quotation Requirements  
(Cf. 4760, Responsible/Quality Contractor Policy)

3660-R

### Non-Competitive Bid Purchases

Non-competitive bid purchases may be made when there is only one supply source provided the amount does not exceed bidding requirement limitation.

### Informal Quotations

Verbal quotations of price on equal products or services secured in person or by telephone may be used in purchases for routine supplies used by the District.

The Superintendent shall make available to the Board, upon request, the price quotations, or competitive bids obtained from vendors for goods or services.

### Formal Bid Quotations

The Superintendent is authorized to purchase any item, or group of items in a single transaction, costing no more than allowed under current law, upon the receipt of at least three written bid quotations provided said purchase is within the approved budget. The Superintendent shall use discretion in deciding whether such purchases are made based on requested quotations or through advertising for bids.

### Competitive Bids on Building Construction, Renovation, and Repairs

Prior to commencing construction of a new building, or additions to or repair or renovation of an existing building costing more than allowed under current law, the Board shall obtain competitive bids on all material and labor to be required to complete the proposed construction, addition, repair or renovation. Repair work normally done by District employees is exempted from this bidding requirement.

The Board shall advertise 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 the building is to take place. The Board shall also post an advertisement for bids on the Department of Management and Budget's website for at least two weeks if the department has designated a website for this purpose.

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3660-R Bids and Quotation Requirements  
(Cf. 4760, Responsible/Quality Contractor Policy)

3660-R-2

If the Department of Management and Budget designates a school organization website for advertisement purposes, the Department shall include a link on its website to the school organization website.

Such advertisements shall include:

- The date and time that the bids must be received by the Board,
- A statement specifying that the Board will not accept late submissions,
- The date, time, and place the bids will be opened and read by the Board,
- A statement specifying that each bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship between the owner or employee of the bidder and any member of the Board or the Superintendent of the school district. The Board may not accept any bids that do not contain this sworn and notarized statement,
- A statement that security must be filed with the Board in an amount not less than 1/20<sup>th</sup> 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.

### Procedure

All bids must be submitted to the Superintendent in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All timely received bids shall be opened, read aloud, and examined by the Board at the public meeting specified in the advertisement for bids. No bid shall be opened, considered, or accepted before the date and time specified for bid submission in the advertisement. All bidders and other interested persons are invited to be present when the bids are opened.

## **Section 3000 – Fiscal Management**

3660-R Bids and Quotation Requirements

3660-R-3

(Cf. 4760, Responsible/Quality Contractor Policy)

Bids not involving building construction, renovation and repairs may be opened by the Administrator in Charge of Finance or other person designated by the Board and one other District employee shall witness such opening. The bids shall then be arranged in order from low to high before they are presented to the Board for action.

### Responsible Bidder

All bids shall be awarded to the lowest responsible bidder. The Board remains the sole judge of whether or not a bidder is “responsible.” Criteria that may be used to judge “responsible,” by way of illustration and not limitation, are financial standing, reputation, experience, resources, facilities, judgment, and efficiency.

The Board may investigate the business reputation of any bidder by using information at hand to form an intelligent judgment, such as the District's architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

### Bid Specifications

The Board shall avoid negotiation of bid specifications after bids have been accepted and shall correct and request new bids if specifications are inadequately written.

If an error is discovered in the bid specifications, all bids shall be returned unopened and the project shall be re-bid using corrected and/or amended specifications.

Any bid submitted to the District may be withdrawn prior to the scheduled time for opening of bids.

Any bid received after the Board publicized date and time shall not be considered.

### Rejection of Bids

The Board reserves the right to reject all bids and to ask for new bids. Such reservation shall be so specified in the publication or notification of bid letting.

The Board reserves the right to waive any informality in, or reject any part of, a bid.

Revised: August 2009

## **Section 3000 – Fiscal Management**

3690 Local Purchasing 3690  
(Cf. 3660, Bids and Quotation Requirements)

The Board shall purchase school equipment and supplies from Michigan-based vendors whenever possible, providing that price, quality, and service of the Michigan-based vendor compare favorably with those from out-of-state vendors and the purchase is not inconsistent with federal statutes. Bids may be solicited from out-of-state vendors in order to establish a fair market price for equipment and supplies.

Michigan-based vendors shall be given preference if their bid or quoted price is within five percent of the low bid or quoted price, not to exceed a maximum of \$100.00, if all other matters are equal and if not inconsistent with federal or state statutes. Michigan-based purchases shall be divided among several Michigan-based vendors when appropriate. The Superintendent or his/her designee shall make all authorized purchases.

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Revised: May 9, 2011