

BOARD OF DIRECTORS
KALAMAZOO COVENANT ACADEMY

PURCHASING AND PROCUREMENT POLICY

Source: MCL 380.1267, 380.1274 et seq.

This policy has been adopted by the Board of Directors of Kalamazoo Covenant Academy pursuant to Section 1274 of the Michigan Revised School Code.

It is the policy of the Board that the Academy, whether acting individually or through an Educational Service Provider, adhere to when the purchase of, and contract for, single items of supplies, materials or equipment is less than the amount allowed by State statute, but exceeds \$10,000.00 the Administrator shall whenever possible, have at least three (3) competitive bids.

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.

Bids shall be sealed and shall be opened by the Chief Operating Officer in the presence of at least one (1) witness. All orders or contracts shall be awarded based upon consideration of the following:

- A. price;
- B. the quality of the item(s) to be supplied;
- C. its conformity with specifications;
- D. suitability to the requirements of the Academy;
- E. delivery terms;
- F. 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 the 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 and allocation of income tax base to Michigan

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- 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 of requirements.

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

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

Any Educational Service Provider of the Academy is authorized to purchase all items with budget allocations.

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

Any Educational Service Provider of the Academy 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 all Educational Service Providers 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 Academy and/or the 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, the Academy and/or its Educational Service Providers, may make alternate suggestions to the requisitioner

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if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;

- D. upon placement of a purchase order, the Academy and/or its Educational Service Providers shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The 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.

Procurement – Federal Grants

The Academy and/or its Educational Service Providers shall maintain a procurement and contract administration system in accordance with United States Department of Education requirements (34 CFR 80.36) for the administration and management of Federal grants and federally-funded programs. The system shall require contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of this policy and administrative guidelines.

Adopted January 23, 2017