

10.8 - BID POLICY

Purpose/Overview

To establish parameters for the competitive bidding process consistent with Board of Education policies and federal and state laws.

Policy Statement

Competitive bids are required if a single purchase cost of an item or a group of items (materials, equipment, goods, and/or supplies) or construction, renovation, or repair to a School building is more than the State of Michigan Bid Index limit. Informal price quotations are encouraged for items or group of items costing less than the State of Michigan Bid Index limit or non-federally funded services.

Individuals Involved

Finance Department	Assists budget managers with the appropriate bid procedures.
Budget Manager	Budget Manager requests a purchase over the Michigan Bid Index Limit. Performs competitive bid
Bid opening attendees	Employees that attend the bid opening.
Supervisor	Appropriate Supervisor approves bid recommendation from the budget manager.
Vendors	Vendors that have been issued a RFP and submitted a bid proposal.

Definitions

Michigan Bid Index Limit	The bid index limit is set by the State of Michigan each year according to the consumer price index. Purchase cost for one item or a group of items over this limit are required to obtain a competitive bid.
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Procedures

1. An appropriate budget manager seeking to make a purchase over the Bid Index should contact the Finance Department for assistance and approval to conduct a competitive bid.
2. The District is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program. A memo should be sent to the Finance Department at the time of requesting a purchase order explaining why a competitive bid is not required..
3. For comprehensive competitive bidding procedures regarding construction of a new school building, addition to, or repair or renovation of an existing school building see [Section 1267](#) of the Revised School Code, 2004.

4. For materials, equipment, goods, and/or supplies, a request for proposal (RFP) should include:
 - a. A brief description of the items being bid.
 - b. Date, time, and location of the bid opening meeting.
 - c. Contact person's name, phone number and building location.
- 5.. Request for Proposal Distribution
 - a. A RFP should be sent to at least three approved vendors.
 - b. Before sending the RFP, the vendor should be checked against both the [Michigan Debarred Vendor List](#) and the [Federal Debarred Vendor List](#).
6. Bid Openings
 - a. A minimum of two district staff members must be present at any bid opening.
 - b. No bid shall be opened, accepted, or considered after the specified date and time for submission.
 - c. A attendance sheet must be signed by attendees.
 - d. A bid assessment worksheet should be filled out by all attendees and a bid selection summary should be filled out at the bid opening meeting.
 - e. The School District's Board does not have to accept the lowest bid if specifications are not met. It is, however, obligated to accept the lowest responsible bid.
 - f. To determine the lowest responsible bidder, the following criteria are used: price, product selection, prior experience, understanding of need, and financial stability (reputation and years in business). All of these selection criteria are weighted and part of the bid assessment worksheet.
7. Bid Award and Board Approval Process
 - a. Prepare the bid recommendation memo addressed to your immediate supervisor explaining your recommendation. The bid summary sheet and any other pertinent information should be attached to the memo.
 - b. Upon approval a purchase order is initiated.
8. All Bid documents should be given to the Finance Department and must be retained for at least five years.

Referenced Work Instructions/Forms/Flowcharts/Samples

- Comprehensive information is available in [Section 1267](#) and [Section 1274](#) of the Revised School Code, 2004.
- Bid Assessment Worksheet
- Bid Selection Summary
- Bid Recommendation Memo

Implementation/Compliance/Assessment/Accountability

This policy and procedure is maintained and enforced by the Finance Department under the supervision of the Operations House of U Prep Schools.