

EXCEL CHARTER ACADEMY

Purchasing Policy

It is the policy of the Board to comply with state and federal law regarding the procurement of supplies, materials and equipment. The Board directs its educational service provider to develop and implement appropriate and lawful practices and procedures for such procurement with Board funds.

References:

The Revised School Code, MCL 380.1267; 380.1274

Purchasing – Grant Funds Practices and Procedures

Purchasing – Non-Grant Funds Practices and Procedures

Effective Date: January 12, 2010

PURCHASING – GRANT FUNDS PRACTICES & PROCEDURES

1. PURPOSE

This document prescribes the process for purchasing goods and services funded by federal and state formula and charter school grants in order to provide timely purchasing of quality goods and services in a cost effective manner and insure compliance with state and federal rules and regulations. This document covers the purchase to payment process including Authorization, Vendor Management, Vendor Selection, and Approved Purchase Methods.

2. PRACTICE

- 2.1** Authorization: Only those authorized in the below procedures have the authority to contract for goods and services which create financial obligations for NHA or PrepNet.
- 2.2** Compliance: All actions, policies, and procedures will be completed in accordance with governmental regulations.
- 2.3** Code of conduct: Those operating on behalf of NHA and PrepNet will conduct themselves professionally and use methods that avoid appearances of impropriety or conflict of interest. Decisions will be made with integrity and objectivity in the best interest of the organization.
 - 2.3.1** Any employee, agent, or officer with a real or apparent potential or possible conflict of interest (see Employee Handbook for further definition) in a vendor bidding on proposed business, must not participate in the selection, award, administration or fulfillment of the contract. This also applies to any employee, agent, or officer who has a family member with a real or apparent conflict of interest in a vendor bidding on proposed business. If any employee, agent, or officer has a real or apparent potential or possible conflict of interest, they must disclose the conflict and all relevant facts to the Purchasing Department and the Chief Financial Officer.
 - 2.3.2** Gifts made with the intent to influence the recipient's business decisions may not be accepted. Courtesy gifts of nominal value not influencing business decisions may be accepted.

3. APPLICABILITY

These practices and procedures apply to the purchase of goods and services funded by local, state, federal, and competitive federal and state formula and charter school grants for those schools served by National Heritage Academies (NHA) and PrepNet. Authorizer and other non-government grants fall under NHA's or PrepNet's non-grant purchasing practices and procedures.

4. RESPONSIBILITY

- 4.1** The Intervention Services Department is responsible for initiating purchases in order to ensure that purchases are made within the budget and requirements of the grant project, including qualification as an allowable cost.
- 4.2** The Purchasing Department is responsible for monitoring and initiating changes to this document.
- 4.3** The Purchasing Department is responsible for overall vendor management, category management and overseeing the overall purchase process for goods and services to ensure the purchase of high value products (cost, quality, and service) for each school served.

4.4 The Purchasing Department is responsible for ensuring that purchasing policies and procedures are made in accordance with applicable federal, state, and local laws, regulations, codes, and ordinances.

4.5 The Purchasing Department is responsible for compliance with all policies and procedures for purchasing goods and services.

5. PROCEDURES

5.1 Authorization

All purchases must be approved by an Authorized Approver in the Intervention Services Department.

5.2 Vendor Management

The Purchasing Department performs vendor evaluations, prepares Requests for Proposals (RFPs – see RFP Template Exhibit 6.1), reviews proposals, and selects vendors and manages vendor relations to maximize the value of each purchase (cost, quality, and service) for each school served.

5.3 Vendor Selection

5.3.1 The Purchasing Department will maintain a uniform vendor selection process. The selection process is as follows:

- For purchases of goods and services of more than \$20,000, the following steps are to be completed.
 - The Purchasing Department follows the federal purchasing guidelines (section 80.36d.3 and d.4) and department of education guidance memorandums.
 - The Purchasing Department prepares an RFP (Exhibit 6.1) and requests quotes from at least three vendors unless other methods are more effective in maximizing value for each school on an individual school basis.
 - Documentation supporting the selection process will be retained by the Purchasing Department as required by the Record Retention and Disposal Practices and Procedures OP – 111.
 - No school will benefit at the expense of another school served.
 - The Purchasing Department performs an analysis and evaluates proposals (see Award Sheet – Template Exhibit 6.2).
 - The Purchasing Department performs an analysis and evaluates alternatives so that the alternative offering the maximum value to each school on an individual school basis (see Award Sheet – Template Exhibit 6.2).
- For purchases of goods and services below \$20,000, the following steps are to be completed.
 - Determine the best method of evaluating potential vendors (RFP, negotiated price, discount, etc.) and the goods or services they provide. Competitive processes will be used to the extent practicable for maximizing value for each school, on an individual school basis. Typical practices would be to receive three competitive quotes.
 - The Purchasing Department performs an analysis and evaluates alternatives to select the alternative offering the maximum value to each school served, on an individual school basis.

- Documentation supporting the selection process, such as evidence of quotes obtained or reasons for not getting competitive pricing will be retained by the Purchasing Department as required by the Record Retention and Disposal Policy OP – 111.
- For contractors receiving individual awards of \$25,000 or more, verification will be made by the Purchasing Department that the organization is not suspended or debarred based on the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA).

5.4 Approved Purchase Methods

The following methods are the approved methods for purchasing goods and services.

- Purchase Orders (POs) are the default method of purchasing goods. Purchase requests will be submitted and approved through the established electronic process. Vendors will acknowledge receipt and approval of the PO electronically to serve as the evidence of an appropriate obligation. All obligations for grant purchases will be documented (whether properly dated contract, agreement or confirmed purchase order).
- Use of Corporate Credit Cards should be minimal. Refer to Corporate Credit Cards Policy AC – 103 for credit card purchase approval and documentation.

Vendor payment is executed by the Accounts Payable department and depends on the method of purchase used. Refer to the Accounts Payable Policy AC – 104 for processing of payments to vendors.

6. EXHIBITS

6.1 [RFP Template](#)

6.2 [Award Sheet](#)

Last revised: June 30, 2011

PURCHASING – NON-GRANT FUNDS PRACTICES & PROCEDURES

1. PURPOSE

This document prescribes the process for purchasing goods and services for National Heritage Academy's (NHA) and PrepNet's Service Center departments and schools in order to provide timely purchasing of quality goods and services in a cost effective manner. The purchase of goods or services with grant funds is covered separately by Purchasing – Grant Funds Practices and Procedures OP – 101b). This document covers the purchase to payment process including Authorization, Vendor Management, Vendor Selection, and Approved Purchase Methods.

2. PRACTICE

- 2.1 Authorization: Only those authorized in the below procedures have the authority to contract for goods and services which create financial obligations for NHA and PrepNet.
- 2.2 Compliance: All actions, policies, and procedures will be completed in accordance with governmental regulations.
- 2.3 Code of conduct: Those operating on behalf of NHA and PrepNet will conduct themselves professionally and use methods that avoid appearances of impropriety. Decisions will be made with integrity and objectivity in the best interest of the organization.

3. APPLICABILITY

These practices and procedures apply to the purchase of goods and services to support NHA and PrepNet with the following exceptions:

- 3.1 Purchases using grant funds (see Purchasing – Grant Funds Practices and Procedures OP – 101b)
- 3.2 Purchase of real estate
- 3.3 Property management contracts
- 3.4 Complex business arrangements
- 3.5 Provision of educational or other services to students
- 3.6 Transactions that by nature may expose the organization to compliance risk or present a significant business exposure
- 3.7 Expense reports
- 3.8 Insurance

4. RESPONSIBILITY

- 4.1 The Purchasing Department is responsible for monitoring and initiating changes to this document.
- 4.2 The Purchasing Department is responsible for overall vendor management overseeing the overall purchase process for goods and services.
- 4.3 The Purchasing Department is responsible for ensuring that Purchasing practice and procedures are in accordance with applicable Federal, State, and local laws, regulations, codes, and ordinances.
- 4.4 The Leadership Team establishes the approval authority for the purchasing process and contracts and approves Authorized Approvers (See Section 5.1).
- 4.5 The purchasers and Authorized Approvers are responsible for compliance with all policies and procedures for purchasing goods and services. They are responsible for ensuring that purchases are made within their allowable budget and scope of business activities.

5. PROCEDURES

- 5.1 **Authorization**

- 5.1.1 All purchases must be approved by an Authorized Approver.
- 5.1.2 The Leadership Team has established the following Authorized Approvers for the purchasing of goods and services.
- Principals and Directors of School Quality – These individuals have the authority to approve purchases within their budget or Board Discretionary Funds. All purchases must align within the budget and curriculum standards. The Purchaser and the Authorized Approver should consult the Board Discretionary Funds Policy AC – 105 and budget guidelines as necessary.
 - Service Center Department Managers – These individuals have the authority to approve purchases within their department budget or school budget for which they have assigned responsibility. Purchases must impact the position’s direct responsibilities and NOT include those goods and services that are purchased centrally by the Purchasing department.
 - Senior Vice Presidents and Executive Council – These individuals have the authority to approve purchases within the budget for the applicable school year.
 - Authorized Approvers may delegate their approval authority to others.

5.2 Vendor Management

- 5.2.1 The Purchasing Department performs vendor evaluations, prepares Requests For Proposals (RFPs – see RFP Template Ex 6.1), reviews proposals, and selects vendors and manages vendor relations to maximize value for schools.
- 5.2.2 For certain commodities, the Purchasing Department evaluates vendors and completes a vendor selection process. The Purchasing Department provides on-going support and management of these vendors.
- 5.2.3 Preferred vendors are evaluated by the Purchasing Department. A formal RFP process may be performed. The vendor chosen by the Purchasing Department is recommended for purchases of the specific goods and services.
- 5.2.4 In order to control costs and continuously maximize value to schools, vendor relations will be monitored and periodically reviewed.

5.3 Vendor Selection

- 5.3.1 NHA and PrepNet will maintain a uniform vendor selection process, whether performed by the Purchasing Department, a Service Center department, or a school. The selection process is as follows:
- For purchases of goods and services of or over \$20,000, the following steps are to be completed.
 - The Purchasing Department or purchaser prepares an RFP (see RFP Template Ex. 6.1) and requests quotes from at least three vendors unless other methods are more effective in maximizing value.
 - The Purchasing Department or purchaser performs an analysis and evaluates alternatives so that the alternative offering the maximum value can be selected.
 - Documentation supporting the selection process, such as evidence of quotes obtained should be retained by the Purchaser as required by the Records Retention and Disposal Policy OP – 111.
 - For purchases of goods and services below \$20,000, the following steps are to be completed.

- Determine the best method of evaluating potential vendors (RFP, negotiated price, discount, etc) and the goods or services they provide.
- Competitive processes will be used to the extent practicable for maximizing value. Typical practices would be to receive three competitive quotes.
- The Purchasing Department or purchaser performs an analysis and evaluates alternatives so that the alternative offering the maximum value can be selected.

5.4 **Approved Purchase Methods**

The following methods are the approved methods for purchasing goods and services. The following methods are legally binding contracts between NHA or PrepNet and a vendor, authorized by the Authorized Approver on behalf of NHA or PrepNet.

- Purchase Orders (POs) are the default method of purchasing goods. Purchase requests will be submitted and approved through the established electronic process. Corporate Credit Cards may be used by authorized card holders for the purchase of goods, travel and certain other expenses with a total value under \$2,000, inclusive of tax, delivery and add-on costs. Purchases are not to be “split” into multiple purchases to avoid the \$2,000 ceiling. Refer to Corporate Credit Cards Policy AC – 103 for credit card purchase approval and documentation.
- Non-PO Invoices may be submitted to Accounts Payable if a vendor does not accept Purchase Orders or credit card. These should be used by exception only. Non-PO Invoices are NOT to be used as substitutes for Purchase Orders. Non-PO Invoices must be approved before payment is made.

Vendor payment is executed by Accounts Payable department and depends on the method of purchase used. Refer to the Accounts Payable Policy AC – 104 for processing of payments to vendors.

6. **EXHIBITS**

6.1 [RFP Template](#)

Last revised: June 30, 2011