

The purpose of this policy is to ensure the fiscal integrity of all operations related to MacDowell Preparatory Academy.

PROCUREMENT

The Finance Committee reserves the right to require that any and all contractual service agreements, and/or purchase of goods \$2500 and above undergo a transparent vetting process, and obtain approval by the Finance Committee as outlined within this policy, as a prerequisite for payment/and or recommendation to the full board for approval.

All MacDowell purchasing and procurement must follow the MacDowell Preparatory Academy's (The Academy) purchasing & procurement policies:

The Academy's policy shall be as follows:

Every effort shall be made to obtain the lowest possible cost, while maintaining the highest level of quality, and highest level of efficiency for the goods & services procured.

- I. SMALL PURCHASES FOR GOODS & SERVICES LESS THAN \$2500**
 - a) Must document every effort made to obtain the lowest possible costs and the highest level of quality.

- II. SMALL TO MIDSIZED PURCHASES \$2500-4999**
 - a) Must document every effort made to obtain the lowest possible costs and the highest level of quality.
 - b) All necessary and affirmative steps shall be taken to solicit participation from Detroit owned, female owned, minority owned, and small businesses when possible
 - c) Appropriate consideration shall be made to ensure level participation for either minority, female or locally owned Detroit Based businesses provided their scope of services, costs, quality and efficiency are consistent with the Academy's standards as outlined in the description of the need for goods & services at the time of obtaining the competitive quote.

- III. MID TO LARGE PURCHASES OF GOODS & SERVICES \$5000-\$9,999**
 - a) Must obtain no less than three competitive quotes
 - b) All necessary and affirmative steps shall be taken to solicit quotes from Detroit owned, female owned, minority owned, and small businesses and to ensure the following:
 - a. No less than one of the three quotes comes from for 51% minority owned, female owned, or a small business when possible

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- b. No less than one of the three quotes comes from a locally owned, Detroit based business when possible
- c) Appropriate consideration shall be made to ensure level participation for either minority, female or locally owned Detroit Based businesses provided their scope, costs, quality and efficiency are consistent with the Academy's standards as outlined in the description of the need for goods & services at the time of obtaining the competitive quote.
- d) Business shall be awarded to the lowest quote, providing the highest quality of service after appropriate consideration has been made to ensure level participation for either minority, female or locally owned Detroit Based businesses
- e) Requires Board Treasurer and/or Board President Review & approval
 - a. Goods & Services procured are subject to review by the Board Treasurer and /or Board President

IV. LARGE PURCHASES OF GOODS & SERVICES 10,000 & ABOVE

- a) Must undergo competitive Bid process
- b) All necessary and affirmative steps shall be taken to solicit bids from Detroit owned, female owned, minority owned, and small businesses and to ensure the following:
 - a. No less than one of the (not less than three) quotes comes from for 51% minority owned, female owned, or a small business
 - b. No less than one of the (not less than three) quotes comes from a locally owned, Detroit based business
- c) Appropriate consideration shall be made to ensure level participation for either minority, female or locally owned Detroit Based businesses provided their scope, costs, quality and efficiency are consistent with the Academy's standards as outlined in the description of the need for goods & services at the time of obtaining the competitive quote.
- d) Successful Bids require Finance Committee Review and Approval (ACADEMY BOARD MEMBERS ONLY)
 - a. Top three successful bids and recommendations must be provided to BOARD PRESIDENT AND the FINANCE COMMITTEE CHAIR through a written memorandum no less than two days prior to the regularly scheduled monthly finance committee meeting
- e) Finance Committee approve recommendation if below the Michigan bid threshold of \$23, 000
- f) If above the Michigan bid threshold of \$23, 000, Finance Committee shall, upon approval, provide recommendation to full board (at next board meeting) for a vote
- g) Full Board will vote to approve/disapprove or request further information.

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- h) If approved, vendor notified of approval, confirmations, execution of purchase agreements, and/or announcements can proceed.

CONTRACTS, RFPs & BIDS

The Finance Committee, as sub-committee of the Board of Directors, will review and recommend **all contracts for approval** to the full board of Directors, entered into on behalf of MacDowell Academy.

All contracts for services below \$10, 000 must follow policies and guidance as stated within the Purchasing, Procurement & Contacts policies.

All contracts for services \$10,000 and above must follow the following

V. LARGE CONTRACTS FOR SERVICES 10,000 & ABOVE

- a) Must undergo competitive, open Bid process
- b) Must be posted publically for no less than 10 business days
- c) All necessary and affirmative steps shall be taken to solicit bids from Detroit owned, female owned, minority owned, and small businesses and to ensure the following:
 - a. No less than one of the (not less than three) bids comes from for 51% minority owned, female owned, or a small business
 - b. No less than one of the (not less than three) bids comes from a locally owned, Detroit based business
- d) Appropriate consideration shall be made to ensure level participation for either minority, female or locally owned Detroit Based businesses provided their scope, costs, quality and efficiency are consistent with the Academy's standards as outlined in the description of the need for goods & services at the time of obtaining the competitive quote.
- e) Successful Bids require Finance Committee Review and Approval (ACADEMY BOARD MEMBERS ONLY)
 - a. Top three successful bids and recommendations must be provided to BOARD PRESIDENT AND the FINANCE COMMITTEE CHAIR trough a written memorandum no less than two days prior to the regularly scheduled monthly finance committee meeting
- f) Upon Finance committee recommendation for approval, Full Board will vote to approve/disapprove or request further information.
- g) NOTE: All CONTRACTS MUST undergo review of The Academy's legal counsel prior to final execution.
- h) If approved, vendor notified of approval, confirmations, execution of purchase agreements, and/or announcements can proceed.

VI. RENEWAL OF CONTRACTS

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- a) Contracts up for renewal will be subject to review and approval by the Finance Committee, for recommendation to the full board of directors.

VII. SOLE SOURCE PURCHASING In the event there is a need to purchase goods and/or services from vendors who provide unique services, a request to by pass the competitive bid process may be considered by the finance committee if the following are documented, and provided:

- 1) A description of the goods and/or services to be procured
- 2) An estimated cost
- 3) Budget justification and line item
- 4) A description as to what makes this vendor a sole source provider
- 5) Supporting documentation to substantiate the unique nature of services and/or goods provided by the proposed sole source vendor
- 6) Successful "sole source" vendors require Finance Committee Review and Approval (ACADEMY BOARD MEMBERS ONLY)
 - a. The proposed sole source vendor recommendation must be provided to BOARD PRESIDENT AND the FINANCE COMMITTEE CHAIR through a written memorandum (or other acceptable format) no less than two days prior to the regularly scheduled monthly finance committee meeting
- 7) Finance Committee approve recommendation if below the Michigan bid threshold of \$23, 000
- 8) If above the Michigan bid threshold of \$23, 000, Finance Committee shall, upon approval, provide recommendation to full board (at next board meeting) for a vote
- 9) Full Board will vote to approve/disapprove or request further information.

If approved, vendor notified of approval, confirmations, execution of purchase agreements, and/or announcements can proceed.

ROLE OF THE FINANCE COMMITTEE

The following shall be the responsibility of the Finance Committee:

- ❖ Recommendations to the Full Board for awarding contracts
- ❖ Approval of changes to contracts
- ❖ Approval to varying contractual conditions
- ❖ Renewal of contracts
- ❖ Approval for purchase of goods & services above \$2500