

ADMINISTRATIVE POLICIES OF THE MILWAUKEE PUBLIC SCHOOLS

ADMINISTRATIVE POLICY 3.09 PURCHASING AND BIDDING REQUIREMENTS

(1) STATEMENT OF PURPOSE

It is the purpose of this purchasing policy to:

- (a) provide a uniform and systematic method of purchasing goods and services which maximizes the purchasing value of the District;
- (b) ensure fair, and equitable treatment of all persons who transact business with the District; and
- (c) provide increased public confidence in the District's public procurement process.

(2) APPLICATION OF POLICY

(a) This Policy applies to the purchase of all goods and all services, including leasing by any MPS school, including instrumentality charter schools, or department.

(b) Any contract submitted for development by Procurement & Risk Management for the provision of services at no-cost to the District will be analyzed to determine if it should be executed pursuant to this Policy or as a Memorandum of Understanding.

(c) Nothing in this Policy shall prevent MPS from complying with the terms and conditions of any donation, grant, gift, or bequest.

(3) PAYMENTS TO BE SUPPORTED BY APPROPRIATE DOCUMENTATION ("NO PO, NO PAY POLICY")

(a) All purchases of goods and services must be supported by purchase orders or contracts executed in accordance with this Policy.

(b) Exceptions to the "No PO, No Pay" policy shall be as follows:

1. purchases under \$500 that could not be purchased under an existing blanket contract and which were made with previous approval by the principal or departmental head;
2. any payments required to be made by law and district pass-throughs;
3. required regulatory payments to other government entities for taxes, open enrollment, and pension;
4. payments made for employee benefits such as medical health, dental, and prescription drugs, and other employee payroll activity such as union dues, garnishments, annuity contributions;
5. one-time payments associated with professional development or travel on behalf of the District, such as honorariums, memberships, conference registration fees, tuition payment, and accompanying travel and lodging;
6. payments for postage and newspaper notices;
7. one-time payments associated with student field trips and activities, with the exception of busing transportation, which always requires a contract and will not be allowed as a direct pay;
8. purchases of goods related to work orders issued by Facilities and Maintenance Services valued under \$3,000;
9. payments made to foreign vendors; and
10. purchases or payments as otherwise authorized in writing or by electronic approval by the Chief Financial Officer or his/her designated staff.

(4) CONTRACTING AUTHORITY

The authority to purchase goods and services resides with the Milwaukee Board of School Directors (“the Board”). All procurements must be in the name of the Milwaukee Board of School Directors (except new construction and remodeling contracts, which must be in the name of the City of Milwaukee and the Board).

(5) DELEGATION OF AUTHORITY

For the purpose of this Policy, the Executive Officers of the District shall be understood to consist of the Superintendent; the Board Clerk/Director, Office of Board Governance; and the management of the Office of Accountability and Efficiency.

(a) Execution of Contracts

Contracts shall be fully executed prior to delivery of products or services. The Milwaukee Board of School Directors expressly delegates authority to execute contracts binding the Milwaukee Board of School Directors as follows:

1. when associated with maintenance, new construction, or remodeling:
 - a. Under \$50,000 — to be executed by the Director of Facilities and Maintenance Services or his/her designated staff;
 - b. \$50,000 and above — to be approved by the Board and executed by the Superintendent and the President of the Board and to be countersigned by the Comptroller of the City of Milwaukee and to be approved as to form and execution by the City Attorney or the attorney retained by the Board under section 119.12(6) of the Wisconsin Statutes.
2. For all other contracts:
 - a. Under \$50,000 — to be executed by the Director of Procurement & Risk Management or his/her designated staff.
 - b. \$50,000 and above — to be executed by an Executive Officer of the District and the President of the Board.

(b) Issuance of Purchase Orders

The Milwaukee Board of School Directors expressly delegates authority to issue purchase orders that bind the Milwaukee Board of School Directors as follows:

1. When associated with maintenance, new construction, or remodeling:
 - a. Under \$50,000 — The Director of Facilities and Maintenance Services or his/her designated staff.
 - b. \$50,000 and above — The Director of Facilities and Maintenance Services or his/her designated staff, with the approval of the Board.
2. For all other purchase orders:
 - a. Under \$5,000 — Principals, chiefs, or department heads.
 - b. Under \$50,000 — The Director of Procurement & Risk Management or his/her designated staff for purchase requests that have been requested by principals, chiefs, or department heads.
 - c. \$50,000 and above — The Director of Procurement & Risk Management or his/her designated staff for purchase requests that have been requested by principals, chiefs, or department heads, with the approval of the Board.

(c) ELECTRONIC APPROVAL

The Superintendent, principals, chiefs or department heads, as appropriate, or their designated staff, may electronically approve expenditures for purchase orders or contracts within the District’s financial systems.

(6) APPROVALS AND REPORTING

(a) The following must be approved by the Board:

1. all single purchases of goods or services, including maintenance, new construction, or remodeling, of \$50,000 or over, unless purchased under a Board-approved blanket agreement;
2. vendors selected as the output of a competitive process where the total anticipated awarded amount is expected to exceed \$50,000.

(b) The Office of Finance or Facilities and Maintenance Services will report all purchases of goods and services, including maintenance, new construction, or remodeling, from vendors whose cumulative fiscal-year totals of contracts, purchase orders, and direct pays that were not previously approved by the Board exceed \$50,000 to the Board on an annual basis with the cumulative total for the individual vendor.

(c) Purchases may not be broken into or issued as smaller segments, projects, or purchases in order to avoid any requirement of this Policy.

(d) Annually, the Office of Finance will report to the Board any long-term obligations of the District.

(7) COMPETITIVE PROCUREMENT**(a) Types of Competitive Procurement**

The District shall employ the following competitive-procurement processes:

1. Informal — Competitive quotes.
2. Formal
 - a. Competitive sealed bidding; or
 - b. Competitive sealed proposals (“RFP Process”) — used only when the Director of Procurement & Risk Management or the Director of Facilities and Maintenance Services determines in writing that the use of competitive sealed bidding is either not possible or not practicable.

(b) General Competitive Procurement Requirements

1. For purchase of goods and services valued under \$5,000, there are no competitive procurement requirements.

2. For purchases of goods valued from \$5,000 to \$49,999, the method of source selection shall be determined by Procurement & Risk Management, provided that a minimum of three (3) competitive quotes are solicited.

3. For purchases of services valued from \$5,000 to \$49,999, the method of source selection shall be determined by Procurement & Risk Management to be either three competitive quotes, a competitive sealed proposal, or a competitive sealed bid.

4. For purchases of goods or non-professional services valued at \$50,000 or more, the method of source selection shall be a competitive sealed bid.

5. For purchases of professional services valued at \$50,000 or more, where performance of the services requires creative and individual talents, scientific knowledge, special skills or training, artistic or professional skills, or is of a technical or experimental nature, the method of source selection shall be a competitive sealed proposal (“RFP”) whose procedural formality may consider the anticipated amount, with less formality at lower dollar amounts, and higher formality at higher dollar amounts.

(c) Competitive Procurement Requirements for Maintenance, New Construction, and Remodeling

1. For purchase of goods and services valued under \$5,000, there are no competitive procurement requirements.

2. For purchases of goods or services valued from \$5,000 to \$24,999, the method of source selection shall be determined by Facilities and Maintenance Services, provided that a minimum of three (3) competitive quotes are solicited.

3. For purchases of goods or services valued from \$25,000 to \$49,999, the method of source selection shall be determined by Facilities and Maintenance Services, provided that there is public posting.

4. For purchases of goods or services valued at \$50,000 or more, Facilities and Maintenance Services, shall issue a formal competitive sealed bidding or proposals with public advertising. Bid bond equal to 10% of the bid amount must be posted for contracts exceeding \$50,000.

5. All contracts related to maintenance, new construction or remodeling must be issued through the Facilities and Maintenance Services. Professional service contracts associated with maintenance, new construction, or remodeling are considered to be included as a part of the total dollar amount of the project, but facilities-and-maintenance projects may be let in whole or in part for particular parts of the proposed contract, consistent with the bid thresholds outlined in section (c)1-4 above.

(d) Duration of Competitive Procurement Processes

Competitive procurement processes may serve as the basis for awards for a maximum of three years, unless otherwise approved by the Board.

(e) Exemptions

1. The following are exempt from the requirement of a competitive procurement processes when documented support and approval is maintained by Procurement & Risk Management:

- a. purchases made through existing contracts or bids that have been established through a competitive selection process by another local, state, or federal governmental agency;
- b. exception-to-bid purchases —one of the following written justifications shall be made as the basis:
 - i. One-of-a-kind — The good or service has no available competitive product alternatives;
 - ii. Compatibility — The good or service must match an existing brand of equipment for compatibility, and the quantifiable or qualitative savings of a sole-source award must be demonstrated to benefit the District;
 - iii. Replacement Part — The good is a replacement part for a specific brand of existing equipment;
 - iv. Continuity — The good or service is needed to maintain continuity, and the quantifiable or qualitative savings must be demonstrated to benefit the District;
 - v. MPS Standards — The good or service must comply with an established MPS standard;
 - vi. Unique Design — The good or service must meet physical design or quality requirements;
 - vii. Delivery Date — Only one supplier can meet the necessary delivery requirements. Nothing in this justification allows for a shrinking of the competitive environment due to poor planning;

The approval of exception-to-bid requests shall be at the discretion of the Director of Procurement & Risk Management or his/her designated staff;

- c. emergency purchases, as described in section (14) of this Policy.

(f) Rejection or Withdrawal of Bids

1. The District reserves the right to reject all bids, responses, and quotes when such action is in the best interest of the District.
2. Once the bids on maintenance, new construction, or remodeling are opened at the prescribed time, no bidder may withdraw his/her bid for any reason, except as would be allowed by Section 66.0901(5), Wisconsin Statutes. If a bidder, acting in good faith, has by oversight or error made an improvident bid, such bid may be rejected and the award made to the next lowest responsive and responsible bidder.
3. The Director of Procurement & Risk Management or the Director of Facilities and Maintenance Services, or their designated staff, may waive any minor irregularities in bids, responses, or quotes.

(g) Award of Bid

All bid awards shall be awarded in whole or in part to the lowest responsive and responsible bidder.

(8) USE OF DISTRICT BLANKET AGREEMENTS FOR PURCHASES

(a) To support the District's goals of maximizing scarce funds, establishing the most competitive environment, leveraging the purchasing power of the District, and ensuring equitable terms and conditions for all schools and departments, use of blanket agreements where they have been established is mandatory for the types of goods and services covered.

(b) It is the responsibility of Procurement & Risk Management to review MPS purchasing data and, when to the benefit of the District, issue a competitive procurement process for selection of a blanket vendor. The Office of Finance shall ensure that all goods and services are received before issuing payment.

(9) CONTRACT TERMS

(a) All contracts must contain insurance requirements as specified by Procurement & Risk Management.

(b) Every contract must contain the vendor's name and a written scope of work/services to be performed, including any deliverables, and must set forth the dollar amount of the contract, sufficient information to determine how that amount was calculated, and a budget code.

(c) The contract must provide for background checks as determined appropriate by Procurement & Risk Management.

(d) No contract may be signed wherein MPS agrees to indemnify another party, except as approved by the Director of Procurement & Risk Management or his/her designated staff.

(e) Contracts for the purchase of goods or services shall be for a maximum term of three years. The term must be explicitly set forth in the contract. Waiver of the three-year maximum contract term may be granted by the Board in cases in which there would be significant start-up costs to either the District or to the vendor which would need to be amortized over a period of longer than three years.

(f) Contracts for the purchase of goods or services must contain provisions that obligate the contractor not to discriminate against any employee or applicant for employment on the basis of a person's sex, race, age, religion, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, disability, or socio-economic status. The obligation shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(g) Contracts must include requirements for Historically Underutilized Business (HUB), Communities in Need (COIN), and student engagement when determined applicable by the District's Manager of Contract Compliance Services or his /~~er~~ her designated staff.

(h) In addition to the above requirements, maintenance, new construction, and remodeling contracts must contain the following provisions:

1. Contracts shall include payment of prevailing wage rates for hours of daily work and progress payment to the contractor, including any applicable retainage.
2. All contracts must include written scopes of work, including drawings and specifications, as deemed appropriate by Facilities and Maintenance Services.
3. Performance-and-payment bond equal to 100% of the contract amount must be posted for contracts exceeding \$10,000 and contracts under that amount, if deemed appropriate by the Director of Facilities and Maintenance Services or his/her designated staff.
4. Contracts shall include appropriate provisions, terms, and conditions that ensure suitable indemnity of the City and Milwaukee Public Schools against loss or expense;
5. Contracts \$50,000 and over must be in the name of the City and the Board.

(10) CHANGE ORDERS

(a) Change orders may be used to:

1. extend dates of service to no more than three additional years;
2. increase the contract amount up to 15% of the contract price;
3. document non-material changes in scope; and
4. modify funding source.

(b) Change orders may not be used when the contract has been fully paid and is closed or when there are material changes in the scope of work. Any material changes in scope of work requires a new contract. The Director of Procurement & Risk Management or the Director of Facilities and Maintenance Service, or their designated staff, must determine in writing upon user request that a change order is non-material.

(c) All changes in scope of work for existing contracts or purchase/service orders must be documented in writing.

(d) All change orders must be executed by the vendor or otherwise be documented in writing.

(e) The following conditions must be reported to the Board by the end-user as soon as practicable, but no later than 60 days after the project's completion:

1. change orders whose collective net value exceeds \$25,000; and
2. change orders associated with maintenance, new construction, or remodeling that increase the contract amount greater than 15% of the original contract.

(f) A single change order or modification to an existing contract that is collectively net valued at \$50,000 or greater requires approval of an Executive Officer or his/her designated staff in advance of execution, and the Board shall be notified no later than 60 days after such approval.

(g) Change orders not associated with maintenance, new construction, or remodeling that increase the contract amount greater than 15% of the original contract price must be approved in advance by the Director of Procurement and Risk Management or his/her designated staff.

(h) Change orders to contracts with HUB, COIN, or Student Engagement requirements shall have the percentage requirements of the original contract enforced as set forth by the bid/RFP response, except where waived in writing by Contract Compliance Services.

(11) VIOLATIONS OF POLICY

(a) Any contract executed by an individual lacking the express delegated authority to bind the Milwaukee Board of School Directors is null and void and shall not bind MPS.

(b) Any MPS employee who purchases, or causes to be purchased, goods or services outside the provisions of this Policy and its implementing regulations may be deemed personally liable for the cost thereof and may be subject to appropriate disciplinary action, up to and including termination.

(12) CRIMINAL BACKGROUND CHECKS

(a) A name-based criminal information background check is required for any person providing services to the District who has direct, unsupervised contact with MPS students. "Direct, unsupervised contact" means contact with students that provides the person opportunity and probability for personal communication or touch when not under direct supervision.

(b) Any contact executed pursuant to this Policy will require the contractor to comply with this Policy and will make failure to do so a cause for immediate termination of the contract.

(13) SCHOOL FOOD PROCUREMENT

The Administration prefers minimally processed, locally grown and produced foods in its school food procurements. This preference for minimally processed, locally grown and produced foods is to improve the health, wellbeing, and education of school children under the School Food Nutrition program. No portion of this preference shall conflict with state or federal bidding requirements.

(14) EMERGENCY PURCHASES

(a) Emergency purchases shall be defined as purchases that are necessary to respond to emergency situations that threaten life, health, safety, or the continuation of work. Lack of proper planning to expend funds or to purchase necessary materials in a timely manner shall not constitute an emergency.

(b) Emergency purchases of supplies or contracted services, including change orders over \$50,000, may be made when the Executive Officers or their designated staff determine that an emergency exists that threatens the health, welfare, or safety of students, staff members, the District, or the public. Such emergency procurements shall be made with as much competition as is practicable under the circumstances.

(c) The Board Clerk shall receive notification of the emergency and associated purchases in a timely manner from the Director of Procurement & Risk Management or the Director of Facilities and Maintenance, respective of the procuring area. At the next regular meeting of the Milwaukee Board of School Directors following an emergency purchase, the Board shall receive a written report of all emergency procurements, including the basis for the emergency, the selection process for the provider, the name of the provider, the amount and type of the contract or purchase, and a listing of the goods or services procured under the contract or purchase.

(15) CONTRACT COMPLIANCE SERVICES

All procurements must fully comply with Administrative Policies 3.10, Historically Underutilized Business Program, and 3.13, Communities in Need Initiative, which ensure competitive price quotations and participation by certified Historically Underutilized Businesses, COIN-certified individuals, and MPS students.

(16) ETHICS IN PROCUREMENT***(a) MPS Staff***

Procurement activities by MPS staff will be conducted in accordance with Administrative Policy 6.04.

(b) Vendors

1. From the time a bid or RFP is issued until a final award is made, vendors or their lobbyists are not permitted to have any communications with any district employees, officials, or members of the Board of School Directors regarding any bid or RFP other than through the designated contact person identified in the bid or RFP, or through testimony at public hearings.

2. Vendors are expressly prohibited from offering gratuities of any kind — including meals, gifts, and trips — to officers, employees, or agents of MPS. Vendor incentives should be expressed in terms of quality, service, and price in their quotations. Violation of these conditions will constitute immediate disqualification from contract award.

(17) WAGE REQUIREMENTS — LIVABLE WAGE

(a) It is the general policy of the District to encourage all its contractors and vendors, when doing business with the District, to pay their employees a living wage.

(b) Specifically, any contract executed pursuant to this Policy will require the contractor, and its subcontractors, to comply with City of Milwaukee Ordinance §§ 310-13-1, 310-13-2 & 310-13-3.

(18) APPAREL FROM RESPONSIBLE MANUFACTURERS**(a) Purpose**

The Milwaukee Board of School Directors wishes to purchase items of apparel from responsible manufacturers. Toward that end, the following definitions will apply to this section.

(b) Definitions

1. “Apparel” means all items of clothing and cloth produced by weaving, knitting, or felting, and shall include uniforms, coveralls, footwear, linens, and entrance mats.

2. “Manufacture” means to process, fabricate, assemble, treat, or package.

3. “Non-poverty wage” means the following:

a. Domestic manufacturers — a base hourly wage adjusted annually to the amount required to produce, for 2,080 hours worked, an annual income equal to or greater than the U.S. Department of Health and Human Services’ most recent poverty guideline for a family of three, plus an additional twenty percent of the wage level paid either as hourly wages or health benefits.

b. Outside the United States — a nationwide wage and benefit level which is comparable to the non-poverty wage for domestic manufacturers as defined in sub. 1 after being adjusted to reflect the country’s level of economic development by using a factor such as the relative national standard-of-living index in order to raise a family of three out of poverty. In addition, workers shall not be subject to disciplinary wage deductions.

4. “Responsible manufacturer” means an entity engaged in manufacturing that can demonstrate all of the following:

a. compliance with all applicable local and international labor laws and workplace regulations regarding wages and benefits and workplace health and safety, as well as with the fundamental conventions of the International Labor Organization, including those regarding forced and child labor and freedom of association;

b. payment to its employees of non-poverty wages as defined in subparagraph (198)(b)3a for domestic manufacturers and subparagraph (198)(b)3b for manufacturers located outside the United States;

c. termination of its employees only with just cause; and

d. establishment of a mechanism for the resolution of workplace disputes.

(c) Requirements**1. Application**

a. All MPS contracts involving the purchase of items of apparel totaling \$5,000 or more shall be awarded by Procurement & Risk Management.

b. All MPS contracts involving the purchase of items of apparel totaling \$5,000 or more shall be awarded to the lowest responsible contractor.

2. Affidavits

a. No contract for the purchase of items of apparel totaling \$5,000 or more shall be awarded unless the lowest responsible contractor first submits to the Director of Procurement & Risk Management a signed affidavit which includes the following information for the specified time period of the contract:

- i. the names and addresses of the companies and facilities in which the items of apparel have been or will be manufactured;
- ii. the names and addresses of all owners of the facilities in which the items of apparel have been or will be manufactured;
- iii. the base hourly wage and percentage of wage level paid as health benefits for persons working at the facilities in which the items of apparel have been or will be manufactured; and
- iv. a statement by the contractor that the facilities identified pursuant to this paragraph are operated by a responsible manufacturer as defined in sub. (198)(b)4.

b. Contractor shall procure and submit affidavits from all subcontractors employed by the contractor during the period of the contract.

c. In the event that information provided by the contractor or subcontractor pursuant to this paragraph changes during the period of the contract, the contractor shall submit to the Procurement & Risk Management affidavits relating to the updated information.

d. The Director of Procurement & Risk Management shall maintain and make available for public inspection any affidavit submitted pursuant to this paragraph.

(d) Contract Bid Specifications

Procurement & Risk Management shall add a digest of the provisions of this section to all bid specifications involving apparel purchases.

(e) Specification for Apparel Contracts

No contract for the purchase of items of apparel covered under this section shall be entered into unless the contract contains a stipulation stating that the contractor agrees to provide only items of apparel manufactured by responsible manufacturers, and the contractor agrees to include an equivalent stipulation in all subcontracts.

(f) Monitoring and Enforcement**1. Responsibility**

Procurement & Risk Management shall review the affidavits submitted by apparel contractors, receive and investigate complaints relating to compliance with this section, and impose appropriate sanctions upon any contractor who provides false information or fails to comply with the provisions of this section.

2. Notice

Procurement & Risk Management shall, in a timely manner, provide on its website a notice and related documentation regarding the following:

- a. the issuance of invitations to bid and the awarding of contracts relating to items of apparel covered by this section; and
- b. the receipt of affidavits submitted pursuant to sub. (198)(c)2.

3. *Sanctions*

Any contractor or subcontractor engaged in an MPS apparel contract found by the Procurement Manager to have submitted false, misleading, or fraudulent information, or to have otherwise failed to comply with the provisions of this section, may be subject to any of the following sanctions:

- a. withholding of payments;
- b. termination, suspension, or cancellation of the contract in whole or in part;
- c. after a due-process hearing, denial of the right to bid on future MPS contracts by the contractor, subcontractor, partner, agent, or by any corporation of which contractor is a member, for a period of one year after the first violation is found, and for a period of three years after a second violation is found.

(g) Waiver

The requirements of this section may be waived in writing by the Director of Procurement & Risk Management or his/her designated staff if any of the following are true:

- a. all bidders to a contract are deemed ineligible under this section;
- b. the contract is necessary in order to respond to an emergency which endangers the public health and safety, and no contractor who complies with the requirements of this section is immediately capable of responding to the emergency.

(h) Appeals

An apparel contractor who objects to any decision or action by the Procurement Manager relative to specifications and recommendations for purchasing items of apparel may appeal the decision to the Committee on Accountability, Finance, and Personnel of the Milwaukee Board of School Directors.

(19) APPEALS

All appeals of administrative recommendations to the Board must be made to the individual(s) and in the manner set forth in the administrative procedure within five (5) calendar days of the publication of the recommendation to the District's website. No appeals will be considered after such time.

(20) SALES CALLS AND DEMONSTRATIONS

(a) To ensure the effective and efficient administration of its procurement practices and to ensure that staff is focused on student achievement, the Milwaukee Board of School Directors seeks to do business only with responsible vendors. Toward this end, vendors shall not be permitted in schools or other departments for the purpose of making sales unless authorized to do so by the Director of Procurement & Risk Management or his/her designated staff.

(b) Further, all vendors, including those awarded blanket agreements or designated as district-approved vendors, shall be prohibited from engaging in aggressive solicitations or repetitive solicitations despite refusals.

(c) If special or technical details concerning goods or services to be purchased are required, the involvement of vendors shall be coordinated through Procurement & Risk Management.

(d) Vendors who violate this Policy may be subject to debarment for a period of up to one year.

(21) LICENSING OF MPS AND SCHOOL NAMES

Any and all requests for licensing or endorsements of the Milwaukee Public Schools' name or any school's name must be approved by the Board.

(22) DOCUMENTATION

All related Procurement documents will be maintained according to the approved MPS records-retention schedule.

(23) EFFECTIVE DATE

The effective date of this Policy shall be February 26, 2016.

History	Adopted 11-24-98; revised 5-30-00, 6-27-02, 11-20-02, 1-29-04, 01-27-05, 11-28-05, 07-29-10, 12-20-12; 2-25-16		
Previous Coding	Admin. Policy 4.09, May 1995-August 1996		
Cross Ref.	Bd. Gov. Policy	BG 4.07	Asset Protection
	Admin. Policy	6.20	Contracts: Employee Benefits and Compensation Plans
	Admin. Proc.	3.09	Acquisition of Technology

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