

AGENDA

BOARD OF EDUCATION SPECIAL/BOARD MEETING/WORK SESSION

Monday, April 10, 2017

Rev. Lyman S. Parks Administration Building
Room 101, 1331 Franklin SE

5:00 p.m.

Call to Order

Roll Call

Approval of Agenda

Public Comment

Special Order of Business

1. Legislative/Budget Update
 - a) Non-budget Legislative Update
 - b) State (Senate/House Versions & Implications to the Budget)
 - c) Federal Proposed Cuts to Title Programs/21st Century and Budget Implications
 - d) Fund Balance (Budget Reductions)
2. Special Education Update
3. Contract Negotiations Update
4. Policy – Final Reading/Approval

*The Grand Rapids Public Schools is an Equal Opportunity Institution - F/M/V/D
If you need special accommodation due to a disability, please contact the Equal Opportunity Office at 1331 Franklin, SE
P.O. Box 117, Grand Rapids, MI 49501-0117 or call 819-2100 (TDD 1-800-649-3777) prior to the meeting.
The advance notice will enable us to better accommodate you.*

Section 1000 – Board Bylaws

1. The Board shall not approve a contract in which a Board member, the family member of a Board member (Family Member), or a member of the Board member's household (Household Member) is a party or has a financial interest unless the following disclosure, voting, and recording requirements are met:

Definitions:

- a. Family Member: Family Member means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; a person's parent or parent's spouse, and includes these relationships created by adoption or marriage.
- b. Household Member: Household Member means anyone living in the Board member's household at the time the contract will be voted on by the Board.
- c. Financial Interest: Financial interest means any contract or financial transaction with the District in which any of the following apply:
 - i. The Board member, Family Member, or Household Member is a direct party to the contract or financial transaction, or
 - ii. The contract or financial transaction is with any firm, partnership or other unincorporated association, in which the Board member, Family Member, or Household Member, is a partner, member, or employee, or
 - iii. The contract or financial transaction is with a professional limited liability company organized pursuant to the Michigan Limited Liability Company Act, if the Board member, Family Member, or Household Member, is a member (not merely an employee) of the company, or
 - iii. The contract or financial transaction is with any corporation in which the Board member, Family Member, or Household Member is a stockholder owning more than 1% of the total stock outstanding in any class if the stock is not listed on a stock

Section 1000 – Board Bylaws

- exchange, or owns stock that has a present market value in excess of \$25,000.00 if the stock is listed on a stock exchange, or
- iv. The contract or financial transaction is with a corporation in which the Board Member, Family Member, or Household Member is a director, officer, or employee; or
 - v. The contract or financial transaction is with a corporation in which a trust, if the board member, Family Member or Household Member, is a beneficiary, owns more than 1% of total stock outstanding in any class if the stock is not listed on a stock exchange, or owns stock with a present market value in excess of \$25,000 if the stock is listed on a stock exchange.
 - vi. Any trust of which the Board member, Family Member or Household Member is a beneficiary or trustee.

Disclosure Requirements

A Board member shall promptly disclose any financial interest in the contract or financial transaction to the Board of Education, which disclosure shall be a matter of record in its official proceedings. This disclosure shall be made in the following ways:

- a. If the contract or financial transaction is for emergency repairs or services, the Board member must promptly disclose any financial interest in the contract or financial transaction by filing a sworn affidavit with the Secretary of the Board. The disclosure shall be made a matter of record in the Board's official meeting minutes as outlined in c. below.
- b. If the Board member, Family Member, or Household Member will directly benefit from a contract or financial transaction in an amount less than \$250.00 and less than 5% of the public cost of the contract or financial transaction, the Board member must disclose the financial interest in the contract or financial transaction by filing a sworn affidavit with the Secretary of the Board. The disclosure shall be made a matter of record in the Board's official meeting minutes as outlined in c. below.

Section 1000 – Board Bylaws

1900 Contracts and Board Member Disclosure Obligations

1900-3

- c. If the Board member, Family Member, or Household Member will benefit by \$250.00 or more, or 5% or more of the public cost of the contract or financial transaction the financial interest must be disclosed in one of two ways:
 - i. By notifying, in writing, the President of the Board of the financial interest at least seven (7) calendar days before the meeting at which a decision regarding the contract will be made. If the President of the Board is the individual with the conflict of interest, disclosure must be made to the Secretary of the Board. The disclosure shall be made public in the same manner as in public meeting notice, or
 - ii. By disclosing the financial interest in the contract or financial transaction at a Board meeting. Under this option, the Board may not vote on the relevant contract or financial transaction until a subsequent Board meeting convened not sooner than seven (7) calendar days after the meeting at which the disclosure was made.
- d. If the Board member, Family Member, or Household Member's financial interest in the contract or financial transaction exceeds \$5,000.00, the Board member must disclose the financial interest in the contract or financial transaction at a Board meeting, and the Board may not vote on the contract or financial transaction until a subsequent Board meeting convened not sooner than seven (7) calendar days after the meeting at which the disclosure was made.

Amendments or re-negotiations of a contract or financial transaction or additional payments under a contract or financial transaction, which were not authorized by the contract or financial transaction at the time initially approved or awarded are also subject to the disclosure and recording requirements of this policy.
2. The Board of Education must disclose the following summary information in its official minutes:
 - a. The name of each party involved in the contract or financial transaction,

Section 1000 – Board Bylaws

1900 Contracts and Board Member Disclosure Obligations

1900-4

- b. The terms of the contract or financial transaction, including duration, financial consideration between parties, facilities or services of the school District included in the contract, and the nature and degree of assignment of employee of the District for fulfillment of the contract, and
 - c. The nature of the financial interest.
3. Voting Requirements
- The contract or financial transaction must be approved by a vote of not less than 2/3rds of the full membership of the Board in open session without the vote of the Board member making the disclosure. However, that if 2/3rds of a majority of the members of the Board are required to abstain from voting based on this policy, then for purposes of that contract or financial transaction, the Board members who are not required to abstain constitute a quorum of the board and are eligible to vote. This does not apply where the contract or financial transaction is between the District and a trust in which the Board member is a beneficiary or a trustee. In that case, a 2/3 vote of the full Board is required.
4. This policy shall not apply to:
- a. Contracts between the school District and another public entity,
 - b. Contracts awarded to the lowest qualified bidder, other than a Board member (or an entity in which a Board member has a financial interest as defined in this policy), upon receipt of sealed bids pursuant to a published notice provided such notice does not bar, except as authorized by law, any qualified person, firm, corporation or trust from bidding.
 - c. Contracts for public utility services where the rates are regulated by the state or federal government.

See also Policy 3610-Purchasing Goods and Services.

Approved: June 29, 2009

Revised:

LEGAL REF: MCL 15.321, *et seq* and MCL 380.1203

The Board shall approve the purchase of goods and services, property leases, and inter-agency agreements when the initial order, contract, or agreement exceeds the base amount established annually by the Michigan Department of Education above which competitive bids must be obtained according to the Michigan School Code. The Superintendent or designee shall authorize the purchase, lease, or agreement that is equal to or less than the Michigan Department of Education's annually established base amount.

The Director of Purchasing shall be the sole purchasing agent for the District. All purchases shall comply with the Board's purchasing policies and the implementing administrative rules.

Purchasing From District Employees and Board Members

Employees:

The District shall not purchase goods, materials, or directly from an employee or where an employee has an interest in any of the following:

- a. Any firm, partnership, or other unincorporated association, of which the employee is a partner, member, or employee.
- b. Any private corporation in which the employee is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present market value in excess of \$25,000 if the stock is listed on the stock exchange.
- c. Any corporation where the employee is a director, officer, or employee.
- d. Any trust of which the employee is a beneficiary or trustee

The District may purchase specialized services from employees in an amount less than \$500 upon approval of the Superintendent or designee.

Board Members:

The District shall not purchase goods, materials, supplies, or services from a member of the Board of Education, from a board member's family member, or from a member a board member's household, except as outlined in Board Policy 1900.

Section 3000 – Fiscal Management

3610 Purchasing Goods and Services

3610-2

Purchases For Personal Use

Board members and employees shall not authorize or make any purchase through the District for personal use. The name of the District, school, or an employee's position, shall not be used to gain personal discounts or cost preferences. The District shall not purchase equipment or supplies for resale to employees.

Emergency Purchases

The requirements of this policy and Policy 3660, *Bids and Quotation Requirements*, may be suspended if an emergency is declared by the Superintendent or the Chief of Staff. Such emergencies may arise because of accident or other unforeseen occurrence that could affect the life, health, welfare or safety of the District's students or employees.

When the cost of the emergency purchase exceeds the base amount established annually by the Michigan Department of Education, above which bids are required, telephone or electronic communication with members of the Finance Committee of the Board shall be made as soon as possible after the emergency is declared, and written notice shall be given to the members of the Board of Education at the next scheduled Board meeting.

Refer also to Board Policy 1900 – *Contracts and Board Member Disclosure Information* and Board Policy 4005 – *Employee Conflict of Interest - Purchases*

Approved: June 29, 2009

Revised:

LEGAL REF: MCL 15.321-330; 380.1216; 380.1274

Section 3000 – Fiscal Management

3660 Bids, Quotations, and Local Preference (Cf. 4760)

3660

All purchases shall be in compliance with Board policies. Purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedures.

The Director of Purchasing shall develop and maintain lists of potential bidders for various types of materials, equipment, and supplies. These bid lists shall be used for the distribution of specifications and invitations to bid.

Any supplier may be included in the list upon written request. The Director of Purchasing shall review all bid lists annually or as needed.

Written Quotations

The District shall not purchase supplies, materials, or equipment in a single transaction costing \$10,000 or more without obtaining written quotations from a minimum of three vendors.

Competitive Bids and Cooperative Purchases

The District shall not purchase supplies, materials, or equipment in a single transaction exceeding the amount published annually by the Michigan Department of Education unless competitive bids are obtained and approved by the Board.

The Director of Purchasing is authorized to consider, and recommend for Board approval, membership in cooperative purchasing organizations that would benefit the District.

Cooperative purchasing also pertains to what is commonly referred to as “third party bids.” Third party bidding shall constitute a competitive bid for purposes of this Policy.

Bid Specifications

All bid specifications shall be clear and concise and shall include the following: required performance, surety, bid, statutory bond information, sworn statement of familial relationship, Iranian Business Relationship Affidavit, the debarment and

Section 3000 – Fiscal Management

3660 Bids and Quotation Requirements (Cf. 4760)

3660-2

suspension certification, compliance with preferential bid laws,; financial statements, the District's right to reject any or all bids, compliance with all federal, state and local laws, ordinances and regulations, and the date, time, and place for the opening of bids.

The Board, upon recommendation of the Superintendent or designee, reserves the following rights:

- to accept or reject all bid proposals in whole or in part;
- to waive minor irregularities;
- to award a contract to other than the lowest bidder; and
- to award contracts to one or more vendors.

The Purchasing Office shall retain all bids and supporting documentation in accordance with State of Michigan guidelines for record retention.

Local Purchasing Preference

The District provides a 5% preference (bid discount) in the purchasing of school equipment and supplies from local vendors, providing the quality and service are commensurate with the bid requirements. Bids, or proposals when bids are not required, shall be accepted from non-local vendors in order to maintain a fair market price.

In determining the qualification for a Local Purchasing Preference for purposes of this policy, vendors must:

- a. Have obtained the Certification of a Michigan Based Business as determined by the Michigan Department of Technology, Management and Budget and have its primary business operations located within the municipal boundaries of the City of Grand Rapids, Michigan for at least the last six months, or
- b. Be certified by the City of Grand Rapids, as a Micro-Local Business Enterprise and have its primary business operations within the municipal boundaries of the City of Grand Rapids.

A successful recipient of a contract and/or purchase order which has received a Local Purchasing Preference may be required to present proof of its status as a Michigan Based Business and documentation of its location within the City of Grand Rapids at any time upon request from an authorized District official. Failure to provide the requested

Section 3000 – Fiscal Management

3660 Bids and Quotation Requirements (Cf. 4760)

3660-3

information or failure to maintain business operations with the City of Grand Rapids for the duration of the contract will make the contract voidable at the District's discretion, and will result in disqualification from future consideration of a Local Purchasing Preference for a period of two years unless excused by the Superintendent or Designee.

Local Construction Contracting Preference

The District provides a preference (bid discount) in construction contracts from local vendors, providing the quality and service are commensurate with the requirements set forth by the District as to satisfy the demands of the bid or proposal. Bids, or proposals when bids are not required, shall be accepted from non-local vendors in order to maintain a fair market price.

In determining the qualification for a Local Construction Contracting Preference for purposes of this policy, vendors must:

- a. Have obtained the Certification of a Michigan Based Business as determined by the Michigan Department of Technology, Management and Budget and have its primary business operations located within the municipal boundaries of the City of Grand Rapids, Michigan for at least the last six months, or
- b. Be certified by the City of Grand Rapids, as a Micro-Local Business Enterprise and have its primary business operations within the municipal boundaries of the City of Grand Rapids.

A successful recipient of a contract which has received a Local Construction Contracting Preference may be required to present proof of its status as a Michigan Based Business and documentation of its location within the City of Grand Rapids at any time upon request from an authorized District official. Failure to provide the requested information or failure to maintain business operations with the City of Grand Rapids for the duration of the contract will make the contract voidable at the District's discretion, and will result in disqualification from future consideration of a Local Construction Contracting Preference for a period of two years unless excused by the Superintendent or Designee. Preference will be provided on the following basis:

Section 3000 – Fiscal Management

3660 Bids and Quotation Requirements (Cf. 4760)

3660-4

- a. Contractor Participation: Grand Rapids Public Schools will provide up to a 5% bid discount to prime contractors and/or construction managers who satisfy the criteria for consideration as a Local Vendor.
- b. Subcontractor Participation: Construction bids for non-local vendors may be discounted when a bidder on a Grand Rapids Public Schools' project voluntarily subcontracts with businesses meeting Local Vendor Criteria. Prime contractors and/or construction managers must submit affidavit(s) verifying Local Vendor subcontractor participation. Prime contractors and/or construction managers must require Local Vendor certification documentation to be submitted by each subcontract bidder with their sealed bid. The District, at its discretion, may request additional documentation to verify the qualification of any Local Vendor subcontractor participating in a construction project.
- c. The following is a schedule of discounted percentages based upon Local Vendor subcontractor participation achieved by the prime contractor:

<u>LBE Subcontractor Participation</u>	<u>Discount Percentage</u>
i. 1.0% - 2.5%	1.0%
ii. 2.51% - 5.0%	1.5%
iii. 5.01% - 7.5%	2.0%
iv. 7.51% - 10.0%	2.5%
v. 10.01% - 15.0%	3.0%
vi. 15.01% - 18.0%	4.0%
vii. 18.01% +	5.0%

- d. Prime contractors and/or construction managers may not terminate an approved Local Vendor subcontractor working on a Grand Rapids Public Schools construction project, and then perform the work on the terminated subcontract with its own forces or those of another subcontractor, without prior written consent by the Grand Rapids Public Schools Executive Director of Facilities and Operations Management. If a Local Vendor subcontractor fails to complete its work on the contract for any reason, a prime contractor/construction manager must notify the Grand Rapids Public Schools Executive Director of Facilities and Operations Management and make good faith efforts to find another approved Local Vendor subcontractor to substitute

Section 3000 – Fiscal Management

3660 Bids and Quotation Requirements (Cf. 4760)

3660-5

for the original Local Vendor subcontractor. Utilizing good faith efforts, and to the extent reasonable, the prime contractor/construction manager shall substitute an approved Local Vendor subcontractor to perform the same amount of work under the contract as the Local Vendor subcontractor that was terminated.

- e. Joint Venture Bidding: As an incentive to contractors engaging in activities that stimulate the growth and development of local, small emerging businesses as partners bidding as a joint venture, Grand Rapids Public Schools will apply up to a 5% bid discount for partnering with a qualified Local Vendor.
- f. The Bid Discounts outlined above may not exceed 5% or \$25,000 per bid, whichever is lower. Project bids from prime contractors and/or construction managers are considered a single bid for purposes of the Bid Discount consideration.

This policy shall not apply to the extent that it would conflict with any provision of Michigan or federal law, regulation or constitution. The local preference shall not be applied to purchases of goods and services made with federal funds.

Refer also to Board Policy 3610, *Purchasing Goods and Services*, Board Policy 1900, *Contracts and Board Member Disclosure Obligations* and Board Policy 4005, *Employee Conflict of Interest – Purchases*..

Approved: June 29, 2009

Revised:

LEGAL REF: MCL 380.1267; 380.1274

Section 4000 – Business Management

4005 Employee Conflict of Interest - Purchases

4005

Employees shall not have a direct financial interest in District purchases, or benefit directly from any financial transaction with the District, except for specialized services in an amount less than \$500 upon approval of the Superintendent or designee.

Purchases of, or use of District property, materials, or personnel by employees shall be accomplished in accordance with good business practices, and within the framework of applicable laws, regulations, and Board policies.

The Superintendent and his/her cabinet and any other administrator deemed by the Superintendent to be in a position to influence the purchase of any goods or services, shall annually, or if changes occur, sign and file a conflict of interest disclosure document.

Refer also to Board Policy 3610 – *Purchasing Goods and Services*

Approved: June 29, 2009

Revised:

LEGAL REF: MCL 15.322-323