

The Right Door for Hope, Recovery and Wellness

Chapter Title <b>Fiscal</b>	Section # <b>F</b>		Subject # <b>250</b>
Subject Title <b>Purchasing</b>	Adopted <b>3/31/03</b>	Last Revised <b>5/23/16</b>	Reviewed 12/19/05; 9/25/06; 1/22/07; 3/26/07; 12/27/07; 4/27/09; 5/24/10; 6/27/11; 4/23/12; 4/22/13; 5/27/14; 5/18/15; 5/23/16; 7/24/17

**POLICY**

**Application**

This policy shall apply to The Right Door for Hope, Recovery and Wellness

**1.0 Intent**

The intent of this policy is to recognize Section 330.1230 of PA 290 of 1995 (Mental Health Code) as the authorization for execution and administration of fiscal resources.

**2.0 Policy**

It is the policy of the Authority to maintain a centralized purchasing system. The system shall operate from a set of procedures designed to guide the decision-making process as it relates to the procurement of supplies and services for use by the agency.

- 2.1 The Authority shall conduct its purchasing on an ethical, sound, and business-like basis, and secure goods and services to attain the maximum best value for each dollar expended in promoting the needs and objectives of the agency. Local vendors shall be given reasonable opportunities to provide goods and services whenever possible.
- 2.2 The ultimate authority and responsibility for maintaining the purchasing program shall reside with the Chief Executive Officer. In accordance with Section 330.1230 of PA 290 of 1995, the Chief Executive Officer "... shall execute and administer the program in accordance with the approved annual plan and operating budget, the general policy guidelines established by the Authority, the applicable governmental procedures and policies, and the provisions of this act."
- 2.3 Expenditures outside of the approved annual plan and operating budget will be brought before the Authority Board.

**3.0 CEO Expenditure Authority**

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- 3.1 The CEO is authorized to approve purchases less than or equal to \$20,000 without Board approval.
- 3.2 All expenditures or contracts in excess of \$20,000 will be brought before the Authority Board for formal approval with the exception of medication purchases which the CEO is authorized to approve in excess of \$20,000 based on client need.

**4.0 Competitive Bids**

Any individual item in excess of \$20,000 must be competitively bid.

**5.0 Real Estate**

Any purchase or sale of real estate will be brought before the Authority Board for formal approval.

**References**

Michigan Mental Health Code, PA 290 of 1995, Section 330.1230  
CARF, Section, Board Governance

Melissa McKinstry, Board Chairperson	Date		