

Approved: 6/27/2024

**Procurement Policy
Prairie Creek Community School**

I. Purpose: The purpose of this policy is to comply with the terms set forth in the Uniform Grant Guidance (Sections §200.317-326), MN Statue 124E.26 and MN Statue 124E.14 regarding the procurement of goods and services.

II. General Statement of Policy: Prairie Creek Community School (PCCS) will follow the UGG guidelines or State of Minnesota guidelines when procuring goods and services.

III. Methods of procurement to be followed (1-2 Informal, 3-5 Formal):

1. Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$10,000. To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. Thresholds for purchases by employees without board approval may not exceed \$10,000.

2. Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$25,000. If small purchase procedures are used, price or rate quotations (RFP/RFQ) must be obtained from an adequate number of qualified sources.

3. Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. Contracts exceeding \$25,000 The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(A) In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(B) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(vi) Bids may not be broken up into smaller components to avoid the thresholds.

4. Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. Contracts exceeding \$25,000 If this method is used, the following requirements apply:

(A) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(B) Proposals must be solicited from an adequate number of qualified sources;

(C) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(D) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(E) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

(D) After solicitation of a number of sources, competition is determined inadequate.

IV. Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(A) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(B) Affirmative steps must include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(v) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i) through (v) of this section.

V. Selection Criteria:

1. PCCS reserves the right to select the lowest bonafide bid.

VI. Exceptions:

1. Any capital improvement of facilities expenditure greater than \$25,000 will include a bid guarantee equivalent to 5% of the bid price from each bidder, a performance bond on the part of the contractor for 100% of the contract price and a payment bond on the part of the contractor for 100% of the contract price.

References:

[Procurement and Contracts](#) (Informal)

[Procurement Methods and Processes - Purchasing Thresholds](#) (Procurement and Processes)

VI. Conflict of Interest

(A) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:

(i) the board member, employee, officer, or agent;

(ii) the immediate family of the board member, employee, officer, or agent;

(iii) the partner of the board member, employee, officer, or agent; or

(iv) an organization that employs, or is about to employ any individual in clauses (i) to (iii) has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

(B) The conflict of interest provisions under this section do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

(C) A charter school board member, employee, or officer is a local official for purposes of section [471.895](#) with regard to receipt of gifts as defined under section [10A.071, subdivision 1](#), paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.