

Non-Instructional Operations and Business Services

Purchasing

I. Purpose

This policy defines the process for purchasing supplies, equipment, materials, and services that will be used to meet the needs of the school district.

II. General Statement of Policy

The school district's purchasing process will comply with federal law, state statutes, the directives of the Minnesota Department of Education and the district auditor, and business best practices.

III. Requisition and Purchase Order Process

All orders of material value will follow the district's requisition and purchase order process established by the director of business services. In the case of an emergency or urgency of time, the process may be modified with the pre-approval of the director of business services. Payments to vendors will not be approved until the receivable process has been completed for the purchase.

IV. Orders, Quotations, Bids and Request for Proposal (RFP) Requirements

A. All purchases of products, services and equipment must adhere to district guidelines and directives established by the director of business services (see Appendices I and II), including the following:

1. Purchases of less than \$25,000 may be completed through quotations in an open market. The requesting department may issue quotes to at least two vendors, preferably three or more where applicable, for purchases funded through Federal Grant funds that exceed \$3,000.
2. Purchases of \$25,000 to \$175,000 require a minimum of two quotes. The quote will be awarded to the lowest, responsible, qualified vendor, taking into consideration the quality of the product and the ability to perform, given the needs of the district.
3. Purchases exceeding \$175,000 will be put to bid with the exception of professional services, book requests under the copyright law, or joint powers agreements.

- B. All purchase orders must be signed and dated indicating receipt of merchandise and forwarded to the district office for payment.
- C. All requests for proposals of services will include an explanation of services being sought, criteria for selection, and the application and selection process.
- D. Every three to five years, the district will complete RFPs for management and administrative services (e.g., insurance carriers, waste management, legal counsel).

V. Reimbursement without a Purchase Order

- A. Items purchased locally without a purchase order will require a request for payment or an employee expense report form submitted (see Policy 708 – Expense Reimbursement). Either form must have the original receipt attached and provide the necessary supervisor approval and budget code. The check for a request for payment will be paid directly to the vendor.
- B. An employee that wishes to be reimbursed for a purchase will complete an employee expense report form, meeting the requirements stated above. The employee will not be reimbursed for sales tax incurred because of the district's tax-exempt status.

VI. Procurement Card

- A. Procurement cards will be issued to employees upon completion of an application, approval by the requesting employee's supervisor, and approval by the director of business services. All holders of a district procurement card must comply with all articles of the current policy 707 including its appendices.
- B. Employees with procurement cards are required to submit their monthly expenditure reports accompanied with all receipts and expenditure allocations among pre-approved account codes without exception. Purchases with missing receipts will be reimbursed to the district by the employee who made the purchase.

Legal References:

- Minn. Stat. § 123B.02, Subd. 23 (Credit Cards)
- Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)
- Minn. Stat. § 471.345, Subd. 3 (Contracts Over \$175,000)
- Minn. Stat. § 471.345, Subd. 4 (Contracts Exceeding \$25,000 But Not \$175,000)
- Minn. Stat. § 471.345, Subd. 5 (Contracts \$25,000 Or Less)
- Minn. Stat. § 471.345, Subd. 15 (Cooperative Purchasing)

Cross Reference:
Policy 708 (Expense Reimbursement)

Policy
adopted: 10/25/10
amended: 03/12/12
revised: 09/22/14
revised: 02/27/17
revised: 01/28/19
revised: 04/17/23

INDEPENDENT SCHOOL DISTRICT NO. 273
Edina, Minnesota

Appendix I to Policy 707

SOLICITING PRICES THROUGH BIDS AND QUOTATIONS

I. Expenditures for the purchases of goods and/or services, not exempt from Minn. Stat. § 471.345, will be subject to written quotations or formal bids within these restrictions:

A. Contracts Over \$175,000

If the amount of the contract is estimated to exceed \$175,000, sealed bids will be solicited by public notice in the manner and subject to the requirements of Minn. Stat. § 471.345, Subd. 3.

The director of business services or their designee will:

1. Prepare specifications for prospective bidders.
2. Advertise for bids setting forth the goods and/or services to be included, the date and place of the bid opening.
3. Deliver sets of the specifications and form of proposal to all vendors requesting them and, in addition, others who might normally be interested in bidding.
4. Receive and open bids on the date specified.
5. Tabulate all bids. Tabulation will be presented to the school board. It will be provided to bidders upon request.
6. Make a recommendation to the school board on which bid appears to be in the best interest of the school district.
7. Following approving action by the school board, prepare a contract with the successful bidder.
8. Monitor the fulfillment of the contract to ensure compliance with the specifications.
9. Ensure performance guarantees are provided.
 - a. On any order which has been bid, a performance bond is required as follows:
 - (1) 100% on furniture and equipment
 - (2) 100% on construction
 - b. Bid bonds in the amount of 5% are required on all formal bids.

- B. Contracts from \$25,000 to \$175,000
If the amount of the contract is estimated to exceed \$25,000 but not to exceed \$175,000 the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained will be kept on file for a period of at least one year after receipt thereof, in accordance with Minn. Stat. 471.345 Subd. 4 and Subd. 15.
 - C. Contracts Less Than \$25,000
If the amount of the contract is estimated to be less than \$25,000, the contract may be made either upon quotation or in the open market, at the discretion of the school board; but, so far as is practicable, the contract will be based on at least two quotations which will be kept on file for a period of at least one year after receipt thereof, in accordance with Minn. Stat. 471.345 Subd. 5.
 - D. Formal Bidding Procedures
Sealed bids are to be opened in the district office, at the specific time stated in the bid form. Bids on construction contracts and items of unusual nature are to be opened at the district office at a regular time as stated in the bid form. All bidders will be notified of the opening and invited to be present. Bids or quotations received after the date and time specified will be returned to the bidder unopened.
 - E. Purchases that are funded through a Federal Grant Funds must comply with the most current version of the "Edina Public Schools Federal Procurement Manual".
- II. The school board will have discretion in determining the responsibility of the bidders based on conformity with specifications, terms of delivery, and other conditions imposed in the call for bids or the specification and will award the contract to the lowest responsible bidder, providing the bidder fully meets the specifications.
 - III. Changes in the amount or the condition of the bid will not be allowed once the bid has been received by the school board or its agents. Awards will be made only on the specifications advertised or amended prior to the official opening of the bids.

Appendix

Established: 10/25/10
 revised: 03/12/12
 revised: 09/22/14
 revised: 02/27/17
 revised: 04/17/23

Appendix II to Policy 707

CONTRACTING AUTHORITY TO PURCHASE

- A. A contract is defined as an agreement entered into for the sale, purchase or license of supplies, materials, services, software, equipment, or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property and services. All contracts will comply with applicable bid laws and school board policies. The terms of such contracts, except for capital leases, will not exceed five years with an annual option to renew.
- B. Contracting authority resides solely with the school board.
- C. For contracts in an amount not exceeding a total payment of \$175,000, the school board will delegate to the superintendent the authority to lease, purchase, license and contract for goods and services within the budget as approved by the school board. Splitting of contracts voids the contract and is not permissible. If more than one contract is entered into with a particular vendor on a project, and at some time during the course of the project it appears that the cumulative cost of the contracts will exceed \$175,000, school board action is required for the remaining contracts in connection with said project.
- D. No individual purchase, license, or lease ("contract") for \$175,000 or greater will be made or authorized, except at a regular meeting of the school board or at a special meeting which all members have had notice.
- E. All material modifications to school board-approved contracts require school board action. The administration may request a school board exemption from this policy for any purchase which is exempt from Minn. Stat. § 471.345 (Uniform Municipal Contracting Law).

Appendix

Established: 10/25/10
revised: 03/12/12
revised: 09/22/14
revised: 02/27/17
revised: 07/15/19
reviewed: 04/17/23