

725R BIDS / QUOTES / REQUESTS FOR PROPOSALS (RFP'S)

Current contract limits as defined by uniform municipal contracting law.

Minn. Stat. § 471.345, the Uniform Municipal Contracting Law, was established to provide dollar limits for all municipalities upon contracts which shall or may be entered into on the basis of competitive bids, quotations, or purchase or sale in the open market. Vendors may now submit bids, quotations, and proposals electronically in a form and manner required by the municipality. Minn. Stat. § 471.345, subd. 18. Generally, the following thresholds apply:

1. Contracts \$175,000 or over

If the amount of the contract is estimated at or to exceed \$175,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof.

2. Contracts from \$25,001 to \$174,999

If the amount of the contract is estimated to be or exceed \$25,000 but not to exceed \$174,999, 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 shall be kept on file for a period of at least one year after receipt thereof.

3. For contracts of \$25,000 or less

If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after receipt thereof.

In addition, Minn. Stat. § 471.345, subds. 16 and 17, allow school districts to purchase supplies, materials, and equipment using an auction process; and to sell supplies, materials, and equipment which is surplus, obsolete, or unused using an electronic selling process.

Best value procurement is a process based on competitive proposals (as an alternative to bids) that awards the contract to "the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and performance criteria as set forth in Minn. Stat. § 16C.28, subd. 1b, and described in the solicitation document." Minn. Stat. § 16C.28, subd. 1(a)(2). Before administering best value procurement procedures, personnel must be trained in the best value RFP process. See Minn. Stat. § 16C.28, subd. 1d.

All Requests for Proposals must be approved by the School Board.

Legal References: Minn. Stat. § 471.345 (Uniform Municipal Contracting Law)
Minn. Stat. § 16C.28 (Contracts; Award)

Cross References: 725 Requests for Proposals

Approved: 09.21.1993
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