#

**SPECIAL EDUCATION PROCUREMENT POLICY**

# Procedures Title: Procurement

Introduction: The purpose of this policy/procedure is to outline the requirements for purchasing materials, products, or services.

1) Follow a free and open competitive process in securing products or services.

2) Properly document purchasing activities and decisions.

3) Observe the special rules for particular kinds of purchases typically used under the federal Charter School and Special Education Programs.

4) All purchases will follow federal, state, and local statutes and regulations including specific requirements found in the Code of Federal Regulations (CFR) and Uniform Grant Guidance (UGG) for governmental sub-recipients and for sub-recipients that are non-profit organizations (e.g. CSP sub-grantees).

## Responsibility: Business Manager, School Director, Special Education Coordinator

## Procedures:

A. Determine procurement method based on need, cost, and source availability.

1. Additional requirements for Special Education Procurement include:

That the LEA ensures that each purchase or contract:

a. is allowable, necessary and reasonable as defined by federal and state requirements;

b. is an eligible cost of providing special education services and is not a cost the LEA would incur in the absence of special education services;

c. complies with federal and state procurement and accounting standards; and

d. is supported by adequate source documentation including approval by the appropriate LEA official(s).

Additionally, if purchase of service, supply or equipment is the result of a student need, be sure it is documented in the student’s IEP.

2. a written code of standards of conduct governing the performance of their employees engaged in the selection, award and administration of contracts.

Guiding Questions:

1) In the absence of special education needs, would this cost exist? Yes or No?

2) Is this cost also generated by students without disabilities? Yes or No?

3) If it is a child specific service, program, supply or equipment, is the need documented in the student’s IEP? Yes or No? or…

4) Will this item, service or project expand and enhance the direct instruction of students with disabilities? Yes or No? or…

5) Will this training expand and enhance the IEP process? Yes or No? or….

6) Will this professional development opportunity (training) expand and enhance delivery of IEP specific disabilities services?

**FOUR PERMITTED PROCUREMENT METHODS**

1. **Micro purchases:** procurements of $10,000 or less. No quotations
2. **Small purchases:** procurements of $10,000-175,000 or less. Rate quotes.
3. **Competitive proposals:** A procurement in excess of the small purchase threshold (more than $100,000).
4. **Noncompetitive proposals/sole source procurement:** Noncompetitive negotiations may be utilized only under very limited circumstances. School District must show that another method of procurement was infeasible because:
* The item or service was only available from a single source;
* A public emergency or condition requiring urgency existed which did not permit the use of competitive procurement; or
* Competition was determined to be inadequate after receiving proposals from numerous sources.

A. **Micro Purchases** (< $10,000):

1. Identify and/or enumerate scope of services or standards of products.

 2. Prepare Request for Proposal (RFP) or Request for Quote (RFQ) –

 a) One quote minimum required.

3. Fill out purchase order or requisition and process through the School District’s Business Office. (School Director and Business Manager)

4. Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.

5. Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.

6. All purchase orders and requisitions must be signed and dated by an authorized official of the School District. (School Director or Business Manager)

7. Business Manager will maintain the following required documentation for a minimum of 7 years. Supporting documentation should include items listed:

a. Online purchases - Special Education Teacher

b. Purchase order- Special Education Teacher

c. Approval for purchase with signature and date; - Director

d. Signed and dated contract, if applicable; - Director

e. Packing slips, if applicable; - Administrative Assistant

f. Invoice(s);- Business Manager

g. Approval for payment;- Director

h. Cancelled check, EFT payment or bank statement showing payment;- Director and Business Manager

i. Description justifying the purchase as an eligible cost for special education;- Special Education Teacher

j. Page from IEP identifying need (i.e. Service Page, etc.); - Special Education Teacher

k. Prior written approval from MDE, if applicable.

INCLUDE ONLY THE ITEMS ABOVE USED BY YOUR DISTRICT – IF YOU LIST ITEMS HERE, YOU WILL NEED TO PRODUCE OR BE FOUND NONCOMPLIANT.

B. **Small Purchases** ($10,000 TO $175,000)

1. Identify and/or enumerate scope of services or standards of products.

 2. Prepare Request for a Second Bid

 a. School Information

 b. Scope of work or standards

 c. Deliverables

 d. Contract terms and conditions

 3. Identify and contact potential vendors (min. 2).

 4. Assess proposals/quotes received based on contract award criteria (cost, quality, suitability, conformance to specifications, availability, references, best overall ability to fulfill need).

 5. Notify the award recipient in writing. Notify declined entities as well.

6. Fill out purchase order and process through the School District’s Business Office.

7. All purchase orders and contracts must be signed and dated by an authorized official of the School District.

 8. Determine the adequacy of contractor performance.

 9. Establish reasonable payment schedules defining amount and timing of funds to be paid (recommend payment *after* services rendered).

10. Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.

11. Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.

12. Contracts can be made for two years with an additional two-year extension without signing.

 13. Maintain required documentation for a minimum of 7 years.

C. **Competitive Proposals** (> $175,000):

1. The leadership team, including the Director, Special Education Coordinator, and Business Manager will determine three vendors to receive competitive bids or proposals from. Once the bids are received, the leadership team will determine which vendor offers the best value. The leadership will use [www.sam.gov](http://www.sam.gov) to ensure that no vendor has been debarred or suspended.

1. May not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures followed under the “small purchases” approach.

2. School District shall use competitive proposal procedures as outlined by the MN Department of Education, state, federal, and local statutes and regulations.

3. DISTRICT may use CPV to purchase goods and services under contracts established by the state of MN.

<http://www.mmd.admin.state.mn.us/pdf/CPVSubscribe2.pdf>

4. Sealed bids will be obtained for purchases of over $100,000 where competitive pricing is a major factor. Requirements for sealed bids:

a. The invitation for bids will be publicly advertised and the bids must be selected from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.

b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bitter to properly respond.

c. All bids will be publicly opened at the time and place prescribed in the invitation for bid.

d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.

e. Any or all bids may be rejected if there’s a sound documented reason.

5. Price cost analysis, including independent estimates will be completed for all sealed bid purchases over $100,000. Contractors submitting sealed bids are required to submit cost proposals that show the elements (e.g., labor, materials, overhead, profit) of their proposed costs or price.

D. **Noncompetitive proposals/sole source procurement**:

 1. Identify and/or enumerate scope of services or standards of products.

 2. Fill out “Sped Procurement Database”.

 3. Prepare Request for Proposal (RFP) or Request for Quote (RFQ), if applicable.

 a. School Information

 b. Scope of work or standards

 c. Deliverables

 d. Contract terms and conditions

4. All purchase orders and contracts must be signed and dated by authorized official of the School District.

 5. Determine the adequacy of contractor performance.

6. Establish reasonable payment schedules defining amount and timing of funds to be paid (recommend payment *after* services rendered).

7. Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.

8. Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.

9. Maintain required documentation. Supporting documentation should include items listed:

a. Quotes, if applicable;

b. Signed and dated contract, if applicable;

c. Invoice(s) or receipt(s);

d. Cancelled check, if applicable;

e. Page from IEP identifying need (i.e. Service Page, etc.); and

f. Prior written approval from MDE, if applicable.

**CONTRACTING WITH SMALL AND MINORITY FIRMS AND WOMEN’S BUSINESS ENTERPRISES**

 A. The School District will take all necessary affirmative steps to assure that small and minority firms and women’s business enterprises are used when possible.Affirmative steps include:

* Placing qualified small and minority business and women’s business enterprises on solicitation lists.
* Assuring that small and minority business and women’s business enterprises are solicited whenever they are potential sources.
* Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women’s business enterprises.
* Establishing delivery schedules, where the requirements permits, which encourage participation by small and minority business and women’s’ business enterprises.
* Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.
* Business manager will complete random checks of purchases to ensure that small and minority firms and women’s business enterprises are being solicited.

**DEBARRED AND SUSPENDED PARTIES**

 A. The School District must not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, ``Debarment and Suspension.''

The EPLS database located at http://www.sam.gov is a Federal government system maintained by GSA as required by [FAR Subpart 9.4](http://www.acqnet.gov/far/current/html/Subpart%209_4.html) and Executive Orders [12549](http://www.epa.gov/isdc/eo12549.htm) and [12689](http://www.epa.gov/isdc/eo12549.htm).

B. Prior to contract award financed in whole or part with federal CSP grant or other funds, the School District shall use the EPLS database to ensure proposed contractors are not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.

C. In order to document compliance with this requirement, the School District shall file with each contract:

* Results of www.sam.gov search; and
* Certification as part of contract from the contractors that they have not been debarred or suspended from participation in federal, state, or local programs.

In the event that there is an emergency and an in item needs to be purchased, the request will be made to the Director of the school, either petty cash or the credit card will be issued for the purchase. See Credit Card Procedures.

**POST PURCHASE CONTRACTS**

The Special Education team will meet quarterly to review progress reports from all contracted service providers and evaluate the service provided to the students with disabilities. The team will consider attendance, relationship with the students, and effectiveness in providing related services. The service provider will be held to the same standard as the employees, which can be found in the Employee Handbook. In the event that there is any question regarding the contractor’s performance, the Special Education Coordinator will discuss the problems and concerns with the provider and then contact the vendor, if not resolved. Payment will be withheld until the problem has been resolved. Further, an alternative provider will be found until the issue or concern can be resolved. Contract length may be for two years with an additional two year extention without signing a new contract. MN Stat 123B.52

Uniform Grant Guidance 2 CFR §200.318(h)&(i)

**CREDIT CARD PROCEDURES**

A. The Executive Director and business manager are responsible for the issuing, accounting for, monitoring, retrieving, and overseeing compliance with this policy.

B. An employee issued a credit card is responsible for its protection and custody. If a card is lost or stolen, the school administrator shall be notified immediately.

C. All purchases with a credit card shall follow established purchasing protocols including first obtaining a purchase order, approval from the designated employee responsible for such, and providing appropriate documentation including invoices and receipts. The credit card statements are reconciled with the supporting documentation on a monthly basis. The person doing the reconciliation will note that the documentation has been reconciled (authorized staff will include a date and signature).

D. Any employee making unauthorized purchases on a school credit card will be financially responsible for the charges and may face disciplinary consequences.

E. All receipts, bank statements, and invoices will be turned into the Administrative Assistant.

**CHECK-SIGNING**

The purpose of this policy is to outline the requirements for check-signing.

The check-writing policy requires two signatures on all checks with a dollar amount over $500.00 and only one signature on all checks with a dollar amount less than $500.00. At no time will two checks be written in order to avert the dual signature policy unless it has been pre- approved by the board. The two signatures required will be from the board chair, vice board chair, or other board member.

**CONFLICT OF INTEREST AND CODE OF CONDUCT**

**Conflict Of Interest:** No employee, officer, or school board member of DISTRICT School shall participate in the selector or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. the employee, officer, or board member,
2. any member of his/her immediate family,
3. his/her partner, or
4. any organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

Director will disclose in writing any potential conflict of interest to Chief Financial Officer at MDE. 2 CFR § 200.112

DISTRICT NAME officers, employees, or board members will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

In the event that an employee misuses funds distributed by the school, the Director, Special Education Coordinator, and Business Manager will discuss the incident with the staff member. Corrective action will be put in place, along with required Code of Conduct training (see link below.) Upon a second incident, staff will be removed from any fiscal duties and formal documentation will be recorded in their personnel file.

• Uniform Grant Guidance 2 CFR §200.318

– Standards of Conduct (Conflict of Interest)

§ Immediate Family Member

§ Significant Other

§ Business Partner

§ Employer (current or immediate future) of family member or partner

§ Stockholder

* Standards of Conduct must contain disciplinary action

<http://mn.gov/mmb/internalcontrol/executivebranchagencyrequirements/codeofconducttraining/>

**Time and Effort Procedures**

All staff paid with any amount of special education funds needs to complete time & effort as an internal control method to ensure no sped dollars are being used for non-sped expenditures.

Compensation for Personal services will include all wages, paid currently or accrued, for service of employees rendered during the period of performance under the federal award. May also include fringe benefits. Uniform Grant Guidance 2 CFR §200.430

Compensation Requirements must be reasonable, follow the laws and/or rules or written policies

and must meet the requirements of Federal statute, and Is supported by the law.

Uniform Grant Guidance 2 CFR §200.430(a)

Documentation for Time and Effort must include all charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

Uniform Grant Guidance §200.430(i)(1)(i)-(vii)

Records will be:

\_ Supported by a system of internal controls

– Accurate, allowable, and properly allocated

– Official records of the LEA

– Reflective of total activity Uniform Grant Guidance §200.430(i)(1)(i)-(vii)

Records will:

– Include all activities

– Comply with accounting policies established by the LEA’s policy

– Support distribution of the employee’s salary or wages among specific activities or cost obj

• Budget estimates alone do not qualify support for charges

Uniform Grant Guidance §200.430(i)(1)(i)-(vii)

Standards

When time and effort records do not meet the requirements, PARs, Certifications or other

supporting documents will be required.

Uniform Grant Guidance §200.430(8)

Cost Objectives Definition

– Program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of process, products, jobs, capital projects, etc. Uniform Grant Guidance §200.28

Support the distribution among specific activities if the employee works on:

– More than one Federal award

– A Federal award and non-Federal award

– Two or more indirect activities which are allocated using different allocation bases

– An unallowable activity and a direct or indirect cost activity

 Uniform Grant Guidance §200.430(i)(1)(vii)

Single Cost Objective: a single function or a single grant or a single activity

– May be one cost objective even when paid out of more than one award.

- Ask, could I pay this employee fully from each federal award if I needed to? Would all activity be eligible under each federal award?

Multiple Cost Objectives: multiple functions or multiple grants or multiple activities.

* Activities cannot be paid in full by all grant sources paying individual.

Monitoring Documentation may include Payroll Reports

• Supporting documentation

– Calendar, schedule, logs, class schedules, with time period applied, employee name & supervisor signature.

* PARs/Certification and **staff schedule with dates applied, employee name & supervisor signature.**

Payroll Report including School Name, Employee Name, Finance Code, Object Code, Accounting Date, Amount by Line, and Total by Employee.

Time and Effort Supporting Documents

PARs/certifications are not specifically required in the Uniform Grant Guidance

– Recommended that LEAs continue to use these documents to show support for time and effort • It is mentioned once, Uniform Grant Guidance §200.430(8)

– Gives permission to obtain PARs, Certifications or other supporting documentation if the LEA is not in compliance.

Time and Effort Support – Monthly Example to provide Who, Days worked, Hours worked, Activities, and After the fact. Daily Example – Employee schedule.

If personnel expenditures are paid with state funds, we anticipate to see:

· Payroll reports

· Staff calendar, logs, class schedule, staff schedule (one of the items for evidence of 100% Special Ed with biannual Time and Effort.) With relevant date applied to, employee name and supervisor signature.

If personnel expenditures are paid with federal funds, we anticipate to see:

· Payroll reports

· PAR/Certification (depending on the cost objective)

· Staff schedule reflecting actual work performed

## Review Date: November 6, 2019 to be reviewed at least annually to comply with current needs and rules.

## History:

* Date of Adoption: January 21, 2016