HIGHER GROUND ACADEMY
Minutes and Packet
Tuesday, July 21, 2026
@ 8:00 am

Regular Meeting of the Board of Higher Ground Academy, District No. 4027, Saint Paul, Minnesota

Higher Ground Academy where the moto is: How Are the Children? The Children Are Well and Learning!

Mission
The mission of Higher Ground Academy is to prepare students to become successful, ethical, and responsible citizens who are ready for all the challenges of the twenty-first century. To that end, students graduating from the Academy will be college ready, stewards of the environment, and ethical citizens.

AGENDA

Higher Ground Academy
Tuesday, July 21, 2026
8:00 a.m.

- Call to Order & Roll Call
- Adoption of Agenda
- Adoption of Minutes
- Executive Director's Report
- Election of officers
- Policies – Procurement Policy, AI Policy
- Executive Director Job Description and FY27 goals and evaluation
- Identify outstanding needs to successfully operate the school in the coming year (e.g. staffing) – Exhibit S, transportation, food service
- New Business
- Adjournment

Samuel Yigzaw is inviting you to a scheduled Zoom meeting.

Topic: July Board Meeting
Time: Jul 21, 2026 08:00 AM Central Time (US and Canada)

Join Zoom Meeting
https://us02web.zoom.us/j/81495574698?pwd=0bwMVZoXk7uA8pDFF3xQJ79fhkJgw1.1

Meeting chat link
https://us02web.zoom.us/launch/jc/81495574698

View meeting insights
https://us02web.zoom.us/launch/edl?muid=0320fd8c-1aaf-4842-8d2e-29569a5cb149

Meeting ID: 814 9557 4698
Passcode: 7tAeRC

"the board chair has determined that an in-person meeting is not practical or prudent because of a health emergency and the meeting will be conducted by interactive technology in accordance with MN §13D.021,"

Higher Ground Academy
Board of Directors Meeting Minutes
Zoom and Conference Room, June 16, 2026 @ 8:00 a.m.

Meeting called to order 8:00

Roll call: Dan McGrath (Zoom), Samuel Yigzaw (In Person), Mary Tate (Zoom), Brian Swerine (Zoom), Denise Toussaint (Zoom), Liban Ahmed (Zoom), Shannon Tanghe (Zoom), Abdi Guled (Zoom), and Dustin Reeves- Accountant.

Adoption of Agenda
Dan McGrath asked for motion to approve June's agenda. Motion to approved the agenda was made by Denise Toussaint and seconded by Abdi Guled. Motion carried unanimously.

Adoption of Minutes
Dan McGrath asked for motion to approve the minutes for May. Motion to approve the minutes was made by Brian Swerine and seconded by Mary Tate. Motion carried unanimously.

Executive Director's Report
Samuel Yigzaw – No new academic and no new Environmental Education report at this time. The regular school year has ended and the extended year program will start on June 6th and end on July 10th, we will have roughly 270 students. Teacher contracts have been signed and others are in process. We have ended the contract with our transportation company. We posted an RFP for a new vendor contract. We are also reaching out to bus companies asking them to bid. We need board members to help us with the bids. Food service programs contract has ended because the children were not eating the food. We will now have an in-house food service program. We also have a building cleaning contract and a waste removal contract to fill. The student survey had some issues that need further clarification from the last time. We had a focus group study with selected students and here is what was discussed: Overall, students generally don't see severe constant physical bullying but they do report cyberbullying on social media, taunting, joking and small physical acts. This year, we will have someone that will focus on mental health and social and emotional counseling for high school. Denise Toussaint asked about the transportation committee and if there will be another one formed and looking at other transportation companies that put in bids the last time and also references and incidents reports. Samuel Yigzaw said yes, we will need a committee and will look at references and incident reports as well. Denise Toussaint and Mary Tate volunteered to be on that committee.

Approve Budget for Next Fiscal Year

Presented by Dustin Reeves

HIGHER GROUND ACADEMY
FISCAL YEAR 2026 – REVISED BUDGET NARRATIVE

The key changes between the Original Budget – approved in June 2025 and this Revised Budget version, dated June 3, 2026 are as follows:

- In general, we factored in FY26 experience and reviewed pacing and actual expenditures year-todate (YTD) to derive some of these changes to budget line items.

- Enrollment – budget assumes ADM of 1,149 which is a decrease from the original budget of 1,200, thereby resulting in a State Aid decrease of $163,277 versus the original budget.

- Revenues –
  a. State Aid Revenues | decrease by $163,277 based on ADM reductions
     i. General Education | -279,158
     ii. Lease Aid | -66,488
     iii. Special Education | +207,174
     iv. Categorical Rev | +45,195
     v. Prior Year Adjustment | -70,000

  b. Federal Revenues | decreased by 9,507 versus the original budget due to adjustments in actual Federal SPED and Title allocations the school received.

  c. Other Revenues – based on current year activity, other revenues have decreased by $42,429. The largest variance in terms of the local revenue category is lesser interest in FY26 given the lower interest rates experienced this year.

- Expenditures –
  a. Salaries and Benefits – increased 271,622 based on staffing needs.
  b. Purchased Services – decreased $585,874 to include adjustments with Contracted Services, and other services such as repairs and maintenance.
  c. Supplies and Materials – overall decrease of $83,572 based on current year needs.
  d. Special Education and Title Grants – overall increase of $208,571 based on current year student's needs, as well as updated allocations.

- Federal Grant allocations were updated to match actual allocations.

- Food service – revenues and expenses increased based on YTD pacing. All revenues in Food Service come from state and Federal reimbursement.

In conclusion, Net Income decreased $125,029, from a surplus of $204,119 (Original Budget) to a projected surplus of $79,090. The Projected Revised budget shows the school ending the year with a fund balance of $13,554,861 which will result in a cumulative fund balance of 63.0%.

CREATIVE PLANNING

Higher Ground Academy

FY 2026-27 Original Budget Summary

The following assumptions are built into the FY27 budget and worth noting -

- Student enrollment ADM – 1,195 (increase of 46 from FY26 Revised).

- The Gen Ed Aid formula is set at 2.69% increase based on the approved State legislature.

- Revenues increased from FY26 Revised budget by $1,307,488 due to the increase in student enrollment between Fiscal Year 2026 and Fiscal Year 2027. State Revenues increased by $1,295,767 and Federal Revenues increased by $10,471based on preliminary allocations.

- Compensatory Revenues have been finalized at the state legislative level. HGA received a slight increase of $19,247to funding in this category over the Fiscal Year 2026 Budget.

- Regular Education salaries increased $487K from FY26 Revised Budget. This allowed additional staffing of 4 teachers (Gen Ed) and 2 EL Teachers.

- Benefits budget has been updated to reflect current experience, totaling an increase of $231,012 from the FY26 Revised Budget in the Regular Instructional Services budget area. This is attributed to an increase in healthcare premiums for the fiscal year, as well as additional staffing.

- Building Lease Cost is set at $1,841,111 during the year, based on current enrollment estimates and annual debt service calculations.

- Other discretionary categories were adjusted based on prior year experience and discussions with school leadership.

In total, the Original Budget projects a net surplus of $207,641 which would result in a cumulative fund balance of $13,938,266 or 61.2% fund balance to expenditures.

Dan McGrath asked for motion to approve the Revised Budget Narrative for 2026 and the 2027 Original Budget Summary. Motion to approve was made by Mary Tate and seconded by Denise Toussaint. Motion carried unanimously.

Financial Report

Dustin Reeves Presented:

Higher Ground Academy
Saint Paul, Minnesota
April 2026 Financial Report
Executive Summary

Summary of Key Financial Indicators

* Average Daily Membership (ADM) Overview

    o Original Budget: 1,200
    o Working Budget: 1,149
    o Actual: 1,148

* The school's Original Budget surplus for the year is $204,120. A projected cumulative fund balance of $13,679,890 or 63% of expenditure at fiscal year-end.

* The School's Working Budget reflects a surplus of $97,000. This result would project a cumulative fund balance of $13,571,711 or 63% of expenditures at fiscal year-end.

* As of this reporting period, Days Cash on Hand is 200 days. Above 60 days meets minimum bond covenants.

* Projected Debt Service Coverage Ratio at fiscal year-end is 1.11. Above 1.10x meets minimum

Bond covenants.

Financial Report Key Points

* As of month-end, 83.33% of the year was complete.
* Revenues received at end of the reporting period | 81%.
* Expenditures disbursed at end of the reporting period | 80%.
* Cash Balance as of the reporting period is $11,809,368 which is down from the previous month of $11,980,257 due to regular processing of invoices.
* Current year holdback estimate is $1,394,246.
* Prior Year holdback is estimated at $69,849.

Other Items

* The beginning balances shown on the Balance Sheet are based on audited data as of June 30, 2025.
* The Working Budget projects Federal aid revenues of $1,047,058. These are reimbursement-based grants, so funds will need to be expended before we can claim the revenues.
* The Fiscal Year 2026 Lease Aid Application has been submitted to the Department of Education; The application has subsequently been approved. Funding has started to flow for this program, and is reflected on the statement of revenues and expenditures.

Higher Ground Academy
Saint Paul, Minnesota
May 2026 Financial Report
Executive Summary

Summary of Key Financial Indicators

- Average Daily Membership (ADM) Overview
  - o Original Budget: 1,200
  - o Working Budget: 1,149
  - o Actual: 1,147
- The school's Original Budget surplus for the year is $204,120. A projected cumulative fund balance of $13,679,890 or 63% of expenditure at fiscal year-end.
- The School's Working Budget reflects a surplus of $79,090. This result would project a cumulative fund balance of $13,554,861 or 63% of expenditures at fiscal year-end.
- As of this reporting period, Days Cash on Hand is 197 days. Above 60 days meets minimum bond covenants.
- Projected Debt Service Coverage Ratio at fiscal year-end is 1.10. Above 1.10x meets minimum bond covenants.

Financial Report Key Points

- As of month-end, 91.67% of the year was complete.
- Revenues received at end of the reporting period | 90%.
- Expenditures disbursed at end of the reporting period | 89%.
- Cash Balance as of the reporting period is $11,607,190 which is down from the previous month of $11,809,368 due to regular processing of invoices.
- Current year holdback estimate is $1,527,697.
- Prior Year holdback is estimated at $69,849.

Other Items

- The beginning balances shown on the Balance Sheet are based on audited data as of June 30, 2025.
- The Working Budget projects Federal aid revenues of $1,047,058. These are reimbursement-based grants, so funds will need to be expended before we can claim the revenues.
- The Fiscal Year 2026 Lease Aid Application has been submitted to the Department of Education; the application has subsequently been approved. Funding has started to flow for this program and is reflected on the statement of revenues and expenditures.

Denise Toussaint made a motion to approve the April and May Financials and checks and wires, Mary Tate seconded. Motion carried unanimously.

Monitor Progress on Exhibit S, Outstanding Obligations from Previous Contract

Samuel Yigzaw – We need to take care of a few items from last year's evaluation. The bylaws needed to be adjusted and registered. Everything else has been completed.

School Leader Contract

Samuel Yigzaw's contract expires at the end of this month. A 3-year contract has been approved and John Cairns will get the contract ready for signatures. Dan McGrath asked for motion to approve the new 3-year contract. Motion to approve was made by Mary Tate and seconded by Shannon Tanghe. Motion carried unanimously.

Approve Board Calendar for FY27

Samuel Yigzaw presented the new school calendar FY27 for approval. Dan McGrath asked for motion to approve the new school calendar. Motion to approve was made by Shannon Tanghe and seconded by Denise Toussaint. Motion carried unanimously.

Approve a Donation

Samuel Yigzaw-A check for the amount of $1,000 was received and there is no conflict of interest. Dan McGrath asked for motion to approve the check. Motion to approve was made by Brian Swerine and seconded by Denise Toussaint. Motion carried unanimously.

New Business

Samuel Yigzaw – Erin Anderson is working on the Expansion Application for approval for the next time it has to be submitted.

Adjournment

Dan McGrath asked for motion to adjourn the board meeting. Motion to adjourn was made by Brian Swerine and seconded by Denise Toussaint. Motion carried unanimously.

Meeting adjourned at 8:49 a.m.

HIGHER GROUND ACADEMY
A K-12 College Preparatory Charter School

Higher Ground Academy
1381 Marshall Ave, St Paul, MN 55104
Phone: (651) 645-1000

Executive Director Job Description

Position Summary

The Executive Director is the chief executive officer of Higher Ground Academy and is responsible for providing visionary leadership, strategic planning, and operational oversight. This role encompasses academic excellence, financial management, compliance with state and federal statues, and the school's contractual goals, and community engagement. Working closely with the Board of Directors, the Executive Director ensures the success of the school's mission and the continuous improvement of student learning outcomes.

Qualifications

- Licensed as a school administrator in the State of Minnesota (such as a Superintendent, Principal, or Director of Special Education) ***or*** has demonstrated experience in school management and finance in accordance with Minnesota Statutes §124E.12, subd. 2.
- Master's or Doctoral degree in Educational Administration, Educational Leadership, or a related field.
- Proven record of instructional leadership, school improvement, or program development.
- Strong financial management skills with experience in budgeting, compliance, and resource allocation.
- Excellent communication, interpersonal, and organizational skills.
  Commitment to diversity, equity, and inclusion, with the ability to foster a collaborative school culture.
- Knowledge of state and federal charter school laws and accountability requirements (preferred)

Duties

Leadership and Governance

- Implement the mission, vision, and strategic goals of Higher Ground Academy in accordance with Minnesota Statutes, Chapter 124E, and under the direction of the Board of Directors.
- Advise and support the Board of Directors in policy development, strategic decision-making, and compliance oversight to ensure effective governance and accountability.

- Maintain open and transparent communication with the Board, charter authorizer, and other oversight entities regarding academic, financial, and operational performance.

Academic and Program Oversight

- Provide instructional leadership to ensure high-quality curriculum, instruction, and assessment practices aligned with state standards and authorizer expectations.
- Lead the development and implementation of continuous improvement and school accountability plans focused on student achievement and equitable outcomes.
- Support teachers and administrators in professional growth through data-driven coaching, evaluation, and targeted professional development.

Financial and Operational Management

- Collaborate with the Business Manager and the Board's finance committee to develop, implement, and monitor the school's annual budget, ensuring fiscal integrity, transparency, and sustainability.
- Ensure compliance with all financial reporting requirements under state and federal law, the school's charter contract, and authorizer directives.
- Oversee the management of facilities, technology, human resources, and operational systems to support efficient and effective school operations.

Compliance and Accountability

- Ensure the school's adherence to all applicable state and federal laws, authorizer requirements, and policies adopted by the Board of Directors.
- Maintain accurate and timely reporting to the Minnesota Department of Education (MDE), the school's authorizer, and other regulatory agencies.
- Uphold ethical standards and implement systems that ensure transparency, equity, and public accountability.

Community and Stakeholder Engagement

- Serve as the primary spokesperson and representative of the school to students, families, staff, authorizer representatives, and the broader community.
- Foster strong partnerships with families, community organizations, higher education institutions, and local agencies to enhance educational opportunities and student success.
- Promote a positive, inclusive, and collaborative school culture that reflects the values of diversity, equity, and mutual respect.

Terms of Employment

Salary and benefits will be determined by the Board of Directors in accordance with the approved compensation plan. The Executive Director will be evaluated annually by the Board based on performance outcomes tied to student achievement, organizational effectiveness, and fiscal responsibility.

Executive Director's Evaluation Policy

Adopted: <u>October 15, 2024</u>

I. Purpose

The purpose of this policy is to provide information regarding the annual director evaluation process.

II. General Statement of Policy

It is the responsibility of the school board to ensure that the director is leading the Higher Ground Academy (HGA) in accordance with the mission, values, strategic outcomes and goals that have been articulated by the board and authorizer. The board fulfills this responsibility in two ways:

First, it is through the formal dialogue that occurs between the director and the board at each board meeting and committee meetings. This ongoing dialogue keeps the board apprised of progress toward desired outcomes, as well as demonstrating the director's performance in the operational functions of the school.

Second, it is through a formal annual evaluation process in which the director and the board set goals based on job description, data and areas of need as a school. This evaluation process identifies the director's strengths, achievements, areas for growth and focus for future action.

III. Procedure

A. The Board will review the director's performance according to the timetable laid out in the policy.

B. The board will review student performance and organizational goals established by the HGA Authorizer, MDE and the board in the fall. The board will review input gathered via school performance assessment survey that will be completed by school staff and parents, and through informal assessments completed by the school sponsor.

C. The board will review informal assessment results during a regular school board meeting. Per statute, the director has the choice of having the meeting open or closed.

D. Only standards that have not yet been satisfied will be subject to the summative evaluation.

IV. Timeline

A. September - November

1. Director provides measurable goals which are based on job description, data and areas of need as a school. In the event that the school board and the director are unable to come to mutual agreement, the school board will set the Director's Goals.

B. December

1. During the school board meeting, the school board chair and director review the evaluation process and forms with board members.

C. January

1. The director will complete a self-evaluation, with supporting documents to be provided to the school board on or before a date set prior to the January board meeting as determined by the Board Chair. Unless the director requests the evaluation meeting be open, the school board must close the meeting. If the director wants the evaluation to occur in an open meeting, the school board chair shall get the request in writing.

2. Each school board member completes the evaluation form for the director's mid-year, formative evaluation and returns them to the school board chair on or before a date set prior to the January board meeting as determined by the Board Chair.

3. The school board chair creates a mid-year formative evaluation summary document consisting of each school board member's ratings and comments.

4. The school board chair brings the mid-year formative evaluation summary document to the director's evaluation meeting held during the regular January meeting. The school board chair shares and discusses with the director the formative evaluation of his/her performance. The director provides additional clarification/progress reports, if any, on school district goals related to job description and his/her professional performance goals.

D. February

1. At the regular February meeting the school board Chair shall summarize its conclusions regarding the formative evaluation.

2. The formative evaluations shall be attached to the summative evaluation and placed in the director's personnel file.

E. April/May

1. School climate survey conducted to determine staff satisfaction as outlined in strategic plan.

2. Parent Satisfaction Survey completed by stakeholders.

F. June

1. Director will complete an end of year evaluation of goals, with supporting documents, and provide these and supporting documents to the school board on or before a date set prior to the June board meeting as determined by the board chair.

2. Each school board member completes the summative evaluation form and returns it to the school board chair on or before a date set prior to the June board meeting as determined by the Board Chair.

3. The school board chair creates a summative evaluation summary document consisting of each school board member's rating and comments.

4. The school board chair brings the summative evaluation summary document to the director's evaluation meeting. Unless the director requests the evaluation meeting be open, the school board must close the meeting. If the director wants the evaluation to occur in an open meeting, the school board chair shall get the request in writing.

5. The school board shares and discusses with the director its evaluation of his/her performance. The director provides additional clarification/progress reports, if any, on school district goals and his/her professional development goals.

6. During the regular June meeting the school board Chair shall summarize its conclusions regarding the formative evaluation.

7. A copy of the final written summative evaluation form is placed in the director's personnel folder.

G. Return to the beginning of the cycle.

Higher Ground Academy

Policy on Artificial Intelligence (AI) Use and Governance

Higher Ground Academy supports the responsible and ethical use of Artificial Intelligence technologies to enhance student learning, improve operational efficiency, and support instructional effectiveness. AI tools may be used only in ways that protect student privacy, maintain academic integrity, promote equity, and comply with all applicable federal and state laws.

The Executive Director shall establish administrative procedures governing the selection, approval, and use of AI technologies by students and employees.

All AI-generated content used for instructional, administrative, or communication purposes shall be reviewed by a qualified employee prior to implementation or distribution.

No personally identifiable student information shall be entered into publicly available AI systems unless permitted by law and approved by the Academy.

The Board directs the administration to review AI practices annually and recommend updates as technology

Student Use of AI

Purpose

Higher Ground Academy recognizes that Artificial Intelligence (AI) tools can support learning, creativity, and productivity when used appropriately.

Acceptable Uses

Students may use approved AI tools to:

- Brainstorm ideas
- Generate study guides
- Receive writing feedback
- Practice language skills
- Support research and learning

Prohibited Uses

Students may not use AI to:

- Complete assignments without teacher authorization
- Generate essays and submit them as their own work
- Cheat on assessments
- Create harmful, inappropriate, or discriminatory content
- Access or share confidential student information

Disclosure Requirement

Students must acknowledge AI use when required by the teacher.

Example:

"I used ChatGPT to brainstorm ideas and review grammar."

Staff Use of AI

Purpose

AI tools may be used to improve efficiency and support instructional planning while maintaining professional responsibility.

Permitted Uses

Staff may use AI ethically and responsibly such as to:

- Draft lesson plans
- Create rubrics
- Generate parent communication drafts
- Analyze non-confidential data
- Develop intervention materials

Staff Responsibilities

Employees remain responsible for:

- Reviewing all AI-generated content for accuracy
- Ensuring content aligns with curriculum standards
- Protecting student privacy
- Avoiding bias and discrimination

Data Privacy

Staff may not enter:

- Student names
- Educational records
- IEP information
- Medical information
- Personnel records

into public AI platforms unless approved by the district.

Adopted: February 20, 2024

Revised: October 15, 2024

Second Revised: August 19, 2025

Third Revised:____________________

Higher Ground Academy

POLICY No. 105

PURCHASING, PROCUREMENT, AND CONTRACTING

I. PURPOSE

The purpose of this policy is to establish procedures for carrying out purchasing, procurement and contracting functions of the charter school, to provide efficient use of public monies, and to ensure compliance with all applicable state and federal laws, including Minn. Stat. 124E.26, Subd. 4, with respect to procurement using state funds.

II. GENERAL STATEMENT OF POLICY

It is the policy of Higher Ground Academy's (the Charter School) board to utilize resources to the greatest benefit of our students' education and to establish procedures for all expenditures made with charter school funds to ensure efficiency, economy, legal compliance, internal control, ethical behavior by all staff members, and fairness in dealing with vendors.

This policy addresses procurement generally, including conflicts of interest (Sections I through V), as well as the following:

1. Procurement using state funds (Sections V and VI, below).

2. Procurement using federal funds generally (Section VII, below) excepting procurement using USDA Child Nutrition Program Funds and/or Minnesota Free School Meals Funding.

3. Procurement using USDA Child Nutrition Program Funds and/or Minnesota Free School Meals Funding by the Charter School in its role as School Food Authority ("SFA") (Section IX, below).

III. CONFLICT OF INTEREST

Notwithstanding anything in this policy to the contrary, the Charter School shall not enter into any contract or agreement that does not align with the provisions of this Section III.

No employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the federal award. A conflict of interest includes when the employee, officer, agent, or board member, any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an entity considered for a contract.

An employee, officer, agent, and board member of the recipient or subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value (excluding trinkets or mementos costing $5.00 or less) from contractors.

Violations of the standards set in this document may result in disciplinary actions including up to and including termination.

1. Minn. Stat. 124E.14:

    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 member 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 (1) to (3),

    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. The foregoing does 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.

2. Minn. Stat. 124E.07, Subd. 3(e): A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors. In addition, an individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.

3. Minn. Stat. 124E.10, Subd. 2(a): The charter school must disclose to the commissioner any potential contract, lease, or purchase of service from the school's authorizer or a current board member, employee, contractor, volunteer, or agent of the school's authorizer. The contract, lease, or purchase must be accepted through an open bidding process and be separate from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services to a school it authorizes, unless the school documents receiving at least two competitive bids. This paragraph does not apply to a charter school or an authorizer when contracting for legal services from a lawyer that provides professional services to the charter school or authorizer and who is subject to the Minnesota Rules of Professional Conduct.

IV. GENERAL PROCUREMENT PROVISIONS

1. **Authorization:** The charter school director or chief administrator (hereinafter referred to as the "director"), in conjunction with the board of directors (hereinafter referred to as the "board"), is responsible for overseeing the procurement process, including establishment of procedures, internal controls, quality assurance, methods of greatest economy, and compliance with all applicable laws. To be valid, all contracts must be approved by the board.

   Individual school employees may incur expenditures in the following amounts without prior board approval so long as such expenditures are consistent with the school's board-approved budget, provided that in all cases, the board retains authority to disapprove any expenditure for any reason at the sole discretion of the board:

   a. Any school employee may purchase goods (but not services) for use in connection with school operations where the expenditure is less than $1,000. The school may issue credit or debit cards to individual employees for these expenditures.

   b. In addition to the foregoing, the following school employees may execute a purchase or procurement that requires the expenditure of up to the following amounts:

      i. Director/chief administrator: Up to $100,000

      ii. Operation officer: _Up to $50,000

2. **Scope:** Purchasing procedures apply to procurement of equipment, supplies, and services, including services provided by vendors and by individuals who are engaged by the charter school as independent contractors (i.e. – individuals who receive a form 1099 rather than form W-2). Purchasing procedures do not apply to hiring employees of the charter school (i.e. – individuals who receive a W-2).

3. **Documentation:** The director shall design and implement procedures to create and preserve documentation establishing that all procurement is implemented in accordance with this policy. The director will provide such documentation to the charter school board upon request by the board.

4. **Economy:** Good business practice dictates that products will be purchased for the lowest price for acceptable quality. Lower prices can be achieved through researching prices, cultivating business relationships, negotiating price contracts, buying in quantity, competitive quotation, or formal bid process.

5. **Best Value**: The school shall endeavor in all cases to obtain the best value in all purchase or procurement decisions, taking into account the price, quality, and quantity of the goods or services being purchased or procured, along with consideration of other criteria, which may include, but are not limited to:

   (i) the vendor's or contractor's knowledge or expertise with respect to services as evidenced by performance on previous projects;
   (ii) the quality and timeliness of the vendor's or contractor's performance on previous projects;
   (iii) the level of customer satisfaction with the vendor's or contractor's performance on previous projects;

(iv) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns;

(v) the vendor's or contractor's ability to minimize change orders;

(vi) the vendor's or contractor's ability to prepare appropriate project plans;

(vii) the vendor's or contractor's technical capabilities;

(viii) the individual qualifications of the contractor's key personnel; or

(ix) the vendor's or contractor's ability to assess and minimize risks.

6. **Competitive Procurement Process**: As used in this Policy, "Competitive Procurement Process" means one of the following: (a) Procurement by Sealed Bids, or (b) Procurement by Proposals. In implementing a Competitive Procurement Process (whether by bid or proposal):

a. To solicit bids or quotations the director (or, where applicable, the responsible party) (i) shall post a request for bids or proposals on a public portion of the charter school's web site, or utilize another public posting mechanism as reasonably determined by the director (or, where applicable, the responsible party), and (ii) shall deliver solicitations directly to two or more potential vendors or contractors, in all cases providing a reasonable time period for response to any solicitation of or posting for bids or proposals.

b. If, after such reasonable time period, the director has not received two or more bids or proposals for the goods or service to be procured, the director shall use reasonably prudent inquiry to ascertain the price for such goods from two or more vendors, contractors, or other knowledgeable third party advisors (such as a broker or appraiser).

c. If (i) after complying with all of the foregoing the director is able to locate only a single vendor or contractor from which to procure a particular good or service, or (ii) due to the nature of the services being procured, the market for such goods or services is such that there is only one vendor or contractor to supply such goods or services, the director shall, to the extent reasonably practicable, endeavor to negotiate for the most favorable price that may be obtained from such vendor or contractor.

7. **Procurement by Sealed Bids**: As used in this Policy, "Procurement by Sealed Bids" means a process in which bids are publicly solicited and a firm fixed price contract by lump sum or unit price is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is the lowest in price. Procurement by Sealed Bids is subject to the following:

a. bids must be solicited from an adequate number of qualified sources, providing bidders sufficient response time prior to the date set for opening bids;

b. the invitation for bids, which includes any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

c. all bids will be opened at the time and place prescribed in the invitation for bids, and the bids must be opened publicly;

d. 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 the discounts are usually taken advantage of;

e. any or all bids may be rejected if there is a sound documented reason; and

f. in order for a sealed bid to be feasible, the following conditions must 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 price.

8. **Procurement by Proposals**: As used in this Policy, "Procurement by Proposals" means a process in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. Procurement by Proposals is subject to the following:

   a. requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

   b. the charter school must have a written method for conducting technical evaluations of the proposals received and for making selections; and

   c. contracts must be awarded to the responsible offeror whose proposal is most advantageous to the charter school, with price and other factors considered.

V. PROCUREMENT OF GOODS USING STATE FUNDS

The following will govern procurement of goods using state funds. The school shall not break up a single procurement into smaller component procurements to avoid the threshold in this Section V. In all cases, the school shall endeavor to complete each procurement in a manner that obtains the best value for the charter school, taking into account the factors enumerated in Section IV, subd. 5, above.

1. **Procurements Less than $25,000.** The director (or, as applicable, the responsible party) shall be responsible for implementing procurements within these limits. The director (or, as applicable, the responsible party) shall, when reasonably practicable, use processes to endeavor to obtain competitive market rates or reasonably competitive available prices or rates.

2. **Procurements between $25,000 and $175,000.** Prior to any procurement above $25,000 but not above $175,000, the director (or, as applicable, the responsible party) shall (a) implement a Competitive Procurement Process or (b) obtain bids or quotations from at least two sellers or vendors or, if market conditions for a purchase are such that sellers or vendors will not respond to a request for bids or quotations, shall otherwise endeavor to compare the prices of multiple sellers or vendors, or negotiate the price from the single available vendor, in all cases documenting efforts to obtain "best value" for the procurement, taking into account the factors enumerated in Section IV, subd. 5, above.

3. **Procurements Above $175,000.** Prior to any procurement above $175,000, the charter school shall implement and complete a Competitive Procurement Process.

VI. PROCUREMENT OF SERVICES USING STATE FUNDS

The following will govern procurement of services using state funds. The school shall not break up any single procurement into smaller component procurements to avoid the threshold in this Section VI. In all cases, the school shall endeavor to complete each procurement in a manner that obtains the best value for the charter school, taking into account the factors enumerated in Section IV, subd. 5, above.

In determining the amount of a contract for services, the total cost of the contract under its stated term shall apply. For contracts that have annual price but a multi-year term, or include an automatic annual renewal (or so-called "evergreen") provision, the total of all years shall apply. Under no circumstances will a charter school enter into a multi-year or automatic annual renewal agreement with an outside term greater than five (5) years; provided that the foregoing limit will not apply to a lease for school facilities or an agreement that the charter school may terminate at will at any time without cause.

1. **Procurement Less than $25,000.** The director (or, as applicable, the responsible party) shall be responsible for implementing procurement within these limits. The director (or, as applicable, the responsible party) shall, when reasonably practicable, use processes to endeavor to obtain "best value" prices or rates and shall maintain records documenting efforts to obtain "best value".

   The foregoing shall include contracts for services where the total cost of services cannot be determined because the cost is dependent upon periodic or "as-needed" requests for services by the charter school, at its discretion, and the following are true: (a) the contract does not require an advance payment or deposit, and (b) the contract or the services may be terminated without cause at any time by the charter school.

2. **Procurement between $25,000 and $175,000.** Prior to entering into an agreement to procure a service with a value of more than $25,000 but not more than $175,000 or more, the director (or, as applicable, the responsible party) shall (a) implement a Competitive Procurement Process or (b) obtain bids or quotations from at least two vendors or contractors, if market conditions for acquiring a particular service are such that vendors or contractors will not respond to a request for bids or quotations, shall otherwise endeavor to compare the prices of multiple vendors or contractors, or negotiate the price from the single available vendor, in all cases documenting efforts to obtain best value for the procurement, taking into account the factors enumerated in Section IV, subd. 5, above.

3. **Procurements Above $175,000.** Prior to any procurement above $175,000, the charter school shall implement and complete a Competitive Procurement Process.

VII. USE OF FEDERAL FUNDS [Effective April __, 2026

THIS POLICY APPLIES TO ALL PURCHASING WITH FEDERAL FUNDS, INCLUDING ALL CSP FUNDS, EXCLUDING PROCUREMENT USING USDA CHILD NUTRITION PROGRAM FUNDS AND/OR MINNESOTA FREE SCHOOLS MEALS FUNDING

1. **Procurement Methods.** There are three types of procurement methods (1) informal (for micro-purchases and simplified acquisitions) (2) formal (through sealed bids or proposals) and (3) noncompetitive. For all of these methods, the recipient or subrecipient must maintain and use documented procurement procedures.

a. **Informal Procurement Methods for Small Purchases.**

i. Micro-purchases: the aggregate amount of the procurement transaction does not exceed $15,000, which may be increased to $50,000 on an annual basis if the recipient or sub-recipient self-certifies and provides supporting documentation. Micro-purchases may be awarded without soliciting competitive price or rate quotes if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; and maintains documentation to support its conclusion.

ii. Simplified Acquisitions: for procurement transactions in which the aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold ($15,000, or $50,000, if applicable), but lower than $175,000. In simplified acquisitions, the price or rate quotes must be obtained from an adequate number of qualified sources. The recipient or subrecipient may exercise judgment in determining what number is adequate.

b. **Formal Procurement Methods.** The recipient or subrecipient is required to use one of the following formal procurement methods when the value of the procurement transaction exceeds the simplified acquisition threshold of the recipient or subrecipient. This method requires competition and public notice.

i. Sealed Bids. Preferred for procuring construction services. Bids are publicly solicited through an invitation and a firm fixed-priced contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price.

a. Sealed bids are appropriate when:

i. A complete, adequate and realistic specification or purchase description is available;

ii. Two or more responsible bidders have been identified as 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 price

b. If sealed bids are used, the following requirements apply:

i. Bids must be solicited from an adequate number of qualified sources, providing them with sufficient response time prior to the date set for opening the bids. Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate;

ii. The invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond;

iii. All bids will be opened at the time and place prescribed in the invitation for bids.

iv. A firm-fixed-price contract is awarded in writing to the lowest responsive bid and responsible bidder. When specified in the invitation for bids, factors such as discounts, transportation cost, and life-cycle costs must be considered in determining which bid is the lowest. Payment discounts must only be used to determine the low bid when the recipient or subrecipient determines they are a valid factor based on prior experience.

v. The recipient or subrecipient must document and provide a justification for all bids it rejects.

ii. <u>Proposals.</u> Used when conditions are not appropriate for using sealed bids. This procurement method may result in either a fixed-price or cost-reimbursement contract. They are awarded in accordance with the following requirements:

a. Requests for proposals require public notice, and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified entities. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.

b. The recipient or subrecipient must have written procedures for conducting technical evaluations and making selections.

c. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient considering price and other factors; and

d. The recipient or subrecipient may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where the price is not used as a selection factor, can only be used to procure architectural/engineering (A/E) professional services. The method may not be used to purchase other services provided by A/E firms that are a potential source to perform the proposed effort.

c. **Noncompetitive Procurement.** There are specific circumstances in which the recipient or subrecipient may use a noncompetitive procurement method. The noncompetitive procurement method may only be used if one of the following circumstances applies:

i. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

ii. The procurement transaction can only be fulfilled by a single source;

iii. The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;

iv. The recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval; or

v. After soliciting several sources, competition is determined inadequate.

2. **Contracting with small and minority firms, women's business enterprises, and labor surplus area firms, pursuant to 2 CFR § 200.321**. Non-Federal entities 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:

a. Placing qualified small and minority business and women's business enterprises on solicitation lists;

b. Assuring that small and minority business and women's business enterprises are solicited whenever they are potential sources;

c. 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;

d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in a-e above.

3. **Contract Cost, Price, and Monitoring by the non–Federal Entity.**

a. The non–Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non–Federal entity must make independent estimates before receiving bids or proposals.

b. The non–Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

c. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non–Federal entity under federal regulations. The non–Federal entity may reference its own cost principles that comply with the Federal cost principles.

d. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

e. The non–Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non–Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non–Federal entity must cover each program, function or activity. See also 2 C.F.R § 200.332.

VIII. RECORDS TO BE MAINTAINED

1. **Public Data.** All records of charter school expenditures are considered "public data" under Minn. Stat. Chapter 13 (the "**Minnesota Government Data Practices Act**" or the "**Act**"). The charter school will create, maintain, and preserve such records in accordance with the Act.

2. **Record Retention Requirements for Federal Awards.**[1] The recipient and subrecipient must retain all Federal award records for three years from the date of submission of their final financial report. For awards that are renewed quarterly or annually, the recipient and subrecipient must retain records for three years from the date of submission of their quarterly or annual financial report, respectively. Records to be retained include but are not limited to, financial records, supporting documentation, and statistical records. Federal agencies or pass-through entities may not impose any other record retention requirements except for the following:

a. The records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken if any litigation, claim, or audit is started before the expiration of the three-year period.

b. When the recipient or subrecipient is notified in writing by the Federal agency or pass-through entity, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs to extend the retention period.

c. The records for property and equipment acquired with the support of Federal funds must be retained for three years after final disposition.

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[1] These regulations can be found under 2 C.F.R. § 200.334.

d. The three-year retention requirement does not apply to the recipient or subrecipient when records are transferred to or maintained by the Federal agency.

e. The records for program income earned after the period of performance must be retained for three years from the end of the recipient's or subrecipient's fiscal year in which the program income is earned. This only applies if the Federal agency or pass-through entity requires the recipient or subrecipient to report on program income earned after the period of performance in the terms and conditions of the Federal award.

f. The records for indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates) must be retained according to the applicable option below:

   i. If submitted for negotiation. When a proposal, plan, or other computation must be submitted to the Federal Government to form the basis for negotiation of an indirect cost rate (or other standard rates), then the three-year retention period for its supporting records starts from the date of submission.

   ii. If not submitted for negotiation. When a proposal, plan, or other computation is not required to be submitted to the Federal Government to form the basis for negotiation of an indirect cost rate (or other standard rates), then the three-year retention period for its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

IX. PROCUREMENT USING USDA CHILD NUTRITION PROGRAM FUNDS AND/OR MINNESOTA FREE SCHOOLS MEALS FUNDING

The following will govern procurement of food or food services.

See attached:

School Food Authority (SFA) Procurement Procedures Template

2 CFR 200.318 requires SFAs to maintain and use documented procedures for procurement transactions under a federal award or subaward. An SFA who fills out and completes this document will satisfy the requirements for 2 CFR 200.318.

A document with incomplete steps and information will not satisfy the 2 CFR 200.318 requirement, and the document will need to be revised.

Any questions about federal procurement requirements pertaining to the National School Lunch Program should be forwarded to mde.FSMC@state.mn.us.

Oversight of contractors: Recipients and subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. See also 200.501(h).

Procurement Procedures for U.S. Department of Agriculture (USDA) Child Nutrition Programs

[Insert Name of SFA]

The procurement procedures contained on the following pages [**insert first page number**] through [**insert last page number**] will be implemented beginning [**insert date**] until amended. All procurements must maximize full and open competition. Source documentation must be available to determine open competition, the reasonableness, the allowability, and the allocation of costs.

The [**insert name of SFA**] intentionally seeks to prohibit conflicts of interest in all procurement of goods and services.

Chairman, School Board	Date
Superintendent/Executive Director of School	Date

Conflicts of Interest

No employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the federal award. A conflict of interest includes when the employee, officer, agent, or board member, any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an entity considered for a contract.

An employee, officer, agent, and board member of the recipient or subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors.

However, the [**insert sponsor name**] has set standards for situations where the financial interest is not substantial, or a gift is an unsolicited item of [**insert and set nominal value**]. [**Please insert set standards for unsolicited items or gifts here if applicable**].

Violations of the standards set in this document may result in disciplinary actions including up to and including termination.

If the recipient or subrecipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian Tribe, the recipient or subrecipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the recipient or subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: https://www.usda.gov/sites/default/files/documents/ad-3027.pdf, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

- mail: U.S. Department of Agriculture Office
  of the Assistant Secretary for Civil Rights
  1400 Independence Avenue, SW
  Washington, D.C. 20250-9410; or
- fax: (833) 256-1665 or (202) 690-7442; or
- email: program.intake@usda.gov

This institution is an equal opportunity provider.

The procurement methods to be used (micro-purchase, small purchase, formal, and their dollar thresholds)

Required: Micro-Purchasing: Threshold of [insert amount] ($15,000 or less)

Micro-purchases may be awarded without soliciting competitive price or rate quotations if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; and maintains documents to support its conclusion. Purchase cards may be used as a method of payment for micro-purchases.

The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold defined in 2 CFR 200.1. To the extent practicable, the recipient or subrecipient should distribute micro-purchases equitably among qualified suppliers.

- Purchases cannot be split transactions to purposely fall below the applicable purchasing threshold.
- Micro-purchases are not intended to be the primary method of procurement.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance in Micro-Purchasing in the following way(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

Required: Simplified Acquisition Purchasing: Threshold [insert amount] (Higher than micro threshold but less than: $25,000 for Minnesota charter schools [1]; $175,000 or less for public sponsoring authorities/organizations; $350,000 or less for nonpublic sponsoring authorities/organizations)

Required for Minnesota charter schools: Per Minnesota Statute 2025, section 124E.26 Use of State Money, all Minnesota charter schools must have a procurement policy that at a minimum includes:

(1) conflict of interest provisions consistent with Minnesota Statue 2025, section 124E.14 Conflicts of Interest;

(2) thresholds for purchases by employees without board approval;

(3) thresholds for purchases that require competitive bidding processes, except that a competitive

bidding process must occur for any procurement estimated to exceed $25,000; and
(4) a prohibition on breaking up a procurement into smaller components to avoid the thresholds established in clauses (2) and (3).

The aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold but does not exceed the Simplified Acquisition Threshold (SAT). Price or rate quotations must be obtained from an adequate number (**at least two**) of qualified sources. Purchase is awarded to the bidder whose bid/price conforms with all the material terms and conditions and is the lowest in price.

- If factors other than price must be considered, these factors will be specified in the solicitation. Factors might include quality, geographic preference, delivery, scope of work, etc.
- The purchases must be awarded to the most responsive and responsible vendor based either solely on price or on other specified factors identified in the original solicitation.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance in Small Purchasing in the following way(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

Required Formal Procurement: Threshold [insert amount] $25,000 or less for Minnesota charter schools[1]; $175,000 or less for public sponsoring authorities; $350,000 or less for nonpublic sponsoring authorities/organizations)

All Food Service Management Company (FSMC) procurement must be completed as formal procurement regardless of the size of the contract.

Sponsoring Authorities are responsible for ensuring that the required contract provisions are in the final contract:

- Contract provisions as required in Appendix II to 2 CFR 200;
- Contract provisions as required in 7 CFR 210.21(f) for all cost reimbursable contracts; and
- Contract provisions as required in 7 CFR 210.16(a) (1-10) and 7 CFR 250.53 for food service management company contracts.

There are two methods a sponsoring authority can choose to utilize: Invitation for Bid (IFB) or Request for Proposal (RFP).

IFBs: When utilizing the IFB method, bids are publicly solicited (once per week for two weeks) through an invitation. A firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price. For sealed bidding to be feasible, the following conditions should be present:

- A complete, adequate, and realistic specification or purchase description is available.
- Two or more responsible bidders have been identified as willing and able to compete effectively for the business.
- The procurement lends itself to a firm fixed-price contract, and the selection of the successful bidder can be made principally based on price.

IFB timeline and steps:

- Perform a Cost/Price Analysis: Research current market conditions.
- Develop specifications for the purchase.
- Identify potential suppliers to contact.
- Publish the Invitation for Bid (IFB) opportunity and provide the IFB to all interested suppliers.
- Complete a public notification of the IFB opportunity at least once per week for two weeks if purchase price is above SAT.
- Ensure the IFB is directly mailed or emailed to at least two suppliers.
- Hold a pre-bid meeting: Must be at least two weeks prior to Proposal due date.
- Offer an appropriate Question and Answer timeframe (the week following the pre-bid meeting): All questions and answers need to be provided to all bidders in writing.
- Timestamp bids as they are received.
- Open bids publicly on the specified date and time.
- Award contract to lowest priced responsive and responsible bidder.
- Maintain documentation from all bidders and IFB Process.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance in its IFB processes in the following way(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

RFPs:

This procurement method is used when conditions are not appropriate for entertaining sealed bids. This procurement method may result in either a fixed-price or cost-reimbursement contract. The contract is awarded in accordance with the following requirements:

- Requests for proposals require public notice via local newspaper (at least once per week for two weeks), and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified entities (at least two). To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.
- The recipient or subrecipient must have written procedures for conducting technical evaluations and making selections.
- Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the recipient or subrecipient considering price and other factors.

RFP Timeline:

- Perform a Cost/Price Analysis: Research current market conditions.
- Develop product and technical specifications for the purchase.
- Develop evaluation criteria.
- Identify potential suppliers to contact.
- Publish the Request for Proposal (RFP) opportunity and provide the RFP to all interested suppliers.
- Public notification of the bid opportunity is required for at least once per week for two weeks if above SAT.
- A Sponsoring Authority's RFP may also be posted on its website but must be directly mailed or emailed to at least two suppliers.
- Hold a pre-proposal meeting at least two weeks prior to the proposal due date.
- Question and Answer timeframe (the week following the pre-proposal meeting): All questions and answers need to be provided to all bidders in writing.
- Timestamp proposals as they are received.
- Evaluate all RFPs received by the due date and time. Evaluation should be completed by at least three different persons.
- Negotiation with top scoring proposal is allowed.
- Award contract to the most advantageous proposal.
- Maintain documentation from all bidders and RFP Process.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure compliance in its RFP processes in the following way(s):

- [enter text here]
- [enter text here]
- [enter text here]

SFA will include the required clauses in their solicitations and contracts based on the chart below:

Required Clauses	Micro-Purchase	Small Purchase	Large Purchase: IFB	Large Purchase: RFP
Geographic Preference	Optional	Optional	Optional	Optional
Rights to Inventions	Required	Required	Required	Required
Equal Employment Opportunity	Required	Required	Required	Required
Affirmative Actions to Include Minority, Women's, and Small Businesses	Required	Required	Required	Required
Buy American	Required	Required	Required	Required
David-Bacon Act	$2,000 or more	Required	Required	Required
Termination Clause	$10,000 or more	Required	Required	Required
Recovered Materials	$10,000 or more	Required	Required	Required
Debarment and Suspension Certification	N/A	$25,000 or more	Required	Required
Lobbying certification	N/A	100,000 or more	Required	Required
Assurance of Civil Rights	N/A	N/A	Required	Required
Independent Price Determination	N/A	N/A	Required	Required
Contractual Procedures	N/A	N/A	Required	Required
Clean Air Act and Federal Water Pollution Control Act	N/A	N/A	Required	Required
Contract Work Hours and Safety Standards Act	N/A	N/A	Required	Required

Noncompetitive Proposal Procedures

There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;

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

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

(4) The federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-federal entity; or

(5) After solicitation of a number of sources, competition is determined to be inadequate.

- The [**Insert Title/Position**] will be responsible for the documentation of records demonstrating the decision to use the non-competitive proposal.
- The [**Insert Title/Position**] will be responsible for documentation that the actual product of service specified was received.
- The [**Insert Title/Position**] will be responsible for reviewing the procedures to be certain all requirements for using non-competitive proposals are met.

Required Action: Costs incurred must be necessary and cost-effective.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

The sponsoring authority's appointed officials will ensure that costs incurred are necessary and cost-effective in the following way(s):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

Required Action: Avoid the acquisition of unnecessary or duplicative items.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure the organization avoids the acquisition of unnecessary or duplicative items by doing the following:

- [enter text here]
- [enter text here]
- [enter text here]

Required Action: Procurement transactions must provide full and open competition.

- Solicitations may not include any unallowable cost items such as scholarships, gifts/gift cards, event tickets, grants, catering accounts, etc.
- Ensure that all vendors receive the same information about the products or services. To the extent possible, a comparison should be made of equivalent products or services, and all vendors should be informed of any special need that could affect the price.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

The sponsoring authority's appointed officials will ensure that procurement transactions provide full and open competition by doing the following:

- [enter text here]
- [enter text here]
- [enter text here]

Required Action: SFA must maintain records sufficient to detail the history of procurement, minimum of three years after final payment to vendor.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure they maintain records sufficiently to detail the history of procurement by doing the following:

- [enter text here]
- [enter text here]
- [enter text here]

Required Action: Solicitations must incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured by taking the following actions:

- [enter text here]
- [enter text here]
- [enter text here]

Required Action: Solicitations must identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [enter text here]
- [enter text here]
- [enter text here]

The sponsoring authority's appointed officials will ensure that solicitations identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals by taking the following actions:

- [enter text here]
- [enter text here]
- [enter text here]

Group Purchasing Organizations (GPO) & State Contracts

All sponsors must follow federal procurement regulations when entering into agreements or membership with entities for products or services. As a result, sponsors are required to conduct procurement transactions in a manner providing full and open competition in accordance with federal regulations at 7 CFR 226.21, 226.22, 225.15 (m), 225.17, 2 CFR Part 200, and USDA Memo *"SP-05-2017, CACFP 03-2017, SFSP 02-2017."*

Those requirements apply even when a sponsor seeks the services of an organization that buys on behalf of other entities in large quantities such as a Group Purchasing Organization (GPO). This is true even when services are offered free of charge. Competition ensures the best quality product or service at the lowest price.

- GPO and state contract price lists may be one source of prices when using small purchase procedures, sealed bids or competitive proposals, as applicable.
- [SFA] will obtain one additional source of prices when using pricing from one GPO.
- [SFA] will maintain documentation demonstrating that the GPO procured items according to federal and state regulation.

School Cooperative Procurement & Service Cooperatives

An SFA-only cooperative and service cooperatives as defined under Minnesota Statute 123A.21 may procure as a group and must do so in compliance with the procurement standards that apply to the individual SFA (7 CFR 210.21 and 2 CFR 200.318-.326).

Under SFA cooperative agreements, the group of SFAs, as defined in the scope of the solicitation, cannot materially change from the original group who plan to purchase together. Forecasting activities conducted prior to the formation of this cooperative should include actual and potential members of the cooperative and the solicitation should clearly define the expected level of members in the scope. Each member is responsible for monitoring contractor performance to ensure compliance with all contract provisions. Written agreements delineating roles and responsibilities are encouraged.

- School Cooperative and Service Cooperative Procurement may count as full procurement.
- [SFA] will maintain documentation demonstrating that the School Cooperative and/or Service Cooperative procured items according to federal and state regulation.

Buy American

SFAs must purchase domestic agricultural commodities and food products. For foods that are unprocessed, the agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51 percent domestically grown items, by weight or volume. A domestic creditable food component is the portion that counts toward a reimbursable school meal (meats/meat alternates, grains, vegetables, fruits, and fluid milk).

SFA requires suppliers to attest that their final food products are either 100 percent domestic commodities or a food product containing over 51 percent domestic food components, by weight or volume.

The limit on the percent of total commercial food costs from non-domestic foods will be phased in over seven school years.

- Beginning in SY 2025-26, the non-domestic food purchases cap will be 10 percent.
- Beginning in SY 2028-29, the non-domestic food purchases cap will be 8 percent.
- Beginning in SY 2031-32, the non-domestic food purchases cap will be 5 percent.

SFA requires suppliers to document the consideration of domestic alternative foods before approving an exception.

When an exception is approved, SFA requires suppliers to document and demonstrate one of the following:

- The product is listed on the Federal Acquisitions Regulations Non-available;
- The food or food product is not produced or manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality; or
- Competitive bids reveal the cost of a United States food or food product is significantly higher than the non- domestic product.

The following sponsoring authority officials are responsible for ensuring compliance (Positions/Titles):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

The sponsoring authority's appointed officials will ensure compliance at the following time(s):

- [**enter text here**]
- [**enter text here**]
- [**enter text here**]

The sponsoring authority's appointed officials will ensure that the SFA adheres to Buy American by doing the following:

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**

SFA Specific Requirements

If an SFA has any additional requirements or expectations beyond what is federally required, they may add them here. SFA requirements **must** follow federal and state regulation and may not contradict either federal or state regulation.

Ex. : Purchasing procedures, P-Card procedures, completion of procurement description documentation etc.

- **[enter text here]**
- **[enter text here]**
- **[enter text here]**
- **[enter text here]**
- **[enter text here]**