

LIONSGATE ACADEMY

409 PROCUREMENT POLICY

Original Adoption Date: 1/21/2014

Revision Date(s): 6/17/2016, 12/3/2019

Review Date(s): 11/9/2021, 3/1/22

I. PURPOSE

The purpose of this policy is to establish the authority to approve purchases on behalf of the Board of Directors.

II. GENERAL STATEMENT OF POLICY

All of the Lionsgate Academy's Special Education expenses are reimbursed by the Minnesota Department of Education, either directly or in its capacity as fiscal agent for funds received from the U.S Department of Education pursuant to IDEA Special Education Part B Section 611; all General Education, Administrative, and Operating expenditures in excess of those covered by the General Education, Lease Aid and Transportation Aid funding formulas are reimbursed by the Minnesota Department of Education pursuant to the School's Excess Cost Aid Appeals or pursuant to the terms of grant funds. Therefore, all procured goods and services must either meet the requirements of grantors or meet the general requirement that they be "reasonable, allowable, and necessary."

- A. The Executive Director or designee shall supervise the purchasing of materials, supplies, equipment, furnishings, and services.
- B. Purchases of goods and services on behalf of the School that meet certain dollar amounts are subject to either a bidding or a request for proposal process.

III. RESPONSIBILITY

- A. The Executive Director is authorized to promulgate procedures to implement this policy.
- B. Contracts will only be made with the approval of the Executive Director, after consulting the Director of Special Education or the Director of Finance as applicable. For any unbudgeted purchase of materials or services in excess of \$25,000, or any lease that exceeds \$25,000 in total, Board of Director's approval is required.

Guidelines Related to Obtaining Bids or Quotes/Proposals

- 1. A "bid" is an offer that creates a binding contract when the offer is accepted.
- 2. A "quote" may not constitute a binding offer, but is informational in nature and may require additional negotiation, offer, and acceptance before a binding contract is created.
- 3. Lionsgate Academy complies with Minnesota Statutes 471.345, which requires a bid or quote process for ". . .purchase of supplies, materials, equipment or

the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. . ." For all purchase types addressed by the statute, Lionsgate Academy requires:

- a. For purchases with an estimated value of \$150,000 or more, either (at the Executive Director's discretion) -
 - i. Sealed bids. Bid publication is required as a part of the process.
 - ii. A negotiated contract or quotation offering the best value under a request for proposals executed by the Executive Director or his/her designee.
 - b. A negotiated contract supported by two or more written quotations for purchases with an estimated value greater than \$24,999.99 and less than \$150,000.00
4. Lionsgate Academy also requires a quote process culminating in a negotiated contract supported by two or more written quotations for purchases of transportation services and group insurance contracts.
 5. Other types of purchased services do not require either a bid or formal quote process. However, best practices may indicate that Lionsgate Academy conduct such a process for other purchases of services with an estimated contract value of \$25,000 or more.
 6. The judgement and decision to proceed with a formal bid or quote process in these instances rests with the Executive Director. Examples of contracts where best practices may indicate the need for a formal quote process include, but are not limited to:
 - a. Contracts for professional services
 - b. Purchase of copyrighted books
 - c. Contracts for property and casualty insurance

Standards of Conduct Covering Conflicts of Interest

1. No employee, officer, or agent of Lionsgate Academy may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 a firm considered for a contract.
2. The officers, employees, and agents of Lionsgate Academy may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. In the event that an officer, employee, or agent of Lionsgate Academy is found in violation of these standards of conduct, disciplinary action will be warranted, up to and including termination of employment or agency relationship with Lionsgate Academy.

4. The standards set forth in Policy 210, "Conflict of Interest of Board Members," apply to all board members in their dealings with vendors and potential vendors.

Legal References and Resources:

2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Procurement Standards (Sections §200.317-326)