

Member _____ introduced the following resolution and moved its adoption:

Resolution Relating to the School District's Federal Micro-Purchase Threshold

WHEREAS, a **School District** entering into an agreement for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property must abide by the Minnesota statutes relating to contracting and bidding.

Minn. Stat. § 471.345, the Uniform Municipal Contracting Law, was established to provide dollar limits for all municipalities upon contracts which shall or may be entered into on the basis of competitive bids, quotations, or purchase or sale in the open market. Minn. Stat. § 471.345. Generally, the following thresholds apply:

1. For contracts over \$175,000 - sealed bids, solicited by public notice and subject to the particular requirements of the governmental subdivision.
2. For contracts from \$25,000 to \$175,000 - sealed bids or direct negotiation, with two quotations whenever possible.
3. For contracts of \$25,000 or less - open market or quotations (with at least two contract quotations, if practicable).

WHEREAS, the **School District** must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this **2 CFR § 200.318**, for the acquisition of property or services required under a federal award or subaward.

WHEREAS, all procurement transactions for the acquisition of property or services required under a federal award must be conducted in a manner providing full and open competition consistent with the standards of **2 CFR § 200.319** and **2 CFR § 200.320**.

2 CFR § 200.320 Methods of Procurement to be followed:

1. For contracts over the Simplified Acquisition Threshold, generally defined as \$250,000 in the Federal Acquisition Regulations (FAR) - formal procurement methods such as sealed bids or proposals are appropriate.
2. For contracts determined to be "small purchases," that is the aggregate dollar amount of which is higher than the micro-purchase threshold and smaller than the Simplified Acquisition Threshold, price or rate quotations must be obtained from an adequate number of qualified sources.
3. For contracts determined to be "Micro-purchases," currently defined in the Federal Acquisition Regulations (FAR) as \$10,000 or less - Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

WHEREAS, *2 CFR 200.320 (a)(1)(iv)* allows for the **School District** to increase their micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The **School District** may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with 2 CFR § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of a higher threshold consistent with State law.

THEREFORE; BE IT RESOLVED that the **School Board of Owatonna Public Schools** approves an increase to the **School District's** federal Micro-purchase threshold from \$10,000 to \$25,000 to be consistent with Minnesota Stat. § 471.345, subd. 5, as allowed by 2 CFR § 200.320(a)(1)(iv), for the acquisition of property or services under a federal award. This increase is retroactive to July 1, 2025.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted this 29th day of June, 2026.

ATTEST:

Andrea Van Gelder, School Board Clerk