



PROCUREMENT POLICY

Approved by the Sourcewell Board of Directors
Effective July 1, 2022

I. PURPOSE

To ensure that Sourcewell's internal procurements and contracts are created pursuant to, a process that enhances access, competition, and fairness; and results in optimal balance of overall benefits to Sourcewell.

Sourcewell's acquisition and contract process is designed to stand the test of public scrutiny in matters of good judgment and integrity, open competition, and fairness in the spending of public funds.

II. SCOPE

This policy applies to all acquisitions made, and contracts entered by Sourcewell for its own use. As defined in this Policy a contract is 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. Questions about the scope and application of this policy will be determined by the General Counsel.

III. PROCUREMENT OBJECTIVES

A. Compliance

Sourcewell procurements must comply with all applicable laws of the State of Minnesota and United States federal laws.

B. Fair and Open Competition

When competition is required by law and this policy solicitations should be written so that they are able to be met by more than one supplier, notice of the opportunity is posted so that it receives broad publication, and all responsible suppliers are permitted to compete in the solicitation process.

C. Conflicts of Interest

1. Individual Conflicts of Interest.

No employee of or individual associated with Sourcewell may participate in the development, selection, award, or administration of a contract or master agreement if they have a real or potential conflict of interest. Conflicts of interest arise when the employee, any member of their immediate family, or an organization which employs or is about to employ, or an

organization with which any of the parties indicated herein are affiliated, has a financial or other interest in or receives a tangible personal benefit from a potential supplier. Employees of Sourcewell may not solicit or accept gifts, gratuities, or favors creating a tangible personal benefit from any current or potential supplier.

2. Organizational Conflicts of Interest.

Sourcewell will take affirmative action to identify, avoid, or mitigate organizational conflicts of interest in all procurement transactions. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's:

- a. Creation of evaluation criteria during performance of a prior contract which potentially influences future competitive opportunities to its favor;
- b. Access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition;
- c. Impaired objectivity in providing advice to Sourcewell.

3. Procedures for Mitigating Conflicts of Interest

Employees must disclose any actual or potential conflict of interest immediately upon discovery to the Chief Procurement Officer or the General Counsel. Failure to provide notice may subject an employee to discipline. Employees participating in the response evaluation process must sign the Evaluation Committee Member Agreement.

Upon notification or discovery of any an actual or potential conflict of interest, the General Counsel will review the circumstances and determine whether a legal conflict of interest exists. A legal conflict of interest includes any violation of applicable statues, rules, regulations, and the requirements of this Program. Upon a determination a legal conflict exists, the General Counsel will advise the Executive Director, Chief Procurement Officer, or Board of Directors as may be appropriate on remedial and mitigation actions.

If no legal conflict of interest is determined to exist, but the appearance of a potential conflict of interest exists, the CPO, in consultation with appropriate Senior Leaders, must then review the circumstances and exercise common sense, good judgment, and sound discretion in determining an appropriate means for resolving. Employees may be subject to discipline for conduct creating a conflict of interest or the reasonable perception of a conflict of interest or failure to follow these requirements.

4. Silent Period

To avoid the appearance of any actual or potential conflict of interest, all discussions with currently awarded or prospective suppliers specifically relating to any upcoming solicitation which the supplier is likely to respond will stop 14 days prior to the issuance of any solicitation (Silent Period). During this Silent Period, all questions relating to the solicitation must be directed to Sourcewell's Procurement Department until the solicitation is officially completed resulting in issuance of award(s) or upon cancellation of the competitive process by the CPO.

This section does not prohibit discussions with industry partners and suppliers which are not relating specifically to any open solicitation, including ongoing administration of an existing and current contract. During this Silent Period and any open solicitation period, Sourcewell employees will make affirmative efforts to limit or avoid contact with prospective suppliers which may create the appearance of any actual or potential conflict of interest. All travel activity relating or potentially relating to a prospective supplier during this time must be approved by the employee's Director.

IV. PROCUREMENT AUTHORITY

A. Statutory Authority

1. Sourcewell is governed by Minnesota Statutes § 123A.21 and the Sourcewell Bylaws.
2. The sale or purchase of supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property are governed by Minnesota Statutes § 471.345.
3. Article XI, Section 4 designates the Sourcewell Board of Directors as the contracting authority for Sourcewell. The Board may delegate this function in accordance with Minnesota law.
4. Sourcewell's Procurement Policy and any amendments must be approved by Board of Directors.

V. GENERAL REQUIREMENTS

A. Solicitation Form and Management, and Templates

When competition is required or utilized, solicitations will be issued as a Request for Proposals (RFP), Invitation for Bids (IFB), Request for Information (RFI), Request for Quote (RFQ), or other method as approved by the Chief Procurement Officer. The CPO may exercise lawful discretion in determining the selection method, scope, evaluation criteria, award standards, and any other elements which are compliant with applicable legal standards and intended to achieve the desired solicitation-specific results to serve the needs of Sourcewell.

To ensure compliance, this Policy, all solicitation forms, templates, and all other legal documents related to this Policy will be subject to review, at least annually, by the CPO (or designee) in consultation with the General Counsel (or designee) and the Director of Enterprise Services (or designee).

B. Public Notice

Public notice of contracting opportunities will be posted for a minimum of 30 days on the Sourcewell website and other locations as may be required by law.

C. Receipt of Responses

Sourcewell will not evaluate any proposal, bid, or any other form of response to a solicitation that was not received by the due date and time specified in the solicitation document.

D. Evaluation

All proposals that are received timely will be evaluated for compliance with the evaluation criteria that have been defined in the solicitation.

E. Awards

1. Contract awards may only be made to responsible suppliers as defined by Minnesota law and any applicable federal requirements.
2. Sourcwell will not award a contract to a supplier that has been debarred, suspended, or otherwise excluded from or ineligible for participation by the State of Minnesota.

VI. PROCUREMENT CONTRACTS

Procurement of contracts to be used by Sourcwell must follow the requirements of Minnesota's Uniform Municipal Contracting Law, Minnesota Statutes § 471.345.

Before making any purchase or creating a new contract, Sourcwell should look first to the State of Minnesota Cooperative Purchasing Venture and its own Cooperative Purchasing Program contracts to fulfill its needs.

After a determination that the solutions available through Sourcwell's Cooperative Purchasing Program do not meet its needs, Sourcwell may enter contract(s) to meet its needs for products and services following the process outlined below.

A. Procurement of Supplies, Materials, Equipment, or the Rental thereof, or the Construction, Alteration, Repair or Maintenance of Real or Personal Property

1. Acquisitions of \$25,000 or less.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to be \$25,000 or less, in Sourcwell's discretion, the contract may be made either upon quotation or direct negotiation in the open market. If the contract is based upon quotation, it should be based on at least two quotations. The quotations must be kept on file for a period of at least one year after their receipt.

2. Acquisitions exceeding \$25,000 but not \$175,000.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made through:

- a. Quotation or direct negotiation in the open market. If the contract is based upon quotation, it should be based on at least two quotations. The quotations must be kept on file for a period of at least one year after their receipt.
- b. Informal Competition. Sourcwell may utilize any solicitation method as authorized by the CPO and consistent with this policy. All solicitation documents must be kept on file for a period of at least one year after receipt thereof.

c. Formal Competition. Upon consultation with the CPO and election by the purchasing division, a full competitive process may be utilized consisting of publicly posted notice of the solicitation, use of a formal solicitation document, and a complete and thorough evaluation process.

3. Acquisitions exceeding \$175,000.

For all resulting contracts with an estimated value, including all foreseeable amendment, exceeding \$175,000, Sourcwell will follow the full competitive process consisting of publicly posted notice of the solicitation, use of a formal solicitation document, and a complete and thorough evaluation process.

4. Construction Best Value Alternative.

Sourcwell may award a contract for construction, alteration, repair, or maintenance work to the supplier or contractor offering the best value under a request for proposals as described in Minnesota Statutes Section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). Solicitation documents must state the relative weight of price and other selection criteria. The award must be made to the supplier(s) or contractor(s) offering the best value applying the weighted selection criteria.

B. Professional and Technical Services Contracts

Professional and technical services are intellectual in character, including consultation, analysis, evaluation, predication, planning, programming, recommendations, and often result in production of a report or completion of a task. Sourcwell may establish contracts for professional and technical services without formal competition. The CPO may be consulted on professional and technical service contracts where use of an informal or formal competitive solicitation processes is desired or where the process may be advantageous to Sourcwell.

C. Software and Technology Contracts

Sourcwell's Information Technology (IT) division will be consulted prior to any potential purchase of software and technology to evaluate need, compatibility, and ongoing support obligations to Sourcwell.

D. Contracts using United States Federal Funding

In the event Sourcwell uses federal funding for either direct or pass-through federal dollars, it will comply with the applicable procurement requirements set forth in 2 C.F.R. 200.317 – 200.326, along with Sourcwell's procurement policies. In the event of a conflict between the federal requirements and Sourcwell's requirements, the most restrictive requirement will prevail.

VII.EXCEPTIONS

A. Cooperative Purchasing (Minnesota Statutes Section 471.345, subdivision 15)

Sourcwell may contract for the purchase of supplies, materials, or equipment by utilizing

contracts that are available through the State of Minnesota's Cooperative Purchasing Venture (CPV) or another cooperative purchasing program. In the event Sourcwell uses another entity's cooperative purchasing contracts, documentation of that entity's solicitation process must be contained within the procurement file.

B. Single Source

A single source acquisition occurs when, after a search, only one supplier is determined to be reasonably available for the required product, service, or construction item. Single source contracts should only be awarded when Sourcwell has performed sufficient research to ensure the supplier meets the single source criteria. The request for single source procurement, along with sufficient justification, will be presented to the Chief Procurement Officer who will make the final determination of whether a contract meets single source requirements.

C. Emergencies

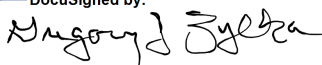
A valid emergency is one where the required product or service is immediately needed for continued operation of Sourcwell. The request for emergency procurement, along with sufficient justification, will be presented to the Chief Procurement Officer who will make the final determination of whether a contract meets the requirements for being classified as an emergency.


VIII. DATA PRACTICES AND RECORDS RETENTION

All data created and maintained by Sourcwell is subject to the Minnesota Data Practices Act (Minnesota Statutes Chapter 13) and Sourcwell's Records Retention Policy.

IX. APPROVAL

The Sourcwell Board of Director has approved this Policy effective July 1, 2022.

DocuSigned by:

By _____
Authorized Signature – Signed
By Greg Zylka
Name – Printed
Title Sourcwell Board of Directors Chair
Date Effective July 1 , 2022

DocuSigned by:

By _____
Authorized Signature – Signed
By Sara Nagel
Name – Printed
Title Sourcwell Board of Directors Clerk
Date Effective July 1, 2022