



To: School district superintendents and other interested parties

From: Jeff Berger for the Iowa Learning Technology Commission

Subject: ILTC Grants and bidding requirements for school districts

Date: November 19, 2005

A question was raised this week on whether the \$25,000 open bidding requirement for school districts applies to the Iowa Learning Technology Grant process. The answer is yes if the proposal includes an amount of \$25,000 or more for public improvements as defined by IC 73A.1 & 2:

73A.1 DEFINITIONS.

- 1. "Appeal board" as used in this chapter means the state appeal board, composed of the auditor of state, treasurer of state, and the director of the department of management.*
- 2. "Municipality" as used in this chapter means township, school corporation, state fair board, and state board of regents.*
- 3. "Public improvement" as used in this chapter means a building or other construction work to be paid for in whole or in part by the use of funds of any municipality.*

73A.2 NOTICE OF HEARING.

Before any municipality shall enter into any contract for any public improvement to cost twenty-five thousand dollars or more, the governing body proposing to make the contract shall adopt proposed plans and specifications and proposed form of contract, fix a time and place for hearing at the municipality affected or other nearby convenient place, and give notice by publication in at least one newspaper of general circulation in the municipality at least ten days before the hearing.

This means that if you are working with a business partner or vendor and that vendor or partner stands to get paid \$25,000 or more through the funding provided by the grant **for a public improvement** (combination of state funds and local match), the provisions for open bids must apply.

Purchase of equipment is not considered a public improvement. But in those cases, local districts must follow any local policy on this issue and if the district chooses to use a federal funding source for the grant match, federal provisions on bidding may apply as well.

Scenario 1: A local school district plans, as a part of this grant, to buy a bank of 30 laptop computers with wireless Internet for a one-to-one initiative with a group of 8th graders. The total spent on the bank of laptops will be around \$30,000. This is considered equipment and state open bidding provisions would not apply because the purchase of equipment is not considered a public improvement, although local board policy and federal provisions could apply.

Scenario 2: A local district intends to place four permanent wireless hubs in different locations in the district. The total cost of the infrastructure is \$100,000. This is a public improvement and consequently, in this scenario, this purchase must go through an open bidding process because the amount expended to the vendor is over \$25,000 and the district cannot list the vendor as a “partner” in the grant unless the open bid process was completed in advance of the naming of the vendor as a partner.

Contact Jeff Berger, 515-281-3399 or jeff.berger@iowa.gov, if there are additional questions or concerns.