



**A Report to the  
Audit Committee**

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**Director of Schools**  
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# Audit of the Metropolitan Nashville Public Schools - Procurement Process

September 7, 2022

Metropolitan  
Nashville  
Office of  
Internal Audit



## Why We Did This Audit

The audit was conducted due to the critically important role the procurement cycle plays in the financial health of the Metropolitan Nashville Public Schools.

## What We Recommend

- Community outreach activities related to the Diversity Business Enterprise program should be enhanced.
- Continue to improve communication with the vendor responsible for diversity business enterprise activities to ensure awareness of all solicitations involved in the procurement process.
- Improve monitoring of insurance coverage requirements of applicable vendors.
- Develop more detailed administrative procedures.
- Retain evidence of periodic Board policy and administrative procedure review.

# Audit of the Metropolitan Nashville Public Schools – Procurement Process

## BACKGROUND

The mission of the Metropolitan Nashville Public Schools (MNPS) is to “deliver a great public education to every student, every day.” MNPS operates 159 schools that serve approximately 80,000 students. MNPS manages an annual budget of over \$1 billion, and the MNPS Procurement Department procured a wide and complex range of goods and services over the past three fiscal years to help MNPS meet its mission.

## OBJECTIVES AND SCOPE

The audit objectives are to determine if controls have been developed and effectively implemented to provide assurance that:

- Procured goods and services are in compliance with applicable laws, regulations, and MNPS policies and procedures.
- Processed solicitations and issued awards are in compliance with the Metropolitan Nashville Public School Board policy for outreach and inclusion of diversity business enterprises.

The audit scope covered goods and services over \$10,000 and travel procurements completed between July 1, 2018, and March 31, 2021. Expenditures related to grants were not included in this audit.

## WHAT WE FOUND

Procurement Department staff are knowledgeable and strive to comply with applicable laws, regulations, and MNPS Procurement policies and procedures. A competitive bidding process is in place, with various parties having the ability to appeal award decisions.

Communication of solicitations to the vendor responsible for monitoring diversity business enterprise activities was not present during the early scope of the audit period. Community outreach activities that educate potential vendors of the Diversity Business Enterprise program could be enhanced.

Ensuring contractual requirements for vendors to maintain minimum insurance coverage needs improvement. Written policies and procedures could be enhanced. Evidence of periodic review of Board policies and administrative procedures was not present.

## GOVERNANCE

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The Metropolitan Board of Public Education is the governing body for Metropolitan Nashville Public Schools (MNPS). The Board consists of nine elected members representing defined geographic areas within Davidson County. The Board hires a Director of Schools who is responsible for the day-to-day management of MNPS. The Director of Procurement reports to the Chief Financial Officer and is responsible for all procurement activity of MNPS. The Procurement Department consists of 10 employees divided into the Contract and Sourcing Section and the Purchasing and Travel Section.

The MNPS procurement practices are guided by Board policies which are established and defined by the Tennessee School Board Association. Board policies are subject to Tennessee Code Annotated Title 49, Chapters 2, Part 2-203 - Board of Education Duties and Powers, and Part 2-206 – Board of Education Executive Committee Powers. Separately, internal administrative procurement related procedures are also developed by the Director of Schools and the Director of Procurement.

## BACKGROUND

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The MNPS district is one of the nation's largest school districts and one of Metropolitan Nashville's largest employers. MNPS requires a wide range of critical and strategic services, supplies, and construction to support essential functions. MNPS strives to spend taxpayer dollars responsibly and in the best interest of the community. Procurement policies and processes are the means to achieve these goals.

The Procurement Department performs a variety of functions including supplier registration, processing formal solicitations, conducting sourcing events, awarding contracts, contract management, and processing purchase orders for goods and services. The Procurement Department procures travel related expenditures for MNPS personnel as well as travel funded by federal government grants for all non-public schools within Davidson County.

Exhibit 1 below compares Metropolitan Nashville Government budget appropriations with actual total MNPS expenditures. Exhibit 2 below shows MNPS's capital budget expenditures for three fiscal years.

### Exhibit 1: Operating Budget vs. Actual Expenditures for Fiscal Years 2019 – 2021

	Budget	Actual	Variance
FY 2021	\$933,652,100	\$932,445,078	\$1,207,022
FY 2020	\$922,053,600	\$896,353,100	\$25,700,500
FY 2019	\$886,299,700	\$883,034,362	\$3,265,338

Source: Metropolitan Nashville Oracle R12 Reporting System

### Exhibit 2: Capital Project Expenditures for Fiscal Years 2019 – 2021

	2021	2020	2019
Total Expenditures	\$81,584,541	\$57,573,478	\$42,257,984

Source: Metropolitan Nashville Oracle R12 Reporting System

The Procurement Department utilizes various methods for procuring goods and services to ensure the best value and open access are achieved. For details see **Appendix C**. Generally, competitive bidding is required for procurement contracts of \$10,000 or more. The threshold was increased to \$25,000 effective May 2021. Solicitations result in a standard purchase order or a contract against which purchase orders can be released. Standard purchase order terms are non-negotiable for purchase orders below \$10,000 originating from departmental quotes. This also applies to purchase orders issued in

response to invitations to bid or requests for proposal solicitations where no formal contract is developed. Specific contract terms and conditions govern where duly executed contracts are established. Solicitations over \$25,000 require the approval of the Board.

Exhibit 3 below summarizes the purchase orders issued during the audit period. COVID-19 significantly impacted the types of purchases made during the scope period. Procurement activity related to technology and personal protection equipment materially altered the volume and types of procurements involved.

**Exhibit 3: Summary of Purchase Orders Issued**

	Fiscal Year Ended June 30,		As of March 31,	Total
	2019	2020	2021	
<b>Total Purchase Orders</b>	\$ 113,297,757	\$ 211,398,162	\$ 264,861,207	\$ 589,557,126

Source: Metropolitan Nashville Oracle R12 Reporting System

Administration of the Board’s Diversity Business Enterprise program has been outsourced to a third-party contractor, Sims Strategic Diversity Consultants. As of July 2019, Sims Strategic Diversity Consultants reports to the Procurement Department but is funded out of the Facilities and Construction Department. This funding arrangement is due to most solicitation activity related to the Diversity Business Enterprise program pertaining to repairs, maintenance, and construction services.

Prior to July 2019, all solicitations for repairs, maintenance, and construction services where diversity businesses could participate were processed by MNPS’s Facilities and Construction Department. The transition of this function to the Procurement Department occurred in July 2019. MNPS’s Facilities and Construction Department continues to manage capital projects that began prior to July 2019. Exhibit 4 summarizes diversity business enterprise participation during the audit period.

**Exhibit 4: Diversity Business Enterprise Participation in MNPS Awards**

Category	Fiscal Year Ended June 30,		As of March 31,	Totals
	2019	2020	2021	
<b>Contracts</b>	\$ 30,100,507	\$ 4,970,314	\$ 9,877,886	\$ 44,948,708
<b>Standard Purchase Orders</b>	\$ 3,625,992	\$ 5,314,844	\$ 1,924,725	\$ 10,865,562
<b>Total</b>	\$ 33,726,500	\$ 10,285,158	\$ 11,802,612	\$ 55,814,269
<b>Diversity Business Enterprise Portion</b>	\$ 4,429,106	\$ 1,639,209	\$ 1,395,355	\$ 7,463,670
<b>Participation Rate</b>	<b>13%</b>	<b>16%</b>	<b>12%</b>	<b>13%</b>

Source: Sims Strategic Diversity Consultants

Exhibit 5 below compares the Procurement Department’s expenditures in relation to MNPS’s total expenditures.

**Exhibit 5 Procurement Department Operating Expenditures Compared to MNPS Overall**

Description	Fiscal Year Ended June 30,		
	2019	2020	2021
<b>Procurement Department</b>	\$ 870,582	\$ 865,203	\$ 687,600
<b>Total for MNPS</b>	\$ 883,034,362	\$ 896,353,100	\$ 932,445,078
<b>% Procurement Department</b>	0.10%	0.10%	0.07%

Source: Metropolitan Nashville Oracle R12 Reporting System

Oracle's iSupplier - iProcurement system has been used to fully manage the procurement lifecycle since September 2019. The system allows all information associated with solicitations to be assessed and reviewed online. MNPS used JD Edwards prior to September 2019. The Metropolitan Nashville Government migrated to Oracle as its primary financial system of record in September 2019.

## OBJECTIVES AND CONCLUSIONS

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1. *Is the Procurement Department processing solicitations and issuing awards in compliance with Board policies, Procurement Department administrative procedures, and best practices?*

**Generally, yes.** The Procurement Department has a knowledgeable and experienced staff that strives to comply with the requirements of the Board's policies and MNPS's standard operating procedures. A competitive bidding process is in place, and prospective vendors who submit proposals can appeal intent to award decisions. However, policies and standard operating procedures are not updated regularly. Operating procedures could be more detailed. (See Observations D and E.)

Solicitations are methodically and properly reviewed, including bid evaluations and justification of awards. The Metropolitan Nashville Department of Finance and the Metropolitan Nashville Department of Law are involved in the contracting process. The Procurement Director reviews and discusses various key performance indicator reports, including spend analysis reports, purchase order cycle time reports, and purchase exceptions reports, with the Chief Financial Officer monthly. The Board holds regular meetings twice a month during which requests for single purchases greater than \$25,000 and contracts over \$25,000 are reviewed and potentially approved.

Moreover, MNPS has engaged a third-party vendor to conduct initial background checks on employees of contractors that work near students. The vendor continuously monitors contractor staff while working for MNPS, as well as ensures that registered contractors maintain the minimum levels of insurance associated with contracts. However, contract performance with the third-party company could be improved. Administrative policies could be more detailed and there was no evidence of a periodic review being conducted on board policies and administrative procedures (See Observations D, and E).

2. *Did the Procurement Department process solicitations and issue awards in compliance and consistent with the intentions of the Board's Diversity Business Enterprise Program policy #2.101?*

**Generally, yes.** The Board has a policy that recognizes, values, and encourages diversity in vendors, suppliers, contractors, and sub-contractors. However, communications with the diversity business entity consultant could be improved. (See Observation A.) Also, community outreach programs could be enhanced. (See Observation C.)

## AUDIT OBSERVATIONS

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Internal control helps ensure entities achieve important objectives to sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission (COSO), Internal Control – Integrated Framework, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision-making and governance of the organization. See **Appendix B** for a description of the observation Assessed Risk Rating.

### ***Observation A – Communication with the Diversity Business Enterprise Consultant***

Communication of solicitations with Sims Strategic Diversity Consultants could be improved. Specifically, communication of all solicitations to Sims Strategic Diversity during the early part of the audit period was not always complete or timely. Additionally, Sims Strategic Diversity relies on MNPS to provide reports on all open solicitations.

Since July 2019, management of the Diversity Business Enterprises program was transferred from the Facilities and Construction Department to the Procurement Department within MNPS. MNPS identified that the Procurement Department had more applicable skill sets and training to ensure the objectives of the Diversity Business Enterprise program were met. Communications to SIMS Strategic Diversity significantly improved because of this organizational restructuring. However, prior to July 2019, there was a period during the audit scope where outreach and communication to SIMS Strategic Diversity was not materially present, the effect of which diminished the ability of MNPS to meet the equity goals and objectives. Diversity enterprise entity participation did exist when under the Facilities and Construction department. However, processes that should have been followed were not always conducted during this time-period. There appeared to be, at times, confusion on various roles and processes. Consequently, information sent to SIMS Strategic Diversity could be incomplete or sent after the solicitation process occurred. SIMS Strategic Diversity advised that communications and processes significantly improved as a result of the transition to the Procurement Department. Since July 2019, the Procurement Department has worked closely with SIMS Strategic Diversity to implement processes to ensure the objectives of the program are being achieved.

Communication of solicitations with Sims Strategic Diversity Consultants could still be improved in one area. The consultant relies on reports from the Procurement Department regarding all solicitations. A review of 12 solicitations processed under the Purchasing Department revealed SIMS Strategic Diversity Consultants did not receive notification of one (8 percent) of the solicitations. The risk of not being notified is enhanced by relying on MNPS to generate reports. Sims Strategic Diversity Consultants not being aware of all solicitations enhances the risk of error and incomplete information resulting in applicable vendors not being properly included in the contract award process. Additionally, the risk that program and MNPS goals related to the Diversity Business Enterprise program not being achieved is enhanced. Providing SIMS Strategic Diversity Consultant with limited access to MNPS systems regarding solicitations allows for better, more complete information.

#### *Criteria:*

- *COSO*, Control Activities–Principle 10. The organization selects, develops that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

#### *Assessed Risk Rating:*

**Medium**

*Recommendations for management of the MNPS Procurement Department:*

Grant SIMS Strategic Diversity Consultant limited, read only access of all solicitations within the Oracle R-12 System.

**Observation B – Monitoring of Vendor Liability Insurance**

MNPS does not have an effective system for monitoring contract compliance with liability insurance requirements. Contracts issued by MNPS require contractors and vendors to maintain a minimum level of insurance coverage throughout the life of the contract and extensions. The requirement ensures that MNPS can mitigate risks and reduce liability from claims against contractors and vendors. Certificates of insurance are reviewed by the Department of Law Claims Division during initial contract execution. However, no methodology is in place to adequately monitor insurance coverage during the contract period.

The Procurement Department requires all vendors to enroll with and pay a fee to a third-party company, Enterprise Risk Control, that is responsible for monitoring compliance. However, most vendors did not comply with the requirement. Additionally, the Procurement Department does not perform periodic monitoring reviews to confirm compliance. Out of a sample of 78 procurement awards reviewed, 43 awards (55 percent) did not have evidence of the required liability insurance. No formal agreement exists between MNPS and the third-party compliance company. Exhibit 5 provides a summary of test work performed.

**Exhibit 5: Summary of Sample Selections Without Evidence of Insurance**

Solicitation Method	Sample Size Tested	Selections Without Proof of Coverage	Percentage Without Proof
Invitation to Bid	20	8	40%
Request for Proposal	41	25	61%
Sole Source	17	10	59%
<b>Total</b>	<b>78</b>	<b>43</b>	<b>55%</b>

Source: Metropolitan Nashville Office of Internal Audit Analysis

Additionally, one international vendor with eight sole-source contracts was reviewed. MNPS did not use standard Metropolitan Nashville Government contract documents and accepted the standard terms of agreements provided by the international vendor. There were no additional stipulations from the Metropolitan Nashville Legal department, particularly regarding insurance requirements from international vendors. The liability section of the vendor agreement requires MNPS to indemnify the vendor in full and on demand against all claims brought against the vendor.

Clearly defined lines of responsibility, accountability, and consequences for non-performance by the third-party company is diminished without a formal agreement. MNPS enhances the risk of absorbing financial loss and legal liability when certificates of liability insurance are not timely verified.

*Criteria:*

- COSO, Control Activities–Principle 10 – The organization selects, develops that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

*Assessed Risk Rating:*

**High**



*Recommendation for management of the MNPS Procurement Department to:*

Establish an effective monitoring system for contract insurance compliance. The Procurement Department should establish a formal agreement with the third-party company that details duties and responsibilities, including the requirement for a periodic exchange of compliance status.

**Observation C – Community Outreach Programs**

Community outreach programs for the Diversity Business Enterprise program could be enhanced. Administrative policy #2.101.1 requires MNPS to provide a contractor to coordinate and facilitate outreach efforts. Efforts include communicating upcoming events, encouraging applicable parties to register, preparing solicitations, and eliminating barriers to MNPS contract access. MNPS does not participate in broad, community-based outreach programs. MNPS management advised that general outreach programs were previously used but are ineffective based on feedback from various diversity enterprise firms. MNPS management advised that diversity enterprise firms prefer more specific outreach and communication.

Industry specific outreach is important. However, not having broad, community-based outreach programs enhances the risk that diversity business entities are unaware that the program exists. Promoting genuine competition requires a large pool of competitive vendors and minimizing competitive bidding exceptions, especially on a sole sourcing basis. Performing outreach programs ensures registered and potential vendors receive information and communications about upcoming projects, and the Board achieves equity goals.

*Criteria:*

- COSO, Control Activities–Principle 10 – The organization selects, develops that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

*Assessed Risk Rating:*

**Medium**

*Recommendation for management of the MNPS Procurement Department to:*

Establish guidelines for the third-party diversity business enterprise consultant to coordinate and facilitate community outreach efforts. Guidelines should include the types and minimum number of outreach efforts per fiscal year.

**Observation D – Evidence of Board Policy and Administrative Procedure Review**

Evidence of routine, periodic management review of Board policies and internal administrative procedures is not present. Though MNPS management stated both the Board policies and internal administrative procedures are reviewed annually, the last review documented was completed in 2018. Documentation of regular review and updates of policies and procedures reduces the risk of management and operational objectives not being achieved.

*Criteria:*

- COSO, Control Activities–Principle 10 – The organization selects, develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

*Assessed Risk Rating:*

**Low**

*Recommendation for management of the MNPS Procurement Department to:*

Ensure Board policies and related administrative procedures are reviewed and updated timely. The dates of review should be noted, even in instances of no policy or procedure changes.

***Observation E - Detailed Standard Operating Procedures***

The Procurement Department has standard operating procedures, but the procedures lack sufficient detail. The standard operating procedures do not provide guidance on how the various sourcing types are to be processed. Detailed standard operating procedures reduce the risk of noncompliance with best practices, inconsistent task performance, and ineffective onboarding and training or cross-training. Employees are left to interpret the Board’s policies which may not be consistent with the Board’s intentions.

*Criteria:*

- COSO, Control Activities–Principle 10 – The organization selects, develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

*Assessed Risk Rating:*

**Low**

*Recommendation for management of the MNPS Procurement Department to:*

Enhance details within written administrative procedures. Include both requirements and specific procedure steps to follow in processing the different types of procurement methods. Processes and procedures should be reviewed and updated regularly with any changes in Board policies and laws.

## **GOVERNMENT AUDITING STANDARDS COMPLIANCE**

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We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

## **METHODOLOGY**

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To achieve the audit objectives, auditors performed the following steps:

- Interviewed key personnel within various functions.
- Reviewed and analyzed documentation for compliance with the Tennessee Code Annotated, Metropolitan Nashville Board of Public Education policies, MNPS procurement administrative policies, and other applicable laws, regulations, and policies.
- Evaluated internal controls in place during the audit period.
- Performed inquiries and observations by walkthroughs of procedures.
- Tested samples to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.
- Considered information technology risks.

## **AUDIT TEAM**

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Innocent Dargbey, CPA, CMFO, CICA, Auditor-in-Charge

Bill Walker, CPA, CFE, CIA, Audit Manager

Lauren Riley, CPA, CIA, CMFO, CFE, ACDA, Metropolitan Auditor



**PROCUREMENT DEPARTMENT**

**Kevin N. Edwards, CPPO**

Director of Procurement

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September 7, 2022

Mr. Bill Walker, Metropolitan Auditor  
Office of Internal Audit  
404 James Robertson Parkway, Suite 190  
Nashville, TN 37219

Re: Audit of the Metropolitan Nashville Public Schools – Procurement Process

Dear Mr. Walker:

This letter acknowledges Metropolitan Nashville Public Schools (MNPS) Procurement Department has received the final audit report on the procurement process. We are satisfied with the observations and resulting recommendations. Actions have already been taken or are in process to align with the analysis and insight proposed within this audit.

We appreciate the work you and your staff put into this assignment and look forward to working with you further on future projects.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Edwards".

Kevin N. Edwards, CPPO  
Director of Procurement  
Metropolitan Nashville Public Schools

## APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches and we encourage them to do so when providing their response to our recommendations.

	Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<i>Risk</i>	<i>Recommendations for the management of Metropolitan Nashville Public Schools to:</i>		
M	<b>A.1</b> Grant SIMS Strategic Diversity Consultant limited, read only access of all solicitations within the Oracle R-12 System.	<b>Accept</b>	MNPS will request this by August 31, 2022. This is contingent upon Metro General Government access granted to SIMS Strategic Diversity Consultant.
H	<b>B.1</b> Establish an effective monitoring system for contract insurance compliance. The Procurement Department should establish a formal agreement with the third-party company that details duties and responsibilities, including the requirement for a periodic exchange of compliance status.	<b>Accept</b>	A formal contract was established as of March 2022 and processes have been enhanced to ensure monthly reporting and continuous access to compliance documents by Procurement staff.
M	<b>C.1</b> Establish guidelines for the third-party diversity business enterprise consultant to coordinate and facilitate community outreach efforts. Guidelines should include the types and minimum number of outreach efforts per fiscal year.	<b>Accept</b>	Proposed completion date for October 14, 2022, to have guidelines established.
L	<b>D.1</b> Ensure Board policies and related administrative procedures are reviewed and updated timely. The dates of review should be noted, even in instances of no policy or procedure changes.	<b>Accept</b>	Board policies ratified by the Board are reviewed annually and updated as necessary to remain compliant with state and federal statute. Procurement procedure templates have been updated to reflect the date of last review, which occurred in March and May of 2022.

## APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN

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	Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
L	<p><b>E.1</b> Enhance details within written administrative procedures. Include both requirements and specific procedure steps to follow in processing the different types of procurement methods. Processes and procedures should be reviewed and updated regularly with any changes in Board policies and laws.</p>	<p><b>Accept</b></p>	<p>Procedures have been reviewed and updated as of March and May 2022. More detailed onboarding notes and Procurement processes have been created as of July 2022.</p>

## APPENDIX B – ASSESSED RISK RANKING

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed “Low Risk” will be considered “Emerging Issues” in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
<b>HIGH</b>	Large financial impact >\$25,000  Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
<b>MEDIUM</b>	Moderate financial impact \$25,000 to \$10,000	Partial controls  Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	The potential for negative public trust perception
<b>LOW/ Emerging Issues</b>	Low financial impact <\$10,000	Internal controls in place but not consistently efficient or effective  Implementing / enhancing controls could prevent future problems	Generally, complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
<b>Efficiency Opportunity</b>	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			

### Solicitation Types

- 1) Delegated Purchasing Authority: Non-contracted purchases up to \$10,000. No Procurement Department involvement but requires at least 1 quote for amounts up to \$3,500, at least 3 quotes for amounts over \$3,500 up to \$10,000. Individual departments/business office maintain documentation and submit it with their requisition.
- 2) Invitation to Bid (ITB) > \$10,000, requires Sealed Bids. Generally, commodities and may include incentives for Minority\Small Business Enterprises (MBE\SBE) and Service Disabled Veteran-Owned (SDV) businesses.
- 3) Request for Proposal (RFP) – Criteria not cost but outcome of proposal; Evaluation Committee reviews all bid responses.
- 4) Qualifications-Based Selection (QBS) – Used for professional services such as Financial, Architectural, Engineering.
- 5) Request for Information (RFI). Used when entering new field, emerging markets with no knowledge of supplier base. Information derived may be used for RFP or ITBs. RFIs are non-binding.
- 6) \* Sole Brand Purchase (SBP) – used when a specific brand needs to be acquired from several sources.
- 7) Sole Source Purchase (SSP) – used when item(s) is available from only one source.
- 8) Statewide Contracts (Piggyback) – use of State awarded contracts.
- 9) Cooperative Contracts – use of Contracts conducted by another municipality or state and marketed by a third party cooperative.
- 10) \* Indefinite Delivery – Indefinite Quantity (ID-IQ) – used for items with undeterminable demand/supply for example office supplies.

\*Sole Brand Purchases and Indefinite Delivery/Indefinite Quantity contracts can fall into an ITB, QBS, or RFP and are not necessarily a solicitation type, but incorporated under the solicitation type.

### Diversity Business Enterprises (D.B.E.) Program

MNPS Diversity Business Enterprise (D.B.E.) program works to form partnerships with local enterprises that are included in the following categories:

1. Ethnic Minority Business Enterprise
2. Women Businesses Enterprise
3. Small Business Enterprise
4. Service-Disabled Veteran Businesses Enterprise