

124.1
124.2**ARTICLE 6**
NUTRITION**FROM ARTICLE 1:**

5.19 Sec. 7. Minnesota Statutes 2016, section 123B.52, subdivision 1, is amended to read:

5.20 Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture,
5.21 fixtures, or other property, except books registered under the copyright laws and information
5.22 systems software, or for the construction or repair of school houses, the estimated cost or
5.23 value of which shall exceed that specified in section 471.345, subdivision 3, must not be
5.24 made by the school board without first advertising for bids or proposals by two weeks'
5.25 published notice in the official newspaper. This notice must state the time and place of
5.26 receiving bids and contain a brief description of the subject matter.

5.27 Additional publication in the official newspaper or elsewhere may be made as the board
5.28 shall deem necessary.

5.29 After taking into consideration conformity with the specifications, terms of delivery,
5.30 and other conditions imposed in the call for bids, every such contract for which a call for
5.31 bids has been issued must be awarded to the lowest responsible bidder, be duly executed
5.32 in writing, and be otherwise conditioned as required by law. The person to whom the contract
6.1 is awarded shall give a sufficient bond to the board for its faithful performance.
6.2 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to
6.3 the purchase of a finished tangible product, a board may require, at its discretion, a
6.4 performance bond of a contractor in the amount the board considers necessary. A record
6.5 must be kept of all bids, with names of bidders and amount of bids, and with the successful
6.6 bid indicated thereon. A bid containing an alteration or erasure of any price contained in
6.7 the bid which is used in determining the lowest responsible bid must be rejected unless the
6.8 alteration or erasure is corrected as provided in this section. An alteration or erasure may
6.9 be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and
6.10 initialed in ink by the person signing the bid. In the case of identical low bids from two or
6.11 more bidders, the board may, at its discretion, utilize negotiated procurement methods with
6.12 the tied low bidders for that particular transaction, so long as the price paid does not exceed
6.13 the low tied bid price. In the case where only a single bid is received, the board may, at its
6.14 discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid
6.15 does not exceed the original bid. If no satisfactory bid is received, the board may readvertise.
6.16 Standard requirement price contracts established for supplies or services to be purchased
6.17 by the district must be established by competitive bids. Such standard requirement price
6.18 contracts may contain escalation clauses and may provide for a negotiated price increase
6.19 or decrease based upon a demonstrable industrywide or regional increase or decrease in the
6.20 vendor's costs. Either party to the contract may request that the other party demonstrate

101.5
101.6**ARTICLE 6**
NUTRITION

101.7 Section 1. Minnesota Statutes 2016, section 123B.52, subdivision 1, is amended to read:

101.8 Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture,
101.9 fixtures, or other property, except books registered under the copyright laws and information
101.10 systems software, or for the construction or repair of school houses, the estimated cost or
101.11 value of which shall exceed that specified in section 471.345, subdivision 3, must not be
101.12 made by the school board without first advertising for bids or proposals by two weeks'
101.13 published notice in the official newspaper. This notice must state the time and place of
101.14 receiving bids and contain a brief description of the subject matter.

101.15 Additional publication in the official newspaper or elsewhere may be made as the board
101.16 shall deem necessary.

101.17 After taking into consideration conformity with the specifications, terms of delivery,
101.18 and other conditions imposed in the call for bids, every such contract for which a call for
101.19 bids has been issued must be awarded to the lowest responsible bidder, be duly executed
101.20 in writing, and be otherwise conditioned as required by law. The person to whom the contract
101.21 is awarded shall give a sufficient bond to the board for its faithful performance.
101.22 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to
101.23 the purchase of a finished tangible product, a board may require, at its discretion, a
101.24 performance bond of a contractor in the amount the board considers necessary. A record
101.25 must be kept of all bids, with names of bidders and amount of bids, and with the successful
101.26 bid indicated thereon. A bid containing an alteration or erasure of any price contained in
101.27 the bid which is used in determining the lowest responsible bid must be rejected unless the
101.28 alteration or erasure is corrected as provided in this section. An alteration or erasure may
101.29 be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and
101.30 initialed in ink by the person signing the bid. In the case of identical low bids from two or
101.31 more bidders, the board may, at its discretion, utilize negotiated procurement methods with
101.32 the tied low bidders for that particular transaction, so long as the price paid does not exceed
101.33 the low tied bid price. In the case where only a single bid is received, the board may, at its
102.1 discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid
102.2 does not exceed the original bid. If no satisfactory bid is received, the board may readvertise.
102.3 Standard requirement price contracts established for supplies or services to be purchased
102.4 by the district must be established by competitive bids. Such standard requirement price
102.5 contracts may contain escalation clauses and may provide for a negotiated price increase
102.6 or decrease based upon a demonstrable industrywide or regional increase or decrease in the
102.7 vendor's costs. Either party to the contract may request that the other party demonstrate

6.21 such increase or decrease. The term of such contracts must not exceed two years with an
6.22 option on the part of the district to renew for an additional two years, except as provided in
6.23 subdivision 7. Contracts for the purchase of perishable food items, except milk for school
6.24 lunches and vocational training programs, in any amount may be made by direct negotiation
6.25 by obtaining two or more written quotations for the purchase or sale, when possible, without
6.26 advertising for bids or otherwise complying with the requirements of this section or section
6.27 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least
6.28 one year after receipt.

6.29 Every contract made without compliance with the provisions of this section shall be
6.30 void. Except in the case of the destruction of buildings or injury thereto, where the public
6.31 interest would suffer by delay, contracts for repairs may be made without advertising for
6.32 bids.

6.33 EFFECTIVE DATE. This section is effective for contracts entered into on or after July
6.34 1, 2017.

FROM ARTICLE 1:

7.1 Sec. 8. Minnesota Statutes 2016, section 123B.52, is amended by adding a subdivision to
7.2 read:

7.3 Subd. 7. **Food service contracts.** A contract between a school board and a food service
7.4 management company that complies with Code of Federal Regulations, title 7, section
7.5 210.16, may be renewed annually after its initial term for not more than four additional
7.6 years.

7.7 EFFECTIVE DATE. This section is effective for contracts entered into on or after July
7.8 1, 2017.

102.8 such increase or decrease. The term of such contracts must not exceed two years with an
102.9 option on the part of the district to renew for an additional two years, except as provided in
102.10 subdivision 7. Contracts for the purchase of perishable food items, except milk for school
102.11 lunches and vocational training programs, in any amount may be made by direct negotiation
102.12 by obtaining two or more written quotations for the purchase or sale, when possible, without
102.13 advertising for bids or otherwise complying with the requirements of this section or section
102.14 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least
102.15 one year after receipt.

102.16 Every contract made without compliance with the provisions of this section shall be
102.17 void. Except in the case of the destruction of buildings or injury thereto, where the public
102.18 interest would suffer by delay, contracts for repairs may be made without advertising for
102.19 bids.

102.20 EFFECTIVE DATE. This section is effective for contracts entered into on or after July
102.21 1, 2017.

102.22 Sec. 2. Minnesota Statutes 2016, section 123B.52, is amended by adding a subdivision to
102.23 read:

102.24 Subd. 7. **Food service contracts.** A contract between a school board and a food service
102.25 management company that complies with Code of Federal Regulations, title 7, section
102.26 210.16, may be renewed annually after its initial term for not more than four additional
102.27 years.

102.28 EFFECTIVE DATE. This section is effective for contracts entered into on or after July
102.29 1, 2017.

FROM ARTICLE 8:

111.17 Sec. 10. Minnesota Statutes 2016, section 124D.1158, subdivision 3, is amended to read:

111.18 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse each
111.19 participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid
111.20 breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast served
111.21 to a prekindergarten student enrolled in an approved voluntary prekindergarten program
111.22 under section 124D.151 or a kindergarten student.

FROM ARTICLE 8:

124.3 Section 1. **APPROPRIATIONS.**

124.4 Subdivision 1. **Department of Education.** The sums indicated in this section are
124.5 appropriated from the general fund to the Department of Education for the fiscal years
124.6 designated.

124.7 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
124.8 and Code of Federal Regulations, title 7, section 210.17:

124.9 \$ 16,721,000 2018

124.10 \$ 17,223,000 2019

124.11 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes,
124.12 section 124D.1158:

124.13 \$ 10,601,000 2018

124.14 \$ 11,359,000 2019

124.15 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
124.16 section 124D.118:

124.17 \$ 758,000 2018

124.18 \$ 758,000 2019

124.19 Subd. 5. **Summer school food service replacement aid.** For summer school food service
124.20 replacement aid under Minnesota Statutes, section 124D.119:

111.23 Sec. 11. Minnesota Statutes 2016, section 124D.1158, subdivision 4, is amended to read:

111.24 Subd. 4. **No fees.** A school that receives school breakfast aid under this section must
111.25 make breakfast available without charge to all participating students in grades 1 to 12 who
111.26 qualify for free or reduced-price meals and to all prekindergarten students enrolled in an
111.27 approved voluntary prekindergarten program under section 124D.151 and all kindergarten
111.28 students.

102.30 Sec. 3. **APPROPRIATIONS.**

102.31 Subdivision 1. **Department of Education.** The sums indicated in this section are
102.32 appropriated from the general fund to the Department of Education for the fiscal years
102.33 designated.

103.1 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
103.2 and Code of Federal Regulations, title 7, section 210.17:

103.3 \$ 16,670,000 2018

103.4 \$ 17,172,000 2019

103.5 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes,
103.6 section 124D.1158:

103.7 \$ 10,511,000 2018

103.8 \$ 11,269,000 2019

103.9 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
103.10 section 124D.118:

103.11 \$ 758,000 2018

103.12 \$ 758,000 2019

103.13 Subd. 5. **Summer school food service replacement aid.** For summer school food service
103.14 replacement aid under Minnesota Statutes, section 124D.119:

124.21 \$ 150,000 2018
124.22 \$ 150,000 2019

103.15 \$ 150,000 2018
103.16 \$ 150,000 2019

103.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.