## Charter Actions Requiring a Vote
- Approve a Charter Application
- Approve a Charter Renewal (15 yrs.)
- Approve Charter Continuance (5 or 10 yrs.)
- Approve a Charter Amendment Request
- Approve a Charter Agreement
- Give a Charter Notice of Concern
- Lift the Charter Notice of Concern
- Commence Charter Revocation Proceedings
- Revoke a Charter
- Board Action, Other _____________________________

## Non-Voting Board Items
- Public Hearing Item
- Discussion Item
- Read into Record

### Policies
- Open a New Policy or Changes to a Policy for Public Comment
- Approve a New Policy
- Approve Revisions to an Existing Policy

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## Subject:
Public Charter School Contracts Valued at or above $25,000

## Date:
April 20, 2020

### Proposal
DC Public Charter School Board (DC PCSB) staff requests to submit into the record the complete contract packages received from public charter schools (PCS) and reviewed by DC PCSB staff between February 24, 2020 and March 27, 2020 (Attachment A).

Note: Due to added burdens placed on schools caused by the COVID-19 pandemic, DC PCSB staff has temporarily relaxed its threshold for sending Early Warning Notices related to procurement contract submissions; for the time being, such notices will only be sent when schools do not respond to informal communications from DC PCSB. We also note the unusual number of emergency contracts, attributable to the need for schools to rapidly switch to distance learning.
Key Takeaways

Conflict of interest transactions

- DC Prep PCS entered into a contract with Emily Lawson for consulting services. Emily Lawson is DC Prep's founder and a current board member. The value of this contract is $5,000 to $20,000. The school submitted all required documents for a conflict of interest contract.

Background

Pursuant to the School Reform Act (SRA), DC PCSB is responsible for ensuring that each public charter school contract valued at or above $25,000 moves through a proper public bidding process. This requires all schools to submit all bids received by the school for each such good or service contract and the rationale for the award of the contract to the vendor selected. These requirements are explained in further detail in DC PCSB's Procurement Contract Submission and Conflict of Interest Policy. Additionally, a historical record of contracts entered into by DC public charter schools can be found here.

In addition to collecting information on contracts over $25,000, DC PCSB also collects all bidding documentation and the executed contract for any conflicting interest contract over $1,000. This lower threshold provides transparency for any transaction that occurs when there may be a conflict of interest.

Contract Bidding Requirements:

Generally, Procurement Contracts are subject to both bidding and submission requirements; Non-Procurement Contracts and certain types of Procurement Contracts are subject to submission but not bidding requirements.

To bid a Procurement Contract appropriately, schools must publish a notice of request for proposals (an RFP) in (a) the D.C. Register, and (b) two newspapers of general circulation not less than seven business days prior to the award of each contract.

DC PCSB's policy defines four types of contracts:

- Procurement Contracts, which must be bid through an RFP process and for which documentation must be submitted to DC PCSB;

1 See D.C. Code § 38–1802.04(c)(1).
• Non-Procurement Contracts, which generally neither have to be bid nor submitted to DC PCSB;
• Exempt Procurement Contracts, which do not have to be bid but for which documentation must be submitted to DC PCSB; and
• Alternative Selection Process Contracts, which contain unique requirements.
• Additionally, any of the four types of Contract above may also be a Conflicting Interest Contract.

Contract Submission Requirements:
For most contracts, the following documentation must be submitted to DC PCSB within three business days of the Award Date of the Contract via the data submission portal specified by DC PCSB:
• Contract Submission Data Form;
• The RFP used to solicit the goods or services;
• Evidence that the RFP was noticed publicly, including, as applicable, the posting in the DC Register and newspapers of general circulation; and
• All bids received in response to the RFP, including quotes from non-bidding vendors.

Conflicting Interest Contracts:
A school is permitted to execute a Conflicting Interest Contract, as long as:

1. The material facts of the relationship or interest between the school and the Conflicting Interest party, as it relates to the contract or transaction, are disclosed to or known by the school's board of trustees before the meeting at which the contract or transaction is authorized, and the board in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even if the disinterested directors are less than a quorum; and
2. The contract or transaction is fair to the corporation as of the time it is authorized, approved, or ratified by the board of trustees or the members.

Consequences
DC PCSB monitors contract submissions in alignment with the Data and Document Submission and Verification Policy. Schools that submit incomplete or untimely contract documentation will receive notifications from DC PCSB.

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4 DC PCSB's Data and Document Submission and Verification Policy can be found here: https://dcpcsb.org/procurement-contract-submission-policy.
staff alerting them to the issue. Should a school fail to resolve an outstanding issue or receive ten notifications of late or incomplete submissions in one school year, DC PCSB staff may recommend that the school be issued a Notice of Concern. Additionally, DC PCSB also reviews compliance with its policy on an annual basis, when schools complete their annual financial audits and submit a list of all expenditures equal to or exceeding $25,000. Because DC PCSB does not have complete information about each school's expenditures before that submission, DC PCSB staff will conduct a comprehensive review upon the audit submission.

**Attachment(s)**