

POLICY

PURCHASING

Ridgewater College complies with [MnSCU Board Policy 5.14 - Procurement and Contracts](#) and [MnSCU System Procedure 5.14.5 - Purchasing](#) and has developed the accompanying procedures for making purchases.

History:
01.05.98 Adopted
11.15.11 Revised

PROCEDURES**PURCHASING**

Each department/discipline/office is responsible for making purchases appropriate for their needs and within given budget guidelines.

Administrative/Supervisor Approval. Orders of \$250 or more must be approved by the Instructional Dean/Supervisor prior to being submitted to the Purchasing Office.

Encumbrance. Funds must be encumbered prior to making obligation of over \$100 through an authorized employee certifying that the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. An expenditure or obligation authorized or incurred prior to encumbering funds is in violation of state law and ineligible for payment until made valid and is in violation of Minnesota Statutes Chapter 16A.15, Subd. 3. An employee authorizing or making the payment, or taking part in it, may be liable to the state for the amount paid. A knowing violation of Minnesota Statutes Chapter 16A.15, Subd. 3, is just cause for the employee's removal. The state cannot agree to indemnify third parties or hold them harmless (Minnesota Statutes Chapter 16A.138; Minnesota Constitution Article XI, Section 1).

All financial transactions to be paid by the college must be initiated with the use of a field order (for purchases \$100 or less) or with a purchase order. The field order or purchase order must be given to a vendor for reference on invoices. A purchase order is obtained from the Purchasing Office by completing and submitting a requisition.

Purchasing Requirements

Purchases \$0 - \$10,000 (total order includes shipping and any other charges related to that order) – One firm quote/bid is required.

Purchases over \$10,000 to \$50,000 – If the amount of the purchase is estimated to exceed \$10,000 but not to exceed \$50,000, the purchase may be made either upon sealed bids or by direct negotiation with the Purchasing Clerk obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. Quotations may be obtained by telephone or in written forms via facsimile (FAX), delivery service, US mail, or Internet. Quotations must have a specified date and time for submission. Quotations obtained by telephone must be followed up with a signed quote.

All quotations obtained shall be kept on file until audited, but not less than one year. The record to be retained must include the names of vendors providing quotes, amounts of quotations, and each successful quote signed and dated.

Purchases over \$50,000 to \$99,999 – If the amount of the purchase is estimated to exceed \$50,000, sealed bids shall be solicited by public notice through publishing a two-week notice in an official newspaper(s). The official newspaper may be the State Register. Sealed bids also may be solicited by

PROCEDURES

PURCHASING, continued

directly notifying prospective bidders not less than seven (7) days before the final date of submitting bids. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter. A bid containing an alteration or erasure must be rejected unless the alteration or erasure is crossed out and the correction printed in ink or typewritten adjacent to it and initialed in ink by the person signing the bid. Bids must be sealed and when they are read, must be opened in public at the hour stated in the notice.

All sealed bids and quotations obtained shall be kept on file until audited, but no less than one year. The record to be retained must include the names of vendors providing bids, amounts of bids, and each successful bid signed and dated.

Purchases \$100,000 and Over – Purchases \$100,000 and over require written approval from the MnSCU Vice Chancellor-Chief Financial Officer. The college must submit a memorandum explaining the need for the purchase and the purchase amount, verifying that funds are available for paying for the purchase, and describing what process will be used in making the award. The college may proceed with the purchase upon approval of the memorandum.

Bid solicitation is not required for purchases from Minnesota Department of Administration master contracts, Office of Enterprise Technology master contracts or Minnesota State Colleges and Universities master contracts or through cooperative purchasing agreements listed on the MnSCU System’s official website and authorized for use by colleges and universities.

Purchasing Requirements:

PURCHASE TOTAL	ACTION REQUIRED	TO BE REQUESTED BY
\$0 - \$10,000	One firm quote/bid	Department/Discipline/Office
\$10,001 - \$50,000	Written solicitation for bids*	Purchasing Clerk
\$50,001 - \$99,999	Advertised solicitation for bids*	Purchasing Clerk
\$100,000 and Over	Bids with MnSCU System Office approval*	Purchasing Clerk

*If more than one bid/quotation is impossible to solicit (sole source), a statement documenting the situation must be on file with the Purchasing Clerk, along with documentation of the one bid/quotation received.

Whenever possible, the college is obligated to use state contracts when making purchases. Contract information can be obtained from the Purchasing Office.

Exempted Purchases. Exempted from the purchase order and/or field order process (except when bids or quotations are involved) are internal purchases, bookstore charges, school vehicle gas purchases, and postage/UPS bills. Clarification of exceptions will be done by the Vice President of Finance or the Director of Business Services.

PROCEDURES**PURCHASING, continued**

Prepayment. Minnesota Statutes 16A.41, Subd. 1, prohibits the college from paying in advance. The college can only make prepayments for software or software maintenance contracts for state-owned or leased computer equipment, sole source maintenance agreements, exhibit space, subscription fees for newspapers and magazines, registration fees where advance payment is required or advance payment discount is provided and the Library of Congress services.

Rental of Equipment Under \$60,000. If the amount of a contract for the rental of equipment is estimated to be \$60,000 or less, the contract may be made by direct negotiation by obtaining two or more quotations for the rental when possible and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations shall be kept on file until audited, but no less than one year.

Computer Equipment. Orders for computers, computer peripherals and computer software are purchased from a central technology equipment budget and must be approved by the Instructional Dean and the Chief Information Officer. To initiate such a purchase, a requisition form must be submitted to the Instructional Dean/Supervisor. If approved, the requisition will be sent to the Chief Information Officer for approval and order placement. All vendor-prepared software license agreements and maintenance agreements must be reviewed by MnSCU Legal Counsel. MnSCU Legal Counsel must be contacted for all financing lease purchase agreements.

Purchases from Targeted Group Businesses. Targeted group businesses are those meeting the definition in Minnesota Statutes 16C.16, Subd. 5. Purchasing practices will include provisions, whenever practicable, for procurement from small targeted group and economically disadvantaged businesses as defined in Minnesota Statutes 471.345, Subd. 8. Targeted businesses are certified as such, and a list is available from the Department of Administration.

Code of Ethics. All college employees engaged in contracting and purchasing are subject to Minnesota law applicable to state employees, including Minnesota Statutes 15.43, 43A.38, 43A.39 and [MnSCU System Procedure 1C.1](#).

History:

07.15.97 Adopted

11.15.11 Revised

03.31.15 Revised