

PURCHASING PROCEDURES

Adopted January 20, 2004

CONTACT: Bill Manney, Chief Fiscal Officer

MnSCU Board Policy 5.14.5 requires us to encumber all purchases and services **prior** to ordering. Funds must be encumbered prior to making an obligation 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 illegal and ineligible for payment until made valid and is in violation of M.S. 16A.15, Subd. 3. An employee authorizing or making the payment, or taking part in it, is liable to the state for the amount paid. A knowing violation of MS 16A.15, Subd. 3 is just cause for the employee's removal. The state cannot agree to indemnify third parties or hold them harmless (MS 10.17; Minn. Const. Art. XI, Sec. 1).

To purchase supplies, rentals, services, materials, equipment, etc. complete a Requisition for Purchase form (NPR) available from the Business Office. This form must include your six digit Cost Center, Vendor Name, Vendor Number (if known), the Vendor address and phone number. Please include the State Contract number, if applicable. Complete the form by filling in the quantity, prices and stock/item numbers of items you are ordering. **Fill in the total at the bottom of the form, obtain appropriate signatures, and forward to the Business Manager for approval.**

BIDDING PROCEDURES:

Purchase Limits	Minimum Bid Requirements
A. 0 - \$1,500.00	A. One quotation is required. Quotations may be obtained by telephone or in written form via facsimile (FAX), delivery service, or internet.
B. \$1,500.01 - \$5,000	B. Two or more written or faxed quotes are required and must be attached to requisition form. Quotations may be obtained by telephone or in written form via facsimile (FAX), delivery service, or internet.
C.	\$5,000.01 and Greater C. See Business Office for assistance.

EXCEPTIONS:

BOOKSTORE RESALE PURCHASES

The bookstore is an auxiliary enterprise which recognizes sales revenue at the point of sale. Goods are purchased wholesale for retail sales. The bookstore staff applies a fixed, industry standard markup to purchased goods for resale. Bookstore goods purchased for resale are exempt from Bidding Procedures A, B, and C above.

FOOD SERVICE RESALE PURCHASES

The food service is an auxiliary enterprise which generates sales revenues through financial aid disbursements and cashier sales for meal plans and food purchases. The food service staff negotiates and sets food purchase prices at the beginning of the school year. Food purchased for resale is exempt from Bidding Procedures A, B, and C above.

PURCHASES FROM PROPRIETARY OR SOLE SOURCE VENDORS

Purchases are exempt from Bidding Procedures A, B, and C above for vendors which are proprietary and/or specific to the area. Please document and fully explain orders that you claim to be "sole source." If evidence is found to the contrary, such orders will be disallowed.

INTERAGENCY/INTRA-AGENCY PURCHASES

Purchases may be made without following Bidding Procedures A, B, C above for interagency purchases of goods and services. These vendors may include, but are not limited to other MnSCU institutions.

MINNESOTA STATE CONTRACTS

If an item is available on State Contract or U of M, Bidding Procedures A, B, and C are not required. The contract number must be written on the non-personnel requisition form. State Contracts information can be found at <http://www.mmd.admin.state.mn.us>. Please contact the Business Office for our campus access code.