



College Policy 5.11

Purchasing

Part 1. Purchasing Authority

Pursuant to MnSCU Board Policy, the College has the authority to make purchases up to \$50,000. Purchases over \$50,000 must be reviewed and approved by the system office unless the College has received increased authority.

Part 2. Purchasing Contract Definition

Purchases must be prepared on State of Minnesota forms to assure that they include all state required contract language. Any modification of forms or the use of a non-system office form require the review of the Attorney General's Office.

A purchasing contract means any agreement such as a purchase order or a field order entered into by the college for the sale or purchase of supplies, materials, equipment or the rental thereof. Throughout this document purchasing contracts will be referred to by using the terms purchasing and purchases.

Part 3. Purchasing Requirements

MCTC shall follow the purchasing requirements as defined in Minnesota Statute 471.345, Uniform Municipal Contracting Law.

Part 4. Encumbrance

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 unless specifically made valid by the approval of the President through the use of a 16A letter as set forth in Minn. Statute 16A.15. 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 Minn. Statute 16A.15 is just cause for the employee's removal. The state cannot agree to indemnify third parties or hold them harmless (Minn. Statute 10.17; Minn. Const. Art. XI, Sec. 1).

Part 5. Prepayment

Minn. Statute 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, and the Library of Congress.

Part 6. Solicitation of Bids

Sealed bids must be made 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 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.

Part 7. 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.

Date of Adoption: 7/1/1999

Date of Implementation (if different from from adoption date):

Date of Last Review: 7/1/1999

Date and Subject of Revisions: