



## Century College Policy 5.14.5.1 Purchasing Guidelines

---

### 5.14.5.1 Purchasing Guidelines

#### Code of Ethics

All college employees are subject to Minnesota Statute 43A.38 Code of Ethics, Minnesota Statute 43A.39 Compliance with Law, and Minnesota State Procedure 1C.01.

Per Minnesota State Policy 5.14.5 Part 11 Subpart B:

"Minnesota Statute 15.43 states that no employee of the state in direct contact with suppliers or potential suppliers to the state, or who may directly or indirectly influence a purchasing decision or contract by establishing specifications, testing purchased products, evaluating contracted services, or otherwise has official involvement in the purchasing or contracting process may:

1. Have any financial interest or have any personal beneficial interest directly or indirectly in the contracts or purchase orders for goods or services used by, or purchased for resale or furnished to the system office, college or university; or
2. Accept directly or indirectly from a person, firm, or corporation to which a contract or purchase order has been or may be, awarded, a rebate, gift, money, or anything of value other than items of nominal value. No such employee may further accept any promise, obligation or contract for future reward.

Textbooks, software, and other course materials authored by an employee of the Minnesota State Colleges and Universities may be used as required course material. Instructors may accept free samples of textbooks and related teaching materials."

Violation of the procedures above may result in reduced spending authority.

#### Obligation Incurred Prior to an Encumbrance & Indemnification

**Employees shall not commit the College to a purchase or agreement before the purchase order is approved or the contract is fully executed.**

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 in violation of state law and ineligible for payment until made valid and is in violation of Minn. Stat. §

---

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 Minn. Stat. § 16A.15, Subd. 3, is just cause for the employee's removal. The state cannot agree to indemnify third parties or hold them harmless (Minn. Stat. § 16A.138; Minn. Const. Art. XI, Sec. 1).

## **Prepayment**

Minn. Stat. § 16A.41, Subd. 1, prohibits the college from paying in advance. The colleges can only make prepayments for services or fees in accordance with Minn. Stat. § 16A.065.

## **Contracts**

The contract module or one of the approved contract templates must be used when creating a contract, any changes to the template needs prior approval of general counsel. All vendor agreements need to be reviewed by general counsel. All contracts are signed by the Vice President of Finance & Administration.

Software agreements: There are three reviews necessary prior to procuring new software (in this order):

1. Century College IT Solutions: ensures compatibility with existing campus technology systems.
2. System Office IT Security Team: reviews the data privacy protections for the software package.
3. System Office General Counsel's Office: reviews software terms and conditions for compliance with Board policy and State of Minnesota laws.

Contract help can be obtained by emailing [contracts@century.edu](mailto:contracts@century.edu).

## **Purchases of \$25,000 or less**

If the amount of the purchase is estimated to be \$25,000 or less, the purchase may be made either upon quotation or in the open market, at the discretion of the college. If the purchase is made upon quotation, it shall be based, so far as practicable, on at least two (2) quotations. Quotations may be obtained in written form via email or Internet. Quotations must have a specified date and time for submission. All quotations obtained must 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 \$25,000 to \$50,000**

If the amount of the purchase is estimated to exceed \$25,000 but not to exceed \$50,000, the purchase may be made either upon sealed bids or by direct negotiation by obtaining two (2) 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 must be obtained in written form via facsimile (FAX), email, or Internet. Quotations must have a specified date and time for submission. All quotations obtained must 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**

If the amount of the purchase is estimated to exceed \$50,000, sealed bids/proposals shall be solicited by public notice. Bids and documents pertaining to the award of the purchase shall be retained and made a part of the permanent file. The record to be retained must include the names of vendors providing bids, amounts of bids, and each successful bid signed and dated.

Sealed bids must be solicited by public notice through publishing a minimum two (2) week notice on a State of Minnesota website or in one or more official newspaper. The official newspaper may be the State Register. In addition to the public notice, sealed bids may be solicited by directly notifying prospective bidders not less than seven (7) days before the final date of submitting bids. This notice must 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 not less than one year.

Bid solicitation is not required for purchases from Minnesota Department of Administration master contracts, MN.IT Services master contracts, Minnesota State Colleges and Universities master contracts, or through cooperative purchasing agreements listed on the system's official web site and authorized for use by the colleges and universities.

For proposed single-source purchases of goods and services over \$50,000, the request form for single-source exception must be completed.

## **Additional requirements for purchases over \$100,000 and or contracts that exceed 5 years**

Purchases over \$100,000 and contracts that exceed five (5) years require written approval from the vice chancellor-chief financial officer. The college shall submit a memorandum explaining the need for the purchase, and the purchase amount, shall verify that funds are available for paying for the purchase, and shall describe what process will be used in making the award. The college may proceed with the purchase upon approval of the memorandum.

## **Certificate of Compliance (Affirmative Action) For Business with more than 40 employees.**

Minnesota Statute 363A.36 requires vendors to submit to the Minnesota Department of Human Rights the business' affirmative action plan for the employment of minority persons, women, qualified disabled individuals, and veterans for any state contracts in excess of \$100,000. The proof of approval from Minnesota Department of Human Rights is a Certificate of Compliance. This certificate is valid for four years.

The vendor must have an approved certificate before award of the contract. If the vendor is in the process of obtaining a certificate, it must be proved that the vendor applied for the certificate prior to the bid or proposal opening.

Vendors are exempt from the requirement if they did not employ more than 40 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. This is verified by State of Minnesota-Affirmative Action Certification form.

A Certificate of Compliance or an Affirmative Action Certificate is required for all purchases over \$100,000.

### **Links**

- [Affirmative Action Certification form](#)
- [M.S. 363A.36 Minnesota Human Rights Act](#)

### **Single Source Items**

Single source items are items that can only be purchased from one source because that one source legally controls the sale or distribution of the items. Single source items are NOT available on the competitive, open market, but must be purchased from only one source. Some examples of possible sole source purchases are:

- Computer Software (including licensing, license renewals, rental and software maintenance services)

- Educational Supplies
- Equipment Maintenance Agreements
- Repair Parts
- Subscriptions
- Advertising

## **Special Expenses**

Special expenses are extraordinary expenses incurred in connection with work-related responsibilities or official functions not generally supported with public funds of the Minnesota State Colleges and Universities or assigned duties of system employees, which are not reimbursable through the regular expense regulations.

Employees must obtain approval of special expenses before incurring such expenses or the payment may be denied.

### *Expenses Covered*

The following expenses are covered where the benefits of the employee's attendance or participation will accrue primarily to the college:

1. Food/Catering for college/department events
2. Clothing
3. Giveaways (including promotional items)
4. Registration/tuition for conference, seminars, workshops or educational courses.
5. State Fair expenses
6. Items outside the normal mission of the cost center

### *Expenses Not Covered*

1. Refreshments or meals for routine staff meetings.
2. Private club memberships.
3. Alcoholic beverages.
4. Entertainment.
5. Employee parties (including holiday parties).

### [Link to the Special Expense Form](#)

## **Targeted Group Economically Disadvantaged/Veteran-Owned Vendor Program**

Century College is committed to purchasing goods/services from targeted group, economically disadvantaged or veteran-owned businesses.

The Minnesota Department of Administration, Materials Management Division (MMD) operates a program for Targeted Group, Economically Disadvantaged or Veteran-Owned

---

small businesses. Businesses must be registered with the State to be considered for preference. Vendors eligible must be certified prior to the solicitation opening date and time to receive the preference.

Once certified, Targeted Group small businesses may be eligible for up to 6% preference in selling their products or services or bidding on construction projects to the state.

To be certified as an Economically Disadvantaged small business, the business must be located in an Economically Disadvantaged Area in Minnesota. These areas include labor surplus areas, as designated by the federal government, and low-income counties in Minnesota. Economically Disadvantaged small businesses must be certified as such by MMD in order to participate in the program. Certified Economically Disadvantaged small businesses may be eligible for up to 6% preference in selling their products or services to the state and may be eligible for up to 4% preference on construction projects.

Eligible and verified Veteran-Owned small businesses with their principal place of business in Minnesota may receive up to 6% preference when responding to solicitations issued by state agencies.

Once certified, Targeted Group, Economically Disadvantaged or Veteran-Owned vendors are added to the state's bid list and are listed in the Directory of Certified TG/ED/VO Vendors.

#### **References:**

Minnesota Statute 43A.38 Code of Ethics:

<https://www.revisor.mn.gov/statutes/cite/43A.38>

Minnesota Statute 43A.39 Compliance with Law:

<https://www.revisor.mn.gov/statutes/cite/43A.39>

Minnesota State Procedure 1C.01:

<https://www.minnstate.edu/board/procedure/1c0p1.html#:~:text=Employees%20are%20not%20allowed%20to%20use%20their%20position%20to%20procure,provisions%20and%20college%2Funiversity%20procedures.>

Minnesota State Policy 5.14.5:

[https://www.minnstate.edu/board/procedure/514p5.html?\\_ga=2.17918205.592712461.1678826819-240802759.1672156542](https://www.minnstate.edu/board/procedure/514p5.html?_ga=2.17918205.592712461.1678826819-240802759.1672156542)

Economically Disadvantaged Area and Targeted Group, Economically Disadvantaged:

<https://mn.gov/admin/business/vendor-info/oep/>

Minnesota State Forms Link:

<https://mnsu.sharepoint.com/sites/finance/SitePages/topic.aspx?topicID=81&state=resources>

Minnesota State 16A.15 subdivision 3: <https://www.revisor.mn.gov/statutes/cite/16A.15>

Minn. Stat. § 16A.41, Subd. 1 (prepayment):

<https://www.minnstate.edu/board/procedure/514p5.html>

Marketplace training resource link:

<https://mnscu.sharepoint.com/sites/connect/SitePages/topic.aspx?topicID=108&state=ab>  
[out](#)

Date Proposed: 7/1996

Date Approved: 8/1996

Date Implemented: 9/1996

Date Last Reviewed: 5/4/2023

Date Revised: 7/1/1998, 8/9/1999, 10/12/2000 (renumbered), 5/4/2023