

# St. Cloud Technical & Community College

## Policies and Procedures

### Chapter S5 – Administration

#### S5.10 Purchasing Policy

*This policy reflects the MnSCU Purchasing Procedure 5.14.5 and Minnesota Statute §471.345, §§16A, 16B, and 16C.*

*Update Revision Responsibility: Vice President of Administration*

#### **Purpose**

This policy establishes the procedure for the purchase of goods, services, supplies and equipment.

State colleges and universities have authority to make purchases up to \$100,000. Each college and university, in consultation with the system office, shall develop procedures for making purchases.

Purchases over \$100,000 must be reviewed and approved by the vice chancellor-chief financial officer. Institutions must submit a memorandum explaining the need for the purchase, the proposed process to be used in selecting a vendor, estimated cost, and verify that funds are available for paying the vendor. The vice chancellor-chief financial officer will review the memorandum and respond in writing to the institution. Purchasing contracts requiring vice chancellor-chief financial officer approval include consecutive single year contracts with the same vendor and contracts with amendments which when added together exceed \$100,000.

Purchasing contracts of any value with a term in excess of five years require approval by the vice chancellor-chief financial officer.

<http://www.mnscu.edu/board/procedure/514p5.html>

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College President: \_\_\_\_\_

*Jai Kloos*

Date: \_\_\_\_\_

*5-14-18*

Date of Adoption: \_\_\_\_\_

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Date repealed or replaced: \_\_\_\_\_

# St. Cloud Technical & Community College

## Policies and Procedures

### Chapter S5 – Administration

#### S5.10.1 Purchasing Procedure

In accordance with MnSCU Policy 5.14, Part 2, St. Cloud Technical and Community College is adopting the following procedures for the purchase of goods, supplies and equipment. **No goods or services can be ordered in the name of St. Cloud Technical and Community College without a written Purchase Order issued from the Business Office.**

##### Dollar Value of Purchase:

##### Requirements:

- |   |   |
|---|---|
| 1. Less than \$500 for an individual item, or less than \$1,000 for a single order: | One verbal quote from the open market.  |
| 2. \$1,000 for a single order, but less than \$5,000 per order:                     | One written quote. A written quote, fax or published catalog price are acceptable. Requests for quotes must have a specified date and time of submission. Documentation must be kept by the business office and maintained per the record retention policy  |
| 3. Purchases of \$5,000 or more, but less than \$10,000 per order:                  | Two written quotes. A written quotes, fax or published catalog prices are acceptable. Requests for quotes must have a specified date and time of submission. Documentation must be kept by the business office and maintained per the record retention policy   |
| 4. \$10,000 or more, but less than \$50,000 per single order:                       | A minimum of two vendors need to be contacted for written quotes. A written quote, fax or published catalog price are acceptable. Requests for quotes must have a specified date and time of submission. Documentation must be kept by the business office and maintained per the record retention policy. Solicitations from Targeted Group/Economically Disadvantaged (TG/ED) vendors will conform to the goals published by the System Office. |
| 5. \$50,000 or more per order:  | Sealed bids (via RFP or RFB) must be done through the Business Office in a manner consistent with the Uniform Municipal Contracting Law, Minnesota statute, other pertinent statutes, and public purchasing guidelines.   |
| 6. \$1,000,000 or more per order:   | Board approval required: Any procurement, lease agreement, or professional/technical/consulting service contract with a value in excess of \$1,000,000 or contract amendment that would increase the total value of a contract  |

to more than \$1,000,000 must be approved in advance by the Board.

7. \$3,000,000 or more per order:

The following contracts and agreements must be approved in advance by the Board if the total value of the initial contract/agreement and/or subsequent amendments exceeds \$3,000,000:

- a. Inter-agency agreements;
- b. Joint powers agreements;
- c. System master contracts if the total purchases made for goods or services under the master contract are expected to exceed \$3,000,000; individual purchase orders made under a system master contract approved by the Board are not subject to separate Board approval;
- d. Grant agreements other than federal grants or grants from Minnesota state agencies.

### **Other Purchasing Procedure Notes:**

#### **Approval Signatures:**

All purchase order requests require the authorization signature of the dean or director for that department. Purchases over \$5,000 also require a vice president's approval signature. Purchases over \$10,000 also require the president's approval signature. All purchases of land and real property must have approval of the president.

#### **Purchases for travel or lodging:**

All purchase order request for travel or lodging must have a copy of the travel request form and agenda attached.

#### **Lease of Equipment:**

Leasing of equipment must be done through the Business Office. Records of the leases will be kept per the records retention policy.

#### **Acquiring Real Estate:**

Board Policy 6.7 delegates authority to the Chancellor to review and approve all real estate transactions and includes the authority to execute and deliver all documents relating to the acquisition of real property. The Board of Trustees approval shall be required for the acquisition of real estate when campus operating funds are used and the purchase price equals or exceeds \$1,000,000 or 1% of the acquiring institution's fiscal year operating budget.

#### **State M-Contracts and Cooperative Purchasing Vendor (CPV):**

If State-Contracts and CPVs are used, quotes, bids and TG/ED requirements are not needed

#### **Sole Source Vendors:**

Sole source vendors must be verified and documented. A sole source vendor is described by MN Statutes 16B.08, Subd. 2. Single source of supply. It states that competitive bidding is not required for purchases clearly and legitimately limited to a single source or supply and the purchase price may be best established by direct negotiation. Written quotations from sole source vendors are needed on orders over \$500 for individual items, and on orders over \$1,000 for single purchases.

#### **Definition of Fixed Assets:**

Property (other than buildings and land) that costs \$10,000 or more, including tax and shipping charges, has a normal life expectancy of more than two years and maintains its identity while in use. Purchases of items

considered “sensitive” (computers, I Pads, etc.) less than \$9,999 should be coded to object code 3006 (equipment purchased as supplies). Purchases of \$10,000 or more must be coded to object code 4000 (equipment) Items purchased using these two object codes must be marked as property of the State of Minnesota and are required to be maintained in the equipment module of ISRS.

Blanket Purchase Orders:

Blanket purchase orders can be set up for vendors that are used frequently. Purchase orders for a fixed dollar amount may be set up for a maximum of one year but no later than the end of the current fiscal year. Equipment may not be purchased with a blanket purchase order. Blanket purchase orders should not exceed \$5,000 and no individual item of \$500 on a single order for goods or supplies may be purchased with a blanket purchase order. Blanket purchase orders for auxiliary and resale cost centers are excluded from the \$5,000 limitation. Payments may be made to the vendor only after the goods or services have been received. Indicate “Partial Pay PO# \_\_\_\_” when authorizing payment. Cancel any unused portion of the blanket purchase orders as soon as possible. Blanket purchase orders may be increased on an exception basis, but must be approved by the department dean and a vice president.

Approval for Payment:

When approving invoices for payment, include on the invoice: occurrence date, purchase order number, payment approval signature (initial) and date of approval. Packing slips must be attached or an explanation for why one is not included with the request for payment. Upon approval for payment, unencumber any remaining funds on the purchase order by requesting on the invoice that the remaining funds are to be liquidated. If requesting a pull warrant, indicate where the payment should be sent on the purchase order request form. In requesting a pull warrant two signatures are required on the Warrant Special Handling Request form (filled out by the Business Office) VP of Administration, Accounts Payable Clerk, and Business Manager have the authorization to sign the form.

Professional Technical and Service Contracts:

Contracts for the service and maintenance of college equipment (e.g., copiers) or other kinds of service agreements (e.g., laundry) cannot have an expiration date beyond five years. Maintenance contracts must be signed by the person having responsibility for the cost center and having delegation of authority. A contract signed by a person who has not received that delegation of authority is the personal obligation of the signer.

*St. Cloud Technical and Community College's purchasing procedures will comply with MnSCU policy even if they are not specifically mentioned by college procedure statements.*

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College President: Jan Kloos Date: 5-14-18

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