

PURCHASING RULES AND REGULATIONS



Adopted: Resolution 19-106 dated February 12, 2019
Revised: Resolution 19-704 dated December 17, 2019

St. Louis County Board of Commissioners
Kevin Z. Gray, County Administrator

PURCHASING RULES AND REGULATIONS

AUTHORITY

Published and promulgated pursuant to the authority of Minn. Stat. § 375.75. Required statutory provisions applicable to these Rules shall apply, as may be amended from year to year.

These Purchasing Rules and Regulations are adopted by St. Louis Board of County Commissioners by resolution, and by this resolution, rescinds and supersedes all prior resolutions which approve Purchasing Rules and Regulations. Upon adoption, all St. Louis County staff having purchasing responsibility must attend training through Human Resources, Employee Development. Purchasing training will be offered annually or as needed.

STATEMENT OF PURCHASING POLICY

The services and activities of St. Louis County's Purchasing Division will be in accordance with Minnesota Statutes and St. Louis County Purchasing Rules and Regulations, adopted by the County Board. Citations to statutes applicable to state projects are for reference purposes only and do not bind the County to adhere to procurement policy/law applicable to state projects.

A summary of contract requirements and contract routing procedures are attached in Appendix A, which is incorporated herein.

Purchasing services for other commissions, agencies, or authorities are subject to approval of the County Board and will be subject to the same statutes and rules applicable to the expenditure of all funds under the authority of St. Louis County.

The County Attorney's Office must approve the form and execution of all county contracts except those for the purchase of goods or services under \$5,000. All contracts other than those for the purchase of goods and services under \$5,000 must be reviewed and signed by the County Attorney or his or her designee after the required county signatures have been obtained.

A NOTE FROM THE ST. LOUIS COUNTY BOARD

The St. Louis County Board urges you, as you are making purchases, to keep local vendors in mind. These businesses contribute to the local economy and enhance the quality of life in St. Louis County. Understandably, there may be a small cost difference between local and online vendors. When applicable laws and the Purchasing Rules are silent on the type of purchase you are soliciting, we ask that you consider giving county business to local vendors whenever possible.

Kevin Z. Gray,
County Administrator

Donna M. Viskoe, CPPO, CPPB
Purchasing Director, Purchasing Division

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- Appendix A: St. Louis County “Sole Source” Procurement Justification Contract Requirements / Contract Routing
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- Appendix B: St. Louis County Board Resolutions

- Appendix C: Appendix II to Part 200 Contract Provisions for Non-Federal Entity Contracts under Federal Awards

PURCHASING RULES AND REGULATIONS

I. DUTIES AND RESPONSIBILITIES OF THE ST. LOUIS COUNTY PURCHASING DIVISION

- A.** Purchase or contract for all supplies, materials, equipment and contractual services required by any department, board, or agency of County government.
- B.** Prepare all specifications for supplies, materials and equipment.
- C.** Transfer to, or between, county departments, boards, and agencies, or sell supplies, materials and equipment which are surplus, obsolete, or unused.
- D.** Submit at a time prescribed by the County Board, an annual report on the work of the Purchasing Division, and from time to time, suggest changes to the Purchasing Rules and Regulations, which the Purchasing Division deems necessary.
- E.** Those instances where these rules are silent on any procurement matter, the director of purchasing shall have final say.

II. PURCHASING DEFINITIONS (Adapted from portions of Minn. Stat. § 16C.02)

Award – "Award" means a written acceptance of a bid or proposal to provide goods, services, construction or utilities, which shall be binding upon contract execution.

Contract – "Contract" means any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which the County is a party, including an amendment to or extension of a contract.

Direct Negotiation – "Direct Negotiation" means a direct solicitation with a specific vendor or individual without requesting or obtaining additional quotes.

Formal solicitation – "Formal solicitation" means a solicitation which requires a sealed response. This includes Requests for Bids and Requests for Proposals.

Informal solicitation – "Informal solicitation" means a solicitation which does not require a sealed response. This includes Requests for Quotes.

Open Market – "Open Market" means obtaining two or more quotations for a purchase or sale when possible, and without advertising for bids otherwise complying with the requirements of competitive bidding.

Request for Bid (RFB) – "Request for Bid" or "RFB" means a formal solicitation in which the terms, conditions, and specifications are described and responses are not subject to negotiation.

Request for Information (RFI) – "Request for Information" or "RFI" means non-binding input from interested parties for a forthcoming solicitation. RFI is used to obtain comments, feedback or reactions from potential suppliers or vendors prior to the issuing of a solicitation. Contracts are not awarded based on an RFI. Solicitations are produced based on results of an RFI.

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Request for Proposal (RFP) – "Request for Proposal" or "RFP" means a formal solicitation that may be a single or multi-step process. It is used when it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation. Responses may be negotiated to achieve best value for the county in which price is not always the primary evaluation factor. RFP provides for the negotiation of all terms, including price, prior to contract award and may include a provision for the negotiation of "Best and Final Offers."

Request for Quotes (RFQ) – "Request for Quotes" or "RFQ" means an informal solicitation for goods or services in which responses are received by a letter, fax, e-mail or other manner. RFQs are not subject to formal bidding requirements.

Sealed – "Sealed" means a method of the solicitation process to prevent the contents from being revealed or known before the deadline for submission of responses.

Solicitation – "Solicitation" means the process used to communicate procurement requirements and to request responses from interested vendors.

St. Louis County (SLC) – When the term "St. Louis County" is used, it also shall include all entities that have adopted these rules.

III. CONTRACT REQUIREMENTS

A. GENERAL REQUIREMENTS FOR ALL CONTRACTS

1. The County Attorney's Office must approve the form and execution of all county contracts except those for the purchase of goods or services under \$5,000. All contracts other than those for the purchase of goods and services under \$5,000 must be reviewed and signed by the County Attorney or his or her designee after the required county signatures have been obtained. Departments should consult the Purchasing Division for a list of contract forms that can be used for recurring and frequent contracts. Contracts generated with these forms must also be reviewed and signed in the same manner as all other county contracts.
2. The "Contract Requirements" form found in Appendix A, identifying procedures, solicitation requirements, and approval and execution requirements, is incorporated herein, as part of these purchasing rules and regulations. Architectural and engineering contracts \$50,000 and above, and all other contracts \$150,000 and above, must be approved by the County Board.
3. The "Contract Routing" form, found in Appendix A, must be attached to every contract, with relevant information provided, when circulated for review and execution.
4. All contracts approved by the County Board must be signed by the Chair of the Board and the County Auditor.
5. Except in an emergency, or when the county makes use of purchasing cards, no valid order for delivery on a contract or open market purchase shall be issued until the County Auditor has certified that the unencumbered fund balance is sufficient to defray the amount of such order.

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6. The purchase or contract for any supplies, material, or contractual service by any county office, department or agency, or the sale of surplus, obsolete, or unusable supplies, material, or equipment by any county office, department or agency contrary to Minn. Stat. Sections 375.72 to 375.76 is voidable. The head of such department, board, commission or agency shall be personally liable for the costs of such order or contract, and if already paid for out of county funds, the amount may be recovered in the name of the county in an appropriate legal action. Property sold, or the reasonable value of the property, may be recovered in the name of the county in a similar manner.
7. Successive and consecutive agreements with the same vendor for the same project or service require County Board approval, if the cumulative total exceeds \$50,000, within any twelve month period.

B. SOLICITATION EXPENDITURE REQUIREMENTS

(Uniform Municipal Contracting Law, Minn. Stat. § 471.345)

1. Purchases greater than \$50,000 must go through the Purchasing Division, with the exception of Public Works Road & Bridge projects.
2. Contracts estimated to be over \$150,000 can be awarded based on sealed bids or best value.
 - a. **Sealed bids.** Sealed bids shall be solicited by public notice in the manner and subject to the laws and policy governing county contracts. *(With regard to repairs and maintenance of ditches, the specific provisions found in Minn. Stat. 383C.094 apply.)*
 - b. **Best value alternative.** At the discretion of the County Board, as an alternative to sealed bids, the county may award a contract for construction, alteration, repair, or maintenance work to the contractor offering the best value under a request for proposals. *(Minn. Stat. § 375.21, Subd. 1b., Minn. Stat. Section 16C.28)*
3. Contracts exceeding \$25,000 but not exceeding \$150,000 can be awarded based on sealed bids, open market, or best value.
 - a. **Sealed bids.** Sealed bids shall be solicited by public notice in the manner and subject to the laws and policy governing county contracts. *(With regard to repairs and maintenance of ditches, the specific provisions found in Minn. Stat. 383C.094 apply.)*
 - b. **Open Market.** Open Market quotes may be used by 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. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

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- c. **Best value alternative.** At the discretion of the County Board, as an alternative to sealed bids the county may award a contract for construction, alteration, repair, or maintenance work to the contractor offering the best value under a request for proposals. (*Minn. Stat. § 375.21, Subd. 1b., Minn. Stat. Section 16C.28*)
4. Contracts estimated to be \$25,000 or less may be made either upon direct negotiation or in the open market, at the discretion of the Purchasing Director or designee.
 - a. If the contract is made upon Open Market, it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.
 - b. "Direct Negotiation" means a direct solicitation with a specific vendor or individual without requesting or obtaining additional quotes
 - c. Alternatively, the county may award a contract for construction, alteration, repair, or maintenance work to the contractor offering the best value under a request for proposals. (*Minn. Stat. § 375.21, Subd. 1b., Minn. Stat. § 16C.28*)
5. Contracts in excess of \$150,000 require a performance bond and a payment bond in the full amount of the contract.

C. UNIQUE TYPES OF CONTRACTS

1. **State Purchasing Contracts.** These are not subject to the solicitation process, however, state contracts must follow all other contract requirements.
2. **Cooperative Purchasing.** May be used by St. Louis County at the discretion of the director of purchasing and County Board if required. (*Minn. Stat. § 471.345 Subd 15(b)*)
3. **Public Works.** The County Board, pursuant to Minnesota Statutes, has delegated authority to the Public Works/Highway Engineer for setting the date for the calling of bids on Public Works projects already approved in the budget for capital improvements, and further requires County Board approval for award of bids received. (*Resolution No. 88-381*)

The Public Works/Highway Engineer has authority to enter into cooperative agreements with townships and cities located within St. Louis County for annual maintenance projects which include, but are not limited to aggregate crushing, pavement preservation and pavement markings.
4. **Environmental Services.** Formal bidding is not required for Environmental Services purchases. However, if formal bidding is used, all rules applicable to formal bidding will apply. (*Minn. Stat. § 400.04, Subd. 4*)

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5. **Information Technology.** All software purchases and initial support agreements must be reviewed by IT. Renewal support agreements do not require IT review. Any software purchases and associated support agreements that cost in excess of funds approved for software purchases in the County budget must be approved by the County Board.

All hardware purchase and initial maintenance agreements must be approved by IT and approved by the department head. Renewal maintenance agreements do not require IT approval. If hardware or associated maintenance agreements exceed the approved budget IT must get Board approval for the purchase.

6. **Public Health and Human Services.** Contracting authority is delegated to the Director of Public Health and Human Services in the following situations: when no county levy dollars are expended; the Fraud Prevention Investigation Grant; non- financial agreements; cooperative agreements with other county departments and Arrowhead Regional Corrections; and for contracts under \$25,000. (Resolution No. 04-534)

7. **Construction and Demolition Contracts.**

- a. **Construction Contracts.** Wages paid on all county construction work of any and every kind must be at the prevailing rate for the area where the construction work is being performed. Documentation of wages may be required from any successful bidder and payroll records must be maintained. Prevailing Wage Rates are available at the Minnesota Department of Labor and Industry website. (*Resolution No. 73-141*)

Prevailing wage rates do not apply to a contract, or work under a contract, when: (1) the estimated total cost of completing the project is less than \$2,500 and only one trade or occupation is required to complete it, or (2) the estimated total cost of completing the project is less than \$25,000 and more than one trade or occupation is required to complete it. (*Minn. Stat. § 177.43, Subd. 7*)

For any construction contract estimated to exceed \$50,000, *Minn. Stat. § 16C.285* requires the completion of Responsible Contractor Affidavits at the time a proposal is submitted. All construction contracts that exceed \$50,000 must be solicited through the Purchasing Division, with the exception of Public Works Road & Bridge projects.

All building construction projects shall be approved by the Property Management Department prior to solicitation.

All formally bid construction projects require the use of domestically produced steel and iron materials and components. (*Resolution No. 07-65*)

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- b. **Demolition Contracts.** Wages paid on all county demolition work must be at the prevailing rate for the area when the demolition project is associated with a county construction project or if the demolition project is anticipated to be in excess of \$100,000. Documentation of wages may be required from any successful bidder and payroll records must be maintained. Prevailing Wage Rates are available at the Minnesota Department of Labor and Industry website. Project Labor Agreements are required in excess of \$150,000. (*Resolution No 17-645*)
8. **Project Labor Agreements.** A Project Labor Agreement is required on all St. Louis County construction projects anticipated to be in excess of \$150,000, unless otherwise prohibited by law. If a bid is submitted in excess of \$150,000, the bidder must have a fully executed agreement returned to the Purchasing Division at the time the contract, bonds and other required contract documents are returned to the contracting authority. (*Resolution No. 04-255*)
9. **Energy Efficiency Projects.** The county may enter into guaranteed energy-savings contracts that include written guarantees that savings will meet or exceed the cost of energy conservation measures. These contracts are not subject to the competitive bidding requirements. (*Complete requirements for energy efficient contracts can be found in Minn. Stat. § 471.345, Subd. 13.*)
10. **Grant Management.** The county's Grant Management Policy requires that sufficient information be provided to the County Board, financial and other managers to determine the desirability of a grant application. Specific financial and cost information must be provided to the Board prior to applying for and/or accepting a grant. This policy applies only to grants for which the county must make specific application and does not apply to program aids provided to the county as a matter of law. The Grant Approval Form is found in Appendix A.
11. **Rebates.** Any rebates, issued to or received on behalf of the county, must be used for a future county purchase.
12. **Evergreen Contracts.** These contracts have automatic renewal clauses. These contracts have the benefit of allowing suppliers and agencies to establish longer-term working relationships. All evergreen contracts shall require Board approval.
13. **Architectural and Engineering.** For services over \$50,000 and above, with the exception of Road and Bridge projects, the Department Head, with the consent of the director of purchasing and the Property Management Director, shall approve selection of a contractor based upon direct negotiation, prior to contract approval by the County Board. The Qualified Based Selection (QBS) method will be the preferred method in selecting architectural and engineering services.

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IV. BIDDING AND PURCHASING REQUIREMENTS

A. BIDDING REQUIREMENTS

1. **Solicitation for Bids and Proposals.** The Purchasing Division shall post solicitations for bids in the Purchasing Division office. According to County Board policy all Requests for Bids and Requests for Proposals (with the exception of road and bridge projects) will only be posted on an electronic bidding service. Bids relating to major facility repairs and construction will also be advertised in the Local Builders Exchanges. Formal bids may be received electronically or by hard copy in the Purchasing Division office. (*Resolution No. 06-24*)
2. **Bid Submission.** A bidder may submit bids electronically through DemandStar or by submitting bids in hard copy to the St. Louis County Purchasing Division, pursuant to the bid specifications.
3. **Electronic Bidding.** Electronic bidding is prescribed for Public Works Department road and bridge projects, with electronic format being the sole allowable form of bid submission. (*Minn. Stat. § 471.345, Subd. 18; Resolution No. 13-347*).
4. **Bidder's Deposit.** The Purchasing Division may require a deposit to accompany a bid, equal to 5% of the total bid amount or a specified amount.
 - a. The deposit shall be in the form of a certified check or bidder's bond and subject to forfeit for failure to contract within ten days after tender.
 - b. Deposits of unsuccessful bidders will be returned upon award of contract.
 - c. The successful bidder's deposit may be retained for sixty (60) days after delivery to ensure compliance with specifications, or until such time as a performance bond and payment bond have been furnished.
 - d. Any bid that requires a performance bond and/or payment bond will also require a bid deposit.
 - e. Failure of a bidder to furnish a deposit, as specified, may be cause for rejection. When it is in the best interest of the county, a bid deposit may be waived or subsequently furnished prior to award of a contract, as determined by the Purchasing Division.
5. **Rejection of Bids.** The director of purchasing shall have the right to reject any and all bids if the public interest is served by doing so.
 - a. Bid documents which contain alterations to the bid specifications shall be rejected, unless corrected pursuant to the procedure found in *Minn. Stat. 16C.28, Subd.2*.

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- b. Bids will be rejected for good and sufficient cause; such as, but not limited to faulty specifications, abandonment of the project or requirement, insufficient funds, evidence of unfair competition, non-responsive bids or failure to provide security deposits when required.
 - c. Bids which do not comply with or are not responsive to the provisions and/or specifications of the bid shall be considered non-responsive and shall be rejected.
 - d. In the case of identical low bids from two or more bidders, the director of purchasing may use direct negotiation methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. (*Minn. Stat. 16C.28, Subd.3*)
 - e. It shall be the duty of the Purchasing Division to discourage uniform bidding and to endeavor to obtain full and open competition on all purchases and sales, to the extent possible.
 - f. St. Louis County shall, at its sole discretion, determine when a bidder is not a "responsible bidder," using the definitions provided below.
6. **Responsible Bidder Defined.** In determining the lowest responsible bidder, in addition to the price, St. Louis County's consideration shall include, but not be limited to, the following:
- a. The ability, capacity and demonstrated skill of the bidder to perform and/or provide the required service;
 - b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
 - c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
 - d. The quality of performance of previous contracts or services;
 - e. The sufficiency of the financial resources and ability of the bidder to perform the contract or services;
 - f. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
 - g. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
7. **Award of Bids.** All contracts shall be awarded to the lowest responsive, responsible bidder or highest responsible bidder in the case of sales.
- a. In a particular bid wherein the unit price and the total price do not agree, the unit price will prevail.
 - b. For all contracts for construction, alteration, repair, or maintenance work, the county may award contracts to the vendor offering the best

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value, and "best value" shall be defined as found in Minnesota statute. Alternatively, the county may award all contracts for construction, alteration, repair, or maintenance work to the lowest responsible bidder, reserving the right to reject any or all bids. (*Minn. Stat. § 16C.28, Subd. 1, paragraph (a), clause (2), and paragraph (c), and Section 16C.28, Subd. 1a; Minn. Stat. § 375.21 Subd. 1b*)

- c. Fleet vehicles. When soliciting bids for fleet vehicles, the County Board may award the bid to a St. Louis County vendor if it meets specifications, is the lowest bid, and is not greater than \$350 more than the State contract price. (*Resolution No. 04-127*)

B. PURCHASE ORDERS

1. Use of Purchase Orders

- a. The department must obtain a Purchasing Division purchase order (P.O.) prior to any purchase over \$5,000. The requirement for P.O. prior to purchase does not apply to emergency purchases or the use of Procurement Cards (P-cards).
- b. Any purchase of Information Technology hardware/software, or technology based services must follow current approved technology standards as defined on the IT Intranet page. Items that do not fall under the approved technology standards require the approval of the IT Department prior to purchase. This helps ensure compatibility with existing county approved technology standards.

2. No purchase order is required for the following purchases:

- a. Purchases of \$5,000 and less. This amount includes purchases only, excluding freight and/or shipping charges. Agreements less than or equal to \$5,000 may be attached to a payment voucher and sent directly to the County Auditor's Office for payment, when signed by the Department Head or designee.
- b. Communications and Utilities. Defined as telephone, cellular, multi-functioning copiers, pager and internet services, water, sewer, electrical and gas bills.
- c. Bonds and Insurance. Defined as elected official bonds, deputy bonds, surety bonds, notary applications and insurance payments.
- d. Reimbursements. Defined as payments to employees for approved expenses.
- e. Dues and Membership Fees. Defined as dues and membership fees for professional organizations.
- f. Publications and Subscriptions. Defined as newspapers, magazines, journals.
- g. Travel. Defined as advance payment or reimbursement for travel

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expenses for employees. – (Approved travel form required.)

- h. Tuition and Training. Defined as fees and associated cost for training and tuition for employees.
- i. Advertisement/Legal Notices. Defined as newspapers advertisements and notices. - (Tear sheet or certified copy of advertisement and notices required.)
- j. Bank Charges. Defined as stop payments, wiring fees and any miscellaneous charges associated with banking.
- k. Other Governmental Entities. Defined as payments to Federal, State, and Local government entities.
- l. Debt Service Payments. Defined as principal and interest on outstanding debt and any associated fees.
- m. Legal Resources. Defined as legal services and retainers.
- n. Procurement Card (P-card) Purchases. P-card purchases are subject to all P-card policies and procedures.
- o. Postage. Defined as payment to United States Postal, FED EX, UPS etc.
- p. Medical Services. Defined as payments to medical doctors and insurance providers for medical care, exams and evaluations.

C. SINGLE or SOLE SOURCE PURCHASING

Single source and sole source purchasing are defined in Appendix A and incorporated herein.

When an item or service is required which is determined to be reasonably available only from a single supplier, the following procedures shall be followed:

1. For purchases of any amount a requisition shall be transmitted to the Purchasing Division indicating that only one source is known to be reasonably capable of meeting St. Louis County's needs.
2. If practical and in the best interest of St. Louis County, efforts should be made by the requesting department to locate any other possible sources, and the names of those contacted, if any, who were unable to supply the required items or services shall be noted in the comment section of the requisition.
3. The Purchasing Division will review the requisition and, if practical and in the best interest of the county, attempt to identify any potential suppliers who are not listed on the requisition. If no other source is found, a purchase order will be issued to the single or sole supplier who is known to be capable of filling the order.

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4. The procedures and requirements for single or sole source purchasing, as identified in the “St. Louis County Single Source or Sole Source Procurement Justification” form found in Appendix A, are incorporated herein by reference, as part of these Purchasing Rules and Regulations. This form must be completed and included in any single or sole source purchasing request submitted to the Purchasing Division. The form is also located on the Purchasing Division website.

D. EMERGENCY PURCHASING

1. The director or purchasing may authorize any department, board, commission or agency of the county to purchase in the open market, before filing a requisition, any supplies, materials, services or equipment for immediate delivery to meet actual emergencies arising from unforeseen causes, including delays by contractors, delays in transportation and unanticipated volume of work.
2. Others shall only make emergency purchases when specific authority has been given to an individual, or in the event the Purchasing Director or designee cannot be contacted. Upon notification and documentation, the Purchasing Director or designee will issue an emergency purchase order, unless the emergency purchase was made in violation of the regulations governing same.
3. Emergency repairs or purchases that cannot be delayed for the time required for processing a purchase order or bidding are defined as: destruction or impassability of roads or bridges by floods, rain, snow or other casualty; or from breakage, damage or decay of any property in the county, if the public health, safety or welfare would suffer by delay. In the case of an emergency arising from these factors that cannot wait for the time required to advertise for bids or quotes, contracts for purchases, services or repairs may be made without advertising for bids. (*Minn. Stat. § 375.21*)
4. For emergency repairs over \$150,000 that cannot wait for the time required to advertise for bids or quotes, repairs may be made if the work is authorized by a majority of the Board of County Commissioners. In this case, the Department Head or designee shall individually poll the members of the County Board, by phone, email, text, or in person, to obtain majority approval. The action must then be ratified and recorded in the official proceedings of the County Board at its next regular meeting. (*Minn. Stat. § 375.22*)

E. YEAR END ENCUMBRANCES

1. At the end of any given budget year, if funds have been budgeted and levied for the current year, but a project was not able to be started and the vendor has not yet been selected, a department may request in writing to the Purchasing Director, or designee, to allow an encumbrance to be set up under the generic “BEST VENDOR” code.
2. This process will allow the budget for this project to roll forward into the next budget year. Once a vendor is selected, the Purchasing Division will

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convert the existing "BEST VENDOR" encumbrance to a new purchase order under the correct vendor.

V. PROPERTY DISPOSAL PROCEDURES

A. SURPLUS PROPERTY

1. The Purchasing Division is authorized to transfer to or between county departments, boards, commissions, and agencies supplies, materials and equipment which are considered to be surplus by one agency, but which may be needed by another, and for the disposal by sale, after receipt of competitive bids, or by auction, of supplies, materials and equipment which are surplus, obsolete or unused. Any surplus or obsolete property having nominal value and not needed by any county department, board, commission, or agency may be made available to the public at a location and time determined by the Purchasing Division for an appropriate price per item.
2. Purchasers shall execute a "bill of sale" that disposes of the property "as is" and limits the county's liability for damages arising out of the use of the property. The Purchasing Division shall notify the County Board prior to disposing of any equipment estimated to be greater than \$15,000 in the open market. (*Minn. Stat. §373.01 Subd. 1(c), Resolution No. 00-651*)
3. The County Board must approve the transfer or sale of surplus, obsolete or unused, personal property to another public corporation for public use. (*Minn. Stat. § 471.85, Resolution No. 00-651*)
4. All county departments are authorized to transfer obsolete, surplus and unusable computer components to the Information Technology Department for disposal. (*Resolution No. 98-369*)
5. Conflict of Interest. St. Louis County officials/employees are prohibited from using privileged government data obtained through their position to further their own private interests. (*Resolution 07-104*)

B. SALE OR LEASE OF REAL PROPERTY

1. No sale, lease, or conveyance of real property owned by the county shall be valid without advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. (*Minn. Stat. § 373.01 Subd.1(b)*)
2. The Property Management Department shall negotiate leases for all grounds, buildings, office or other space required by all county departments, boards, commissions or agencies and manages the sale of real property.
3. All property leases for one or more years are subject to the Property Acquisition/Leases Policy and must be approved by the County Board. Lease renewals need only be approved and executed by the Department Head and the Property Manager. Leases may be renewed for the length of the original contract only once. Copies of all leases shall be maintained by the Property Management Department.

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C. SALE OR RENTAL OF PERSONAL PROPERTY

1. **Rental.** If the amount of the contract for the rental of equipment is estimated to be \$60,000 or less, the contract may, at the discretion of the director or purchasing, 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 for a period of at least one year after their receipt. (*Minn. Stat. § 471.345, Subd. 5a*)
2. **Lease Purchase.** Any lease purchase agreement or other form of time payment agreement for the acquisition of personal property exceeding \$25,000 must be approved by the County Board as a time payment purchase in its annual budget or specifically approved as a time payment purchase by County Board resolution prior to requisition. All such agreements must specifically limit the seller's remedy against St. Louis County for nonpayment of installments of the purchase price to recovery of the property that is the subject of the agreement. All such agreements shall be made subject to approval of the County Attorney as to form and execution.
3. **Sale.** The Purchasing Division shall manage the sales of personal property, the value of which is estimated to be \$15,000 or more, which shall be made only after advertising for bids or proposals in the county's official newspaper, on the county's website, or in a recognized industry trades journal. If the value is estimated to be less than \$15,000, sale may be made either on competitive bids or in the open market in the discretion of the County Board. (*Minn. Stat. § 373.01, Subd. 1(c)*)

VI. CONTRACT CHANGES, AMENDMENTS AND TERMINATIONS

A. CHANGE ORDERS AND AMENDMENTS

1. **Change Orders.** Change orders for construction projects may be approved by the Public Works Director for projects administered by the Public Works Department, or the Purchasing Director or designee for all other projects, with the following limitations (*Resolution No. 91-867*):
 - a. Change orders of up to \$37,500 are allowed for construction projects which are less than \$150,000. Additionally, change orders up to 25 percent of the project cost, but not exceeding a cumulative total of \$150,000, are allowed for all other construction projects. (*These do not require a County Board Resolution or a Board Memo explanation.*) A Board Resolution is required when the change order exceeds the \$50,000 cumulative total, with the exceptions noted in *Section VI.A.1.c. and VI.B.*
 - b. Any contract change orders over the \$150,000 cumulative amount, on any construction project, may be approved by the Public Works Director on projects administered by the Public Works Department, or the director of purchasing for all other projects; if the additional work is required to complete the project, it shall be reported with a detailed

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explanation to the County Board in the form of a Board Memo within 5 working days after approval. A County Board Resolution is not required if authority to make the payment has already been granted by the Public Works Director or the director of purchasing. (*Resolution No. 91-867*) Road and bridge projects administered by the Public Works Department shall be treated separately as detailed in *Section VI.B*.

- c. The "Project Change Order Approval Requirements Flow Chart," with its procedures and requirements as identified and listed in Appendix A, is incorporated herein by reference, as part of these Purchasing Rules and Regulations.
2. **Scope of Work.** A change to the scope of work of a project (i.e. work desired, but not required to complete the project) is not considered a "Change Order" for the purposes of this section, and must be addressed separately under normal purchasing procedures.
3. **Approval Requirements.** County Board approval is required if the amendment that increases the amount of money spent pursuant to the contract exceeds the original County Board authority, budget, or exceeds the amount that can be spent without Board approval if there was not Board approval for the original contract.

B. PUBLIC WORKS ROAD AND BRIDGE CONTRACT CHANGES

1. **Items Required to Complete a Project.** Any contract change orders may be approved by the Highway Engineer/Public Works Director for road and bridge projects if the additional work is required to complete the project, but shall be reported with a detailed explanation to the County Board in the form of a Board Memo within 30 days of the project closeout.
2. **Extra Work.** When in the best interest of the County, on road and bridge projects the Public Works Director/Highway Engineer has the authority to quote out or negotiate extra work valued at less than \$150,000 with contractors already working in the geographic area, provided sufficient funds exist in the Public Works Department budget. The Public Works Director/Highway Engineer will report with a detailed explanation to the County Board in the form of a Board Memo within 30 days of the acceptance of a contractor and price for the extra work. All work shall comply with St. Louis County Public Works Department and Minnesota Department of Transportation rules, procedures and specifications.

C. CANCELLATION AND TERMINATION OF CONTRACTS

1. Should the purchase or contract for any supplies, materials, equipment or contractual services, or the sale of surplus, obsolete, or unusable supplies, materials or equipment be contrary to the provisions of *Minn. Stat. § 375.72 to 375.76*, or the rules and regulations made thereunder the purchase or contract is voidable.
2. At the request of a using department or agency, the director of purchasing or designee may cancel a purchase order or contract for any of the following conditions:

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- a. Failure of the vendor to perform or breach of contract by the vendor, or any other reason specified in the applicable purchase order or contract.
- b. Product(s) or service(s) is no longer required and the contract allows cancellation without penalty.

D. DEBARMENT

Suspension and Debarment (Disqualification) of Contractors (*Minn. Stat. § 161.315*)

- 1. **Purpose.** The purpose of this section is to provide for the suspension and debarment of any person or firm from consideration for awards for St. Louis County contracts. This action shall be based upon certain types of criminal convictions, civil judgments or contract violations, or for any other cause.
- 2. **Causes for Debarment or Suspension.** The causes for debarment or suspension include, but are not limited to, the following:
 - a. Conviction of any person or subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in performance of such contract or subcontract;
 - b. Conviction of any person or any subsidiary or affiliate of any person under any statute of the federal government, this state or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of property.
 - c. Conviction of any person or any subsidiary or affiliate of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a St. Louis County contractor;
 - d. Conviction or a civil judgment finding a violation by any person or any subsidiary or affiliate of any person under state or federal antitrust statutes;
 - e. Violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, including, but not limited to, the following:
 - i. Knowingly failing without good cause to perform in accordance with the specifications or within the time limits provided in;
 - ii. Failure to perform or unsatisfactory performance with the terms of one or more contracts, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.

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3. **Written Determinations.** A written determination to debar or suspend shall be issued and contain:
 - a. The reasons for the action taken;
 - b. The action taken and the effective date and length of time the action shall be in effect;
 - c. Inform any debarred or suspended party involved of their right to administrative appeal.
 - d. A copy of the decision shall be mailed or otherwise furnished to any debarred or suspended party.
 - e. A vendor may apply for re-instatement at any time after the period of debarment has expired.
4. **Authority to Debar or Suspend.** The director of purchasing is delegated authority to debar or suspend a party from participating in county contracts.
5. **Period of Debarment.** The period of time for debarment shall not exceed three (3) years from the date of the determination. If debarment is based solely upon debarment by another governmental agency, the period of debarment may run concurrently with the period established by the other debarring agency.
6. **Documentation Requirements.**
 - a. Each solicitation and/or contract drafted by St. Louis County and funded by federal dollars will include a paragraph regarding vendors self-certifying that:
 - i. they are not currently under suspension, debarment, voluntary exclusion or determination of ineligibility by any government agency;
 - ii. they do not have a proposed debarment pending; and
 - iii. they have not been indicted, convicted, or had a civil judgment rendered against any person, firm, association, or corporation by a court of competent jurisdiction on any manner involving fraud, or official misconduct within the past three years.
 - b. Contracts funded by federal dollars, that are not drafted by St. Louis County shall require verification that the vendor is not on the debarred list located at www.sam.gov .

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E. APPEALS AND REMEDIES

1. **Protests.** Any actual or prospective bidder or contractor who is aggrieved in connection with the solicitation or award of a contract, may protest to the director of purchasing. The protest shall be submitted in writing within ten (10) calendar days of bid opening. The director of purchasing shall have the authority to settle and resolve a protest of an aggrieved bidder or contractor, actual or prospective, concerning the solicitation or award of the contract.
2. **Change Order Decisions.** If a protest is brought pursuant to Subsection A of this Section (Change Orders and Amendments) is not resolved by mutual agreement, the director of purchasing shall promptly issue a decision in writing. A copy of the decision shall be mailed or otherwise furnished immediately to the protestant or claimant and any other party intervening. The decision shall state the reasons for the action taken.
3. **Debarment Decisions.** A decision made under Subsection D of this Section (Debarment), shall be final and conclusive, unless within five (5) calendar days from the date of receipt of the decision, the protestant or claimant files a written appeal with the County Administrator.
4. **Contract Claims.** All claims by a contractor against the County relating to a contract shall be submitted in writing to the director of purchasing. The contractor may request a conference with the director of purchasing on a submitted claim. Claims include, without limitation, disputes arising under a contract and those based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission.

The director of purchasing, after consulting with the County Attorney, shall have the authority to resolve contract claims, subject to the approval of the director of purchasing, as applicable, regarding any settlement that will result in a change order or contract modification.
5. **Authority of the County Administrator.** The County Administrator shall have the jurisdiction to review and determine any appeal by an aggrieved party from a determination by the director of purchasing regarding a protest or contract claim. Such decision shall be final and conclusive.

VII. UNIFORM GUIDANCE PROCUREMENT POLICY APPLICABLE TO FEDERAL MONIES

A. § 200.318 GENERAL PROCUREMENT STANDARDS

1. The County shall use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
2. The County shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

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3. The County shall maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, awards and administration of contracts. No employee, officer, or agent of the County must participate in the selection, award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer or agent, any member of his her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the County must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the County may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non- Federal entity.
 - a. If the County has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. – “Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the County is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.”
4. The County’s procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
5. To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the County shall consider entering into state and local intergovernmental agreements or inter- entity agreements where appropriate for procurement or use of common or shared goods and services.
6. The County shall consider using Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
7. The County shall consider using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

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8. The County shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also VI.D.
9. The County shall maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
10. The County may use a time and material type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to the County is the sum of:
 - a. The actual cost of materials; and
 - b. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - c. Since the formula generates an open-ended contract price, a time- and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the County awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
11. The County alone shall be responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. These standards do not relieve the County of any contractual responsibilities under its contracts. The federal awarding agency will not substitute its judgement for that of the County unless the matter is primarily a federal concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

B. § 200.319 COMPETITION

1. All Procurement transactions shall be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - a. Placing unreasonable requirements on firms in order for them to qualify to do business;
 - b. Requiring unnecessary experience and excessive bonding;

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- c. Noncompetitive pricing practices between firms or between affiliated companies;
 - d. Noncompetitive contracts to consultants that are on retainer contracts;
 - e. Organizational conflicts of interest;
 - f. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurements; and
 - g. Any arbitrary action in the procurement process.
2. The County shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local or tribal, geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
3. The County shall adhere to the following procedures for procurement transactions. All solicitations shall:
- a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use; and
 - b. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - c. The County shall identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
4. The County shall ensure that all prequalified list of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also the County shall not preclude potential bidders from qualifying during the solicitation period.

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C. § 200.320 METHODS OF PROCUREMENT TO BE FOLLOWED

The County shall use one of the following methods of procurement:

1. **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000 § 200.67 Micro-purchase. To the extent practicable, the County shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the County considers the price to be reasonable. *(Resolution 18-749)*
2. **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
3. **Procurement by sealed bids (formal advertising).** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (3)(a.) of this section apply.
 - a. In order for sealed bidding to be feasible, the following conditions should be present:
 - i. A complete, adequate, and realistic specification or purchase description is available;
 - ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
 - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - b. If sealed bids are used, the following requirements apply:
 - i. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - iii. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

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- iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - v. Any or all bids may be rejected if there is a sound documented reason.
- 4. **Procurement by competitive proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - a. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals shall be solicited from an adequate number of qualified sources;
 - c. The County shall have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The County may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- 5. **Procurement by noncompetitive proposals.** Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

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- c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the County; or
- d. After solicitation of a number of sources, competition is determined inadequate.

D. § 200.321 CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

- 1. The County shall take all necessary affirmative steps to assure those minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- 2. Affirmative steps must include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (a) through (e) of this section

E. § 200.322 PROCUREMENT OF RECOVERED MATERIALS

- 1. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

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F. § 200.323 CONTRACT COST AND PRICE

1. The County shall perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the County must make independent estimates before receiving bids or proposals.
2. The County shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
3. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E - Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
4. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

G. § 200.324 FEDERAL AWARDING AGENCY OR PASS-THROUGH ENTITY REVIEW

1. The County shall make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the County desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
2. The County shall make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - a. The County's procurement procedures or operation fails to comply with the procurement standards in this part;
 - b. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - c. The procurement, which is expected to exceed the Simplified

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- acquisition Threshold, specifies a “brand name” product;
- d. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
3. The County is exempt from the pre-procurement review in paragraph 2 of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
- a. The County may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
 - b. The County may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self- certification procedure, the Federal awarding agency may rely on written assurances from the County that it is complying with these standards. The County must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

H. § 200.325 BONDING REQUIREMENTS

1. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the County provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:
- a. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
 - b. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

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- c. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

I. § 200.326 CONTRACT PROVISIONS

- 1. The County’s contracts must contain the applicable provisions described in Appendix II to Part 200 - Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

Appendix A

St. Louis County Single Source or Sole Source Procurement Justification

This form must be approved by the purchasing director for any sole source or single source. The purpose of this justification is to demonstrate why it is impractical or impossible to seek competitive bids for this purchase.

Definitions as per National Institute of Governmental Purchasing Inc. (NIGP).

Check the appropriate box.

- Single Source** – A procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.
- Sole Source** – A situation created due to the inability to obtain competition. This may result because only one vendor or supplier possesses the unique ability or capability to meet the particular requirements of the solicitation.

Estimated amount of this purchase \$ _____ Term: _____

Answer the following questions on a separate sheet in detail (referencing each question by number):

1. Provide name, address, and contact information of proposed vendor.
2. What is it about this purchase that makes it unique? (*i.e., patents/copyrights, need compatibility with existing equipment/system, space constraints, must match equipment with another public jurisdiction.*)
3. What steps have you taken to determine this is the only product/service that will meet your particular needs? (*i.e., professional opinions/correspondence, personal visits or correspondence with vendor, other institutions that have installed the same product, other site visitations, etc.*)
4. Will this purchase tie St. Louis County to this particular vendor for future purchases? (*Either in terms of maintenance that only this vendor will be able to perform and/or if we purchase this item, will we then need more "like" items in the future to match this one?*)
5. On your attachment, please affirmatively state, "**No other vendor can provide the same or a similar product/service,**" and enclose any other information which will help make the determination that this is a single or sole source procurement.

I am aware that Minnesota statutes require procurements to be competitively bid whenever practicable. The preceding statements are complete and accurate, based on my professional judgment and investigations. I also certify that no personal advantage will accrue to me or any member of my immediate family as a result of this procurement.

Department Head: _____
(Print Name)

Department Head: _____ / /
(Signature) (Date)

Purchasing Director: _____ / /
(Signature) (Date)

Department Contact: _____
(Name) (Phone)

Staff Assigned to Project: _____ / /
(Name) (Date)

Contract Requirements

Type of Contract	Solicitation Requirements	Approval Required	Signatures Required	Authority
Property Lease <ul style="list-style-type: none"> County as LESSOR 	Formal Bidding if > \$15,000 a year	County Board Resolution	Chair of Board County Auditor County Attorney	M.S. § 373.01 subd. 1(5)
<ul style="list-style-type: none"> County as LESSEE 	Direct Negotiation	County Board Resolution	Chair of Board County Auditor County Attorney	M.S. § 373.01 subd. 1(5)
<ul style="list-style-type: none"> Renewals as LESSOR or LESSEE 	N/A	Director of Property Management Department Head	Director of Property Management Department Head County Attorney	Purchasing Rules and Regulations
Insurance	Direct Negotiation	County Board Resolution	Purchasing Director	M.S. § 375.72-76
Emergency Purchases / Repairs <ul style="list-style-type: none"> ≤ \$150,000 	N/A	Department Head Purchasing Director	Purchasing Director	Purchasing Rules and Regulations
<ul style="list-style-type: none"> > \$150,000 	N/A	Department Head Purchasing Director County Board Resolution for ratification at next meeting	Purchasing Director	Purchasing Rules and Regulations M.S. § 375.21, .22, .75
A/E Contracts <ul style="list-style-type: none"> ≤ \$25,000 	Direct Negotiation	Department Head Purchasing Director	Department Head County Attorney	Purchasing Rules and Regulations
<ul style="list-style-type: none"> > \$25,000 - \$50,000 	Open Market (2 Quotes Minimum)	Department Head Purchasing Director Property Manager	Department Head County Attorney	Purchasing Rules and Regulations
<ul style="list-style-type: none"> > \$50,000 	Request for Proposal	County Board Resolution	Department Head Chair of Board County Auditor County Attorney	Purchasing Rules and Regulations
Initial Software Licensing <ul style="list-style-type: none"> ≤ \$150,000 	Open Market (2 Quotes Minimum)	IT Review Department Head	IT Director Department Head County Attorney	Purchasing Rules and Regulations
<ul style="list-style-type: none"> > \$150,000 	Request for Proposal	IT Review County Board Resolution	Department Head IT Director Chair of Board County Auditor County Attorney	Purchasing Rules and Regulations
All Other - Including Construction <ul style="list-style-type: none"> ≤ \$25,000 	Direct Negotiation	Department Head	Department Head County Attorney	Purchasing Rules and Regulations; M.S. § 471.345
<ul style="list-style-type: none"> > \$25,000 - \$150,000 **at \$50,000 must go through Purchasing 	Open Market (2 Quotes Minimum)	Department Head Purchasing Director	Department Head County Attorney	Purchasing Rules and Regulations M.S. § 471.345
<ul style="list-style-type: none"> > \$150,000 	Formal Bidding	County Board Resolution	Chair of Board County Auditor County Attorney	Purchasing Rules and Regulations M.S. § 471.345
Construction Manager At Risk - (CMAR)	Request for Proposal	County Board Resolution	Chair of Board County Auditor County Attorney	M.S. § 471.345 M.S. § 16C.34, subd. 2,3
MN State Contracting <ul style="list-style-type: none"> > \$25,000 - \$150,000 **at \$50,000 must go through Purchasing 	N/A	Department Head Purchasing Director	N/A	Purchasing Rules and Regulations
<ul style="list-style-type: none"> > \$150,000 	N/A	County Board Resolution	Chair of Board County Auditor County Attorney	Purchasing Rules and Regulations M.S. § 471.345

Note: All contracts, except Emergency Purchases/Repairs, are subject to prior review by the County Attorney or designee for approval as to form and execution. A copy shall be filed with the originating department.

Contract Routing

Department: _____

Contact Person: _____

Contract With: _____

Purpose: _____

Type of Contract: _____
(see reverse)

Contact person shall indicate (with X) persons who must review and sign.

COUNTY ATTORNEY MUST BE THE LAST TO SIGN ALL CONTRACTS.

I. CONTRACT DRAFT OR PROPOSAL

<u>Review and Approval</u>	<u>Initial</u>	<u>Date</u>
_____ Purchasing Division	_____	_____
File No.		
_____ County Attorney Draft/Review	_____	_____
Damion No.		
_____ Department Head Review	_____	_____
County Board Authorization if Applicable _____		
Resolution No.		

Adopted		
MUST BE ATTACHED		

II. CONTRACT EXECUTION

<u>Must Sign if X</u>	<u>Date</u>
<input checked="" type="checkbox"/> Contractor	_____
_____ Department Head	_____
_____ Purchasing Director	_____
_____ County Board Chairperson	_____
_____ Auditor	_____
<input checked="" type="checkbox"/> County Attorney	_____

RETURN THIS FORM, WITH ALL COPIES OF THE FULLY EXECUTED CONTRACT TO CONTACT PERSON LISTED ABOVE. Contact person shall send this form with a copy of completed contract to the Auditor for official file.

Appendix A

Project Change Order Approval Requirements

(Reference: County Board Resolution No. 91-867 included in the Purchasing Rules & Regulations)

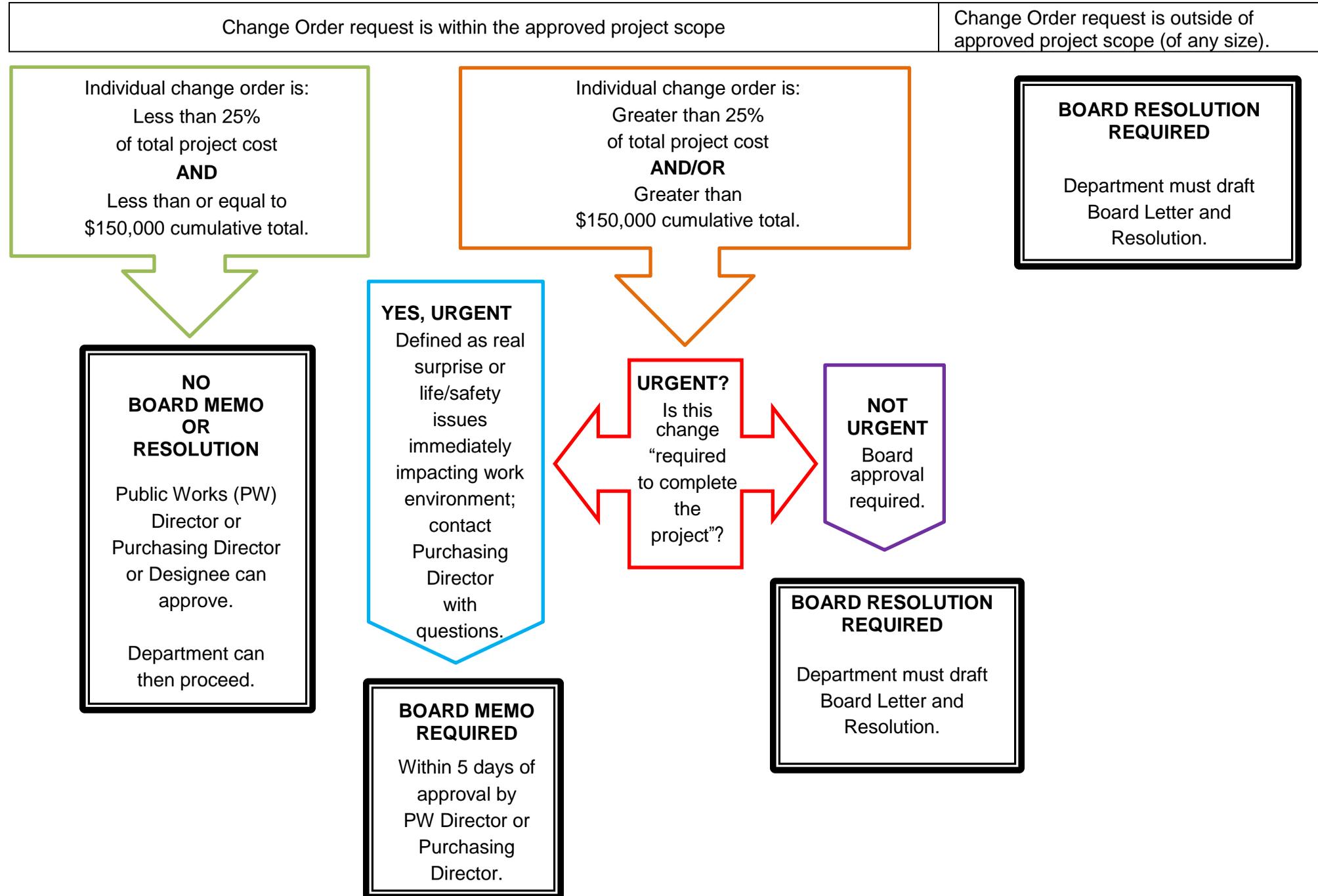


Exhibit A
GRANT APPROVAL FORM

This form must be completed for any and all grants.

SECTION I—GRANT INFORMATION *(to be completed by department's assigned accounting staff)*

Please Note: It is acceptable that some details are later added (once the grant is awarded).

GRANT NAME: _____ **GRANT PERIOD:** _____
(if known) *(begin date)*

GRANTOR: _____ *(end date)*

FUND: _____ **AGENCY:** _____ **GRANT:** _____ **GRANT YEAR:** _____

Indicate the source of funds—*(check all that apply)*

- Local**—Object Code: _____ Amount: _____ Amount: _____
(Apply) *(Accept)*
- Local Agency:** _____
- State**—Object Code: _____ Amount: _____ Amount: _____
(Apply) *(Accept)*
- State Agency:** _____ Award #: _____
- Federal**—Object Code: _____ Amount: _____ Amount: _____
(Apply) *(Accept)*

Grant Agreement (State Contract) #: _____
(if federal dollars are passed through state)

Federal Agency: _____ CFDA#: _____

Federal Agency: _____ CFDA#: _____
(if applicable) *(if applicable)*

Federal Agency: _____ CFDA#: _____
(if applicable) *(if applicable)*

TOTAL GRANT AMOUNT: _____

Expenditure for match amount should be moved into grant code. However, if this is *not* possible, indicate where expenditures will be accounted for.

FUND: _____ AGENCY: _____ OBJECT: _____ PROJECT: _____ AMOUNT: _____
FUND: _____ AGENCY: _____ OBJECT: _____ PROJECT: _____ AMOUNT: _____
FUND: _____ AGENCY: _____ OBJECT: _____ PROJECT: _____ AMOUNT: _____

TOTAL MATCH AMOUNT: _____

ACCOUNTING STAFF *(who is primarily responsible for fiscal oversight of grant):*

NAME: _____ PHONE: _____

DEPARTMENT CONTACT *(who is primarily responsible for program/project outcomes of grant):*

NAME: _____ PHONE: _____

****IMPORTANT****

Please submit this document (SECTION I) to the department contact, providing direction regarding which form should be completed.

- New *(first-time submitted)* or previously-submitted grant—**Complete Form A**
- Request for recurring grant to be included in December Budget Resolution*—**Complete Form B**
- Request for amendment of previously adopted Board Resolution—**Complete Form C**

*Departments must complete **Form B** for any grant (of any amount) that is included in the proposed budget.

SECTION II—APPROVAL (to be completed by department contact)

Form A (New or Previously-Submitted Grant)

PURPOSE: Approval to Apply for Grant—(complete prior to applying for grant award)

Please check the appropriate box:

- New (first-time submitted) grant Previously submitted grant*

*Departments are highly encouraged to request recurring grants (that were previously submitted) to be included in the December Budget Resolution—*Form B*—if dollar amounts do not fluctuate significantly.

STEP #1: Obtain authorization to apply for grant—(required for all grants of any amount)

Dept. Head Authorization: _____
Signature Date

Administrator Authorization: _____
Signature Date

Auditor Authorization: _____
Signature Date

STEP #2: Confirm whether grant amount is greater than \$25,000—

- No** (grant amount is less than or equal to \$25,000)—

Give grant contract (once received) to County Attorney’s Office for review.

Reviewed by: _____
Attorney Name Date

Damion #: _____

- Yes** (grant amount is greater than \$25,000)—

Submit **Section I** (Cover Sheet) of the “Grant Approval Form,” Board Letter and Resolution to Administration to seek County Board approval. It is acceptable that Section I is not completed in its entirety until the grant has been awarded. **NOTE: Board authorization to accept the grant is required** (upon notification of award).

Apply: Board Letter #: _____ **Board Resolution #:** _____ Date Adopted: _____

Accept: Board Letter #: _____ **Board Resolution #:** _____ Date Adopted: _____

STEP #3: Ensure proper documentation is entered into the system, and the appropriate parties are notified.

DEPARTMENT CONTACT: Submit **Section I and II** (Form A) of this “Grant Approval Form,” along with all grant documents (application, award notification, contract, etc.) to the accounting staff person to enter the grant award into the financial system.

ACCOUNTING STAFF: If this grant includes federal funding, please send an electronic copy of **Section I and II** (Form A) of this “Grant Approval Form” as notification to wehselerh@stlouiscountymn.gov with “Federal Funds” in the *Subject* of the e-mail.

SECTION II—APPROVAL (to be completed by department contact)

Form B (Request for recurring grant of any amount to include in December Budget Resolution)

PURPOSE: Request to include grant in December Budget Resolution—

DEADLINE: Signatures must be submitted by November 1.

STEP #1: Obtain authorization to include grant award in December Budget Resolution—

Dept. Head Authorization: _____
Signature Date

Administrator Authorization: _____
Signature Date

Auditor Authorization: _____
Signature Date

STEP #2: Submit **Section I and II** (*Form B*) of this “Grant Approval Form” to the Auditor’s Office to ensure the grant is listed on the December Budget Resolution.

Follow-up information to record—(once grant award notification has been received)

DEADLINE: The following must be completed when the information becomes available:

STEP #3: Record December Budget Resolution Number and Date Adopted.

Board Resolution #: _____ **Date Adopted:** _____

STEP #4: Give grant contract (*once received*) to County Attorney’s Office for review.

Reviewed by: _____
Attorney Name Date

Damion #: _____

STEP #5: Ensure proper documentation is entered into the system, and the appropriate parties are notified.

DEPARTMENT CONTACT: Submit **Section I and II** (*Form B*) of this “Grant Approval Form,” along with all grant documents (application, award notification, contract, etc.) to the accounting staff person to ensure the grant award matches what is in the financial system.

****IMPORTANT****

If the actual grant award amount differs from the amount listed in the December Budget Resolution, complete **Form C**.

ACCOUNTING STAFF: Ensure the grant award amount matches what is in the financial system. If the grant award amount does NOT match what is in the system, instruct the department contact to complete **Form C**. If this grant includes federal funding, please send an electronic copy of **Section I and II** (*Form B*) of this “Grant Approval Form” as notification to wehselerh@stlouiscountymn.gov with “Federal Funds” in the *Subject* of the e-mail.

SECTION II—APPROVAL (to be completed by department contact)
Form C (Request for amendment of previously adopted Board Resolution)

PURPOSE: Approval to Amend Board Resolution—

STEP #1: Indicate the difference of the actual grant amount from the amount listed on the adopted Board Resolution:

Original Board Resolution #: _____

ORIGINAL GRANT AMOUNT: _____
(initially approved)

ACTUAL GRANT AMOUNT: _____

CHANGE IN AMOUNT = _____

STEP #2: Please make note of any additional differences in the grant award than what had originally been submitted.

STEP #3: Confirm whether the difference (increase/decrease) in amount of the grant award is greater than \$25,000—

- No**—(grant difference amount is less than or equal to \$25,000)—Notify Auditor’s Office (with subject line “Quarterly Budget Resolution”) to ensure grant award is listed on Quarterly Budget Resolution.
- Yes**—(grant difference amount is greater than \$25,000)—Submit all completed sections of the “Grant Approval Form,” **new** Board Letter and Resolution to Administration to seek County Board approval.

New Board Letter #: _____

New Board Resolution #: _____ Date Adopted: _____

STEP #4: Give grant contract (once received) to County Attorney’s Office for review.

Reviewed by: _____
Attorney Name Date

Damion #: _____

STEP #5: Ensure proper documentation is entered into the system, and the appropriate parties are notified.

DEPARTMENT CONTACT: Submit all completed sections of this “Grant Approval Form,” along with all grant documents (application, award notification, contract, etc.) to the accounting staff person to enter the grant award into the financial system.

ACCOUNTING STAFF: Adjust system according to new grant amount. If this grant includes federal funding, please send an electronic copy of **Section I and II** (Form C) of this “Grant Approval Form” as notification to wehselerh@stlouiscountymn.gov with “Federal Funds” in the *Subject* of the e-mail.

Appendix B

St. Louis County Board Resolutions

*“St. Louis County Purchasing Rules and Regulations,” adopted by the St. Louis County Board by Resolution No 19-106, dated February 12, 2019, includes citations for resolutions noted in Appendix B. These resolutions are provided for **historical reference**. Adoption of these rules modifies some resolutions to reflect inflationary increases over time, and incorporates technical advances and preferred methodologies.*

RESOLUTION NO. 73-141, Adopted March 12, 1973

RESOLVED, That Resolution No. 69-142 adopted by the County Board of Commissioners of St. Louis County on March 24, 1969 is hereby amended to read as follows:

“RESOLVED, That the specifications in all contracts made by the County for construction work of any and every kind shall require payment by contractors to tradespeople and laborers working on the project at wages at the prevailing rate for the area where the construction work is being done.”

RESOLUTION NO. 84-519, Adopted July 23, 1984

WHEREAS, The St. Louis County Board wishes to adopt a uniform policy on time payment purchases;

RESOLVED, That any lease/purchase agreement or other form of time payment agreement for the acquisition of personal property must be approved by the County Board as a time payment purchase in its annual County budget or specifically approved as a time payment purchase by County Board resolution prior to requisition.

RESOLVED FURTHER, That all such agreements must specifically limit the seller's remedy against St. Louis County for non-payment of installments of the purchase price to recovery of the property that is the subject of the agreement.

RESOLVED FURTHER, That the Purchasing Agent is hereby authorized and directed to incorporate a copy of this resolution into any bid request providing for payment beyond one budget year.

RESOLUTION NO. 88-381, Adopted May 24, 1988

RESOLVED, That pursuant to Minnesota Statutes, the St. Louis County Board of Commissioners hereby delegates the authority for setting the date for the calling of bids on projects approved in the budget for capital improvements in the Highway Department to the Highway Engineer.

RESOLVED FURTHER, That County Board approval continues to be required for the calling of bids on projects which have not been approved in the budget.

RESOLVED FURTHER, That County Board approval continues to be required for the awarding of bids on all projects.

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RESOLUTION NO. 91-867, Adopted November 5, 1991

RESOLVED, That the Highway Engineer/Public Works Director is hereby authorized to approve contract change orders for public works road construction projects, and the Purchasing Agent for all other projects, as follows:

1. Change orders for a project total of \$12,500 for construction projects of less than \$50,000.
2. Change orders for 25 percent of project cost not to exceed \$50,000 total for all other construction projects.

RESOLVED FURTHER, That any contract change orders over this authorized amount may be approved by the Highway Engineer/Public Works Director or Purchasing Agent, as designated, if required to complete the project, but shall be reported with detailed explanation to the County Board within five working days after approval.

RESOLVED FURTHER, That this resolution is subject to any authority granted by subsequent contract of the County Board.

RESOLUTION NO. 92-66, Adopted January 21, 1992

RESOLVED, That the St. Louis County Board of Commissioners hereby designates and sets aside for awarding contracts to rehabilitation facilities an amount equal to one-half of one percent of the value of the County's anticipated total procurement of goods and services as a targeted procurement volume of goods and services to be received from qualified rehabilitation facilities.

RESOLVED FURTHER, That procurement of goods and services from such qualified rehabilitation facilities shall be awarded to said facilities. If the cost does not exceed by more than five percent, the estimated cost of goods or services or the bid price of the lowest solicited bid for such goods or services.

RESOLVED FURTHER, That the Purchasing Agent is hereby directed to develop purchasing rules and regulations for implementation of target procurement from qualified rehabilitation facilities. Said rules and regulations to be subject to County Board approval.

RESOLUTION NO. 98-369, Adopted May 5, 1998

RESOLVED, That the St. Louis County Board of Commissioners authorizes all County departments to transfer their obsolete, surplus, and unusable computer components to the Management Information Systems Department and authorizes that department to donate those computer components to approved end users consistent with Minnesota Statutes 471.85.

RESOLUTION NO. 00-651, Adopted September 26, 2000

RESOLVED, That section 25 of the Purchasing Rules and Regulations adopted in 1998 is hereby amended as follows:

OBSOLETE, UNUSED, OR SURPLUS EQUIPMENT

The Purchasing Agent is authorized to transfer to or between County departments, boards, commissions, and agencies supplies, materials and equipment which are surplus with one department, board, commission, or agency but which may be needed by another or others and for property not needed by any department for the disposal by sale, after receipt of competitive bids for property valued at \$15,000 or

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more, or by sale on the open market for property valued at less than \$15,000 of supplies, materials and equipment which are surplus, obsolete or unused.

The transfer or sale of surplus, obsolete or unused, personal property to another public corporation for public use must be approved by the County Board. (Minnesota Statutes Section 471.85)

All County departments are authorized to transfer their obsolete, surplus and unusable computer components to the Management Information Systems Department for disposal in accordance with Resolution No. 369, adopted May 5, 1998, and Minnesota Statutes, Section 471.85.

RESOLVED FURTHER, That small items valued at less than \$15,000 such as furniture, supplies, and equipment, will go to the Salvation Army Thrift Store for sale pursuant to an agreement with the Salvation Army. After any item is sold, the Auditor's Department will be notified and the item will be removed from the list of County assets.

RESOLUTION NO. 04-127, Adopted February 24, 2004

WHEREAS, The Purchasing Department has prepared bid specifications for new 2004 vehicles up to one ton capacity; and

WHEREAS, Bids were received and compared with the State of Minnesota contracts as they became available; and

WHEREAS, Several vehicles were priced lower on the State of Minnesota contracts; and

WHEREAS, local qualifying bids within \$300.00 of the State of Minnesota Contract prices will be awarded to local bidders; and

WHEREAS, build-out dates are often announced with short lead times for placing orders;

NOW THEREFORE BE IT RESOLVED, That the Director of Purchasing is hereby authorized to purchase, in accordance with the specifications of Bid No. 4428, and State of Minnesota Contract Releases, 2004 vehicles as follows:

- 1.0 Six (6) Class III, full-size, four door sedans, with police package...
- 2.0 Deleted
- 3.0 One (1) Class IIA, mid-size, four door sedan...
- 3.1 One (1) Class IIA, mid-size, four door sedan...
- 3.2 One (1) Class IIA, mid-size, four door sedan...

RESOLUTION NO. 04-255, Adopted May 4, 2004

WHEREAS, The St. Louis County Board of Commissioners is desirous of efficient and timely completion of construction projects undertaken by St. Louis County; and

WHEREAS, The courts have upheld the implementation of project labor agreements for public projects; and

WHEREAS, Project labor agreements facilitate the timely completion of projects by: making available a ready and adequate supply of skilled craft workers; providing a negotiated

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commitment which is a legally enforceable means of assuring labor stability and labor peace over the life of a project; avoiding work stoppage following expiration of a collective bargaining agreement between the union and an employer performing work on the project and facilitating equal employment opportunities on a project.

NOW, THEREFORE, BE IT RESOLVED, That project labor agreements be utilized by the County for all future construction projects, in excess of \$150,000, unless otherwise prohibited by law.

RELOVED FURTHER, That the St. Louis County Board of Commissioners hereby directs the St. Louis County Purchasing Director to utilize the Project Labor Agreement, identified as County Board File No. 58235, or a variation of the Agreement approved by the St. Louis County Attorney, for all future construction projects in excess of \$150,000.

RESOLVED FURTHER, That the Purchasing Director shall implement the Project Labor Agreement by requiring adherence to the Agreement in the bid specifications an all relevant bid documents.

RESOLUTION NO. 04-534, Adopted October 12, 2004

RESOLVED, That the St. Louis County Board hereby rescinds Resolution No. 599, dated August 4, 1998.

RESOLVED FURTHER, That the St. Louis County Board delegates contracting authority to the Director of Public Health and Human Services in the following situations:

1. No county dollars are expended
2. The Fraud Prevention Investigation Grant
3. Non-Financial Agreements
4. Cooperative agreements with other county departments and Arrowhead Regional Corrections
5. Contracts under \$25,000

RESOLUTION NO. 06-24, Adopted January 3, 2006 (Amendment)

NOW, THEREFORE, IT IS MOVED, That Resolution No. 24, adopted January 3, 2006, be reconsidered to:

Delete: RESOLVED FURTHER, that the County Board directs after six months starting July 1, 2006, all Requests for Bids, Requests for Proposals and Requests for Information will only be advertised on the St. Louis County web page.

Add: RESOLVED FURTHER, that the County Board directs after six months starting July 1, 2006, all Requests for Bids, Requests for Proposals and Requests for Information with the exception of road and bridge projects will only be advertised on the St. Louis County web page.

RESOLUTION NO. 07-65, Adopted February 13, 2007

WHEREAS, The St. Louis County Board of Commissioners desires that County building construction contracts require the use of domestically produced steel and iron products and materials for projects of sufficient value to require formal bidding;

NOW, THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes County Administration, County Attorney, and other appropriate County officials to draft language to be

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used in formally bid building construction projects that require the use of domestic steel and iron materials and components.

RESOLUTION NO. 13-347, Adopted June 4, 2013

WHEREAS, Minn. Stat. § 471.345, Subd. 18, allows counties to accept bids, quotations, and proposals electronically in a form required by the county and further allows counties to accept bids, performance and payment bonds furnished electronically; and

WHEREAS, The St. Louis County Board adopted revised Purchasing Rules and Regulations by Board Resolution No. 08-610 dated November 18, 2008, which, in part, states that all bids, requests for proposals and requests for information shall be posted on an electronic bidding service and that formal bids may be received electronically, with the exception of road and bridge projects; and

WHEREAS, The Minnesota Department of Transportation has been using electronic bidding in excess of 15 years with great success; and

WHEREAS, The incidence of rejected bids can be minimized through the use of an electronic bidding process, thereby ensuring the lowest possible bids on projects;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board directs the Auditor's Office, the Purchasing Division and the Public Works Department to implement an electronic bidding process for Public Works Department road and bridge projects.

RESOLVED FURTHER, That the Purchasing Rules and Regulations shall be modified to prescribe electronic bidding for Public Works Department road and bridge projects, with electronic format being the sole allowable form of bid submission.

RESOLUTION NO. 16-631, Adopted October 11, 2016

WHEREAS, St. Louis County Purchasing Rules and Regulations were revised and adopted by the St. Louis County Board on November 10, 2015 (County Board Resolution No. 15-685); and

WHEREAS, St. Louis County Board Resolution No. 16-181, dated March 22, 2016, acknowledges the need to update the St. Louis County Purchasing Rules and Regulations to comply with the new "Uniform Administrative Requirements for Federal Awards" by January 1, 2017; and

WHEREAS, The addition of proposed "Section VII. UNIFORM GUIDANCE PROCUREMENT POLICY APPLICABLE TO FEDERAL AWARDS" to the St. Louis County Purchasing Rules and Regulations complies with the new federal procurement standards within the "Uniform Administrative Requirements for Federal Awards";

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes "Section VII. UNIFORM GUIDANCE PROCUREMENT POLICY APPLICABLE TO FEDERAL AWARDS" found in County Board File No. 60463 as an addendum to the 2015 St. Louis County Purchasing Rules and Regulations in compliance with the "Uniform Administrative Requirements for Federal Awards", effective December 31, 2016.

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RESOLUTION NO. 17-720, Adopted April 4, 2017

WHEREAS, St. Louis County Purchasing Rules and Regulations were revised and adopted by the St. Louis County Board on October 11, 2016 (County Board Resolution No. 16-631); and

WHEREAS, The St. Louis County Board acknowledged at its March 21, 2017 Board Workshop the need to update the St Louis County Purchasing Rules and Regulations to address prevailing wage requirements associated with demolition contracts; and

WHEREAS, The St. Louis County Purchasing Rules and Regulations have been updated to add prevailing wage requirements to certain demolition projects as well as other revisions recommended by the Purchasing Division;

THEREFORE, BE IT RESOLVED, That the St. Louis County adopts requirements that wages paid on all county demolition work must be at the prevailing rate for the area when the demolition project is associated with a county construction project or if the demolition project is anticipated to be in excess of \$100,000.

RESOLVED FURTHER, That documentation of wages may be required from any successful bidder and payroll records must be maintained.

RESOLVED FURTHER, That documentation of wages may be required from any successful bidder and payroll records must be maintained.

RESOLUTION NO. 17-645, Adopted November 7, 2017

WHEREAS, St. Louis County Purchasing Rules and Regulations were revised and adopted by the St. Louis County Board on March 28, 2017 (County Board Resolution No. 16-631); and

WHEREAS, St. Louis County has experienced increased demolition and deconstruction activity as a result of the County's focus on blighted properties; and

WHEREAS, The County Board acknowledged at its March 21, 2017 Board Workshop the need to update the St. Louis County Purchasing Rules and Regulations to address prevailing wage requirements associated with demolition contracts; and

WHEREAS, The St. Louis County Purchasing Rules and Regulations include prevailing wage requirements associated with certain demolition contracts but do not require project labor agreements for certain projects;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board directs staff to revise the St. Louis County Purchasing Rules and Regulations such that project labor agreements be required on all demolition/deconstruction work/projects estimated to be in excess of \$150,000.

RESOLUTION NO. 18-749, Adopted December 18, 2018

WHEREAS, St. Louis County Purchasing Rules and Regulations were most recently revised and adopted by the County Board in March 2017, Resolution No. 17-220, and amended in November 2017, Resolution No. 17-645; and

WHEREAS, The County Auditor has identified a change related to the Uniform Guidance rules regarding thresholds for micro-purchases;

Appendix B

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves an amendment to the St. Louis County Purchasing Rules and Regulations which would amend the section of the Policy addressing methods of procurement by micro-purchase by increasing the amount from \$3,000 to \$10,000 and as found in County Board File No. 60951.

RESOLUTION NO. 19-106, Adopted February 12, 2019

WHEREAS, St. Louis County Purchasing Rules and Regulations were revised and adopted by the County Board on November 7, 2017 (Resolution No. 17-645); and

WHEREAS, The St. Louis County Board acknowledged at its January 15, 2019 Board workshop the need to update the St. Louis County Purchasing Rules and Regulations to address a number of substantive changes; and

WHEREAS, The St. Louis County Purchasing Rules and Regulations have been updated to address the following substantive modifications as well as other technical revisions recommended by the Purchasing Director.

- Allows the director of purchasing to make a final determination in instances where the rules are silent;
- Establishes a bidding threshold and Board approval threshold for contracts at \$150,000, with the exception of architect and engineering contracts, which require Board approval at \$50,000;
- Grants authority for Public Works to enter into cooperative agreements with townships and cities for maintenance agreements without the requirement for specific Board approval prior to entering into the agreements;
- Authority for Public Health and Human Services to change their contracting authority to refer to county levy dollars versus county dollars;
- Establishes a requirement for renewable contracts, referred to as “evergreen contracts”, to require Board approval for continuation, regardless of value;
- removes Professional Services as a contract type;
- updates a purchasing form reference from “Sole Source” to “Single or Sole Source Purchasing”;
- adds an employee Conflict of Interest clause under the Surplus Property sales;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board adopts the changes and amendments to the St. Louis County Purchasing Rules as discussed above;

RESOLVED FURTHER, That the revised St. Louis County Purchasing Rules and Regulations found in County Board File No. 60990 are approved.

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RESOLUTION NO. 19-549, Adopted September 10, 2019

WHEREAS, Small businesses employ 47.5% of all workers in the United States; an

WHEREAS, Business properties in St. Louis County account for over \$34 million in property taxes annually, and

WHEREAS, In the first 15 weeks of 2019 alone, there were nearly 6,000 store closures throughout the United States as a result of online purchases, higher than the number in all of 2018; and

WHEREAS, St. Louis County Purchasing Rules and Regulations were revised and adopted by the County Board on February 12, 2019 (Resolution 19-106); and

WHEREAS, Such Rules and Regulations address the process and procedures for purchasing under the authorities provided under Minnesota Statutes; and

WHEREAS, The St. Louis County Board has consistently supported local purchasing at all levels;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board of Commissioners hereby directs all employees of St. Louis County to make every effort to purchase products necessary to

RESOLUTION NO. 19-704, Adopted December 17, 2019

WHEREAS, The St. Louis county Purchasing Rules and Regulations were revised and adopted by the County Board on February 12, 2019 (Resolution No. 19-106); and

WHEREAS, Several changes are requested to keep the Purchasing Rules current and in compliance with federal regulations; and

WHEREAS, Board File No. 61180 includes explanations for all changes and the new revised paragraphs;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board adopts the changes to the St. Louis County Purchasing Rules as found in County Board File No. 61180.

Appendix C

APPENDIX II TO PART 200 CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS

In addition to other provisions required by the Federal agency or County, all contracts made by the County under the Federal award shall contain provisions covering the following, if applicable.

1. Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the County including the manner by which it will be effected and the basis for settlement.
3. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by the County must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The County shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The County shall report all suspected or reported violations to the Federal awarding agency. The contracts shall also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The County shall report all suspected or reported violations to the Federal awarding agency.
5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the County in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of

Appendix C

not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.G. 6201 (/uscode/text/2/6201)).
9. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
10. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
11. See §200.322 Procurement of recovered materials.