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# DAKOTA COUNTY POLICIES AND PROCEDURES MANUAL

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## Policy 2740 Procurement

Original Publication Date: 9/1/1991

Revision Date(s): 3/1/1995; 11/1/2016; 10/29/2019

Last Reviewed: 10/29/2019

Department: Finance

Board or Administrative: Board

Related Policies: 2751 Solicitation, Grant & Contract; 3340 Travel on County Business; 3041 Conflict of Interest

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### **POLICY STATEMENT**

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This policy establishes requirements and guidelines for Dakota County management and employees to acquire necessary goods for County-specific operations and to ensure procurement procedures comply with State and Federal laws and regulations. This policy should be read in conjunction with [County Policy 2751 Solicitation, Grant & Contract](#).

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### **SOURCE**

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The County's procurement policy is governed by several statutes. These statutes have been listed and linked throughout the policy.

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### **GENERAL**

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1. General procurement standards:

- County Board Resolution number 87-165 adopted on March 27, 1987, centralized the County procurement functions and authority by designating the Procurement Manager to direct the Procurement Unit and prepare policies and procedures pursuant to and subject to the limitations set forth in Minn. Stat. [§375.72](#), [375.73](#), [375.74](#), [375.75](#) and [375.76](#).
- The County Procurement Manager develops and maintains procedures for the procurement and disposal of supplies, materials, equipment and services. Offices and departments shall follow this policy and any procedures applicable to their office or department unless they receive County Board approval to deviate from them. The established procedures shall comply with applicable State and Federal laws, County Board Resolutions and administrative directives issued by the County Manager and shall be revised as necessary.
- The procedures provide flexibility in the procurement process, identify authority and responsibility for procurement, provide for audit compliance, extend fair and equal opportunity to qualified suppliers, ensure that all necessary affirmative steps are taken to assure minority businesses, women owned businesses, labor surplus area firms, and small businesses are used when possible and are solicited whenever they are potential sources in the procurement process (including the use of services and assistance, as appropriate, of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce),

manage County suppliers, and encourage and provide guidance on environmentally responsible procurement of goods and services.

- Procurements by offices or departments from designated and available Budget Incentive Program (BIP) funds that are projected to exceed the amount established annually by the County Manager require specific approval from the County Manager.

## 2. Competition:

- The County Board favors competition in connection with County procurement, sales, leases, rentals, services and other agreements to which Dakota County is a party. All transactions must be conducted in a manner providing full and open competition consistent with standards set forth in State and Federal law, this policy, and procedures developed pursuant to this policy. Situations that might be considered restrictive of competition include, but are not limited to, the following:
  - i. Placing unreasonable requirements on contractors in order for them to qualify to do business with the County,
  - ii. Requiring unnecessary experience or excessive bonding,
  - iii. Noncompetitive pricing practices between contractors or between affiliated contractors,
  - iv. Noncompetitive contracts to consultants that are on retainer contracts,
  - v. Organizational conflicts of interest,
  - vi. Specifying only a 'brand name' product instead of allowing an equally equivalent product to be offered and describing the performance or other relevant requirements of the procurement to the exclusion of all others, and
  - vii. Arbitrary actions in the procurement process.

## 3. Procurement Requirements and Methods:

- All procurements shall incorporate a clear and accurate description of the technical requirements for the material, product, or service sought. The descriptive language must not, for competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the materials, 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. Detailed product specifications should be avoided, if 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 feature of the "brand name" which must be met must be clearly stated. The procurement shall identify all requirements which must be fulfilled and all other relevant factors used in the evaluation.
- Procurements shall comply with [Policy 2751](#) governing competition as follows:
  - i. Contracts as defined in Minn. Stat. §§ [375.21](#) and [471.345](#)
  - ii. Contracts for work or labor, or to purchase furniture, fixtures, or other property, or to construct or repair roads, bridges or buildings, or the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property, shall be made as follows:

- If valued from \$1 through \$25,000
    - In the open market, using any method to assure favorable pricing including, but not limited to, quotations, Request for Information, Request for Qualifications or through cooperative purchasing.
  - If valued from \$25,001 through \$175,000
    - After soliciting three quotations when possible, or
    - Through the State of Minnesota Cooperative Purchasing Venture, or
    - Through any cooperative purchasing that secures contracts on the basis of competitive bids or quotes from more than one source.
  - If valued in excess of \$175,000
    - After soliciting sealed bids by public notice of Request for Bids, or
    - Through the State of Minnesota Cooperative Purchasing Venture, or
    - Through any cooperative purchasing that secures contracts on the basis of competitive bids or quotes from more than one source.
- iii. Contracts funded in whole or in part with federal grant funds are subject to the Uniform Grant Guidance (UGG) procurement rules, including methods of procurement based on aggregate dollar amount purchases. The dollar values are as follows or as subsequently amended by the UGG:
- Micro-purchases:
    - If valued from \$1 through \$10,000 for supplies or services
      - Through the open market using any method to assure favorable pricing. When practicable, distribution should be equitably among all qualified suppliers.
    - If valued from \$1 through \$2,000 for construction subject to the Davis-Bacon Act (prevailing wage)
      - Through the open market using any method to assure favorable pricing. When practicable, distribution should be equitable among all qualified suppliers.
  - Small purchases:
    - If valued from \$10,001 for supplies or services or \$2,001 for construction subject to the Davis-Bacon Act through \$175,000<sup>1</sup>
      - After soliciting three quotations when possible, or
      - Through the State of Minnesota Cooperative Purchasing Venture, or
      - Through any cooperative purchasing that secures contracts on the basis of competitive bids or quotes from more than one source.
- iv. Other Contracts:
- After soliciting Requests for Proposals or Requests for Qualifications, so far as practicable and reasonable, or
  - Through the State of Minnesota Cooperative Purchasing Venture, or
  - Through any cooperative agreement which secures contracts on the basis of competitive bids or quotes from more than one source, or
  - In the open market.

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<sup>1</sup> The UGG allows up to \$250,000 but purchases subject to Minn. Stat. [§471.345](#) require sealed bids if over \$175,000.

- Exceptions to the above consist of noncompetitive proposals for sole source procurements, in cases of an emergency that does not allow for competitive proposals, upon authorization of the federal funding agency, or if after a number of attempts there is no adequate competition.
- For more information refer to [Policy 2751](#).
- For procedures and user guides refer to the [Procurement page](#) on DC Works.

#### 4. Procurement of Environmentally Preferable Products and Services

- The County shall comply with the environmentally preferable procurement and paper use provisions of Minn. Stat. §[16C.073](#).
- The County supports the procurement of goods and services that have a lesser or reduced impact on human health and the environment when compared with competing products and services serving the same purpose.
- The County will encourage suppliers and vendors to offer environmentally preferable products, supplies and equipment at competitive prices.
- When procuring goods and services, the County will apply and promote the preferred waste management practices listed in Minn. Stat. §[115A.02](#) that, in priority order, result in:
  - Waste and toxicity reduction,
  - Reuse, and
  - Recycled materials.
- Environmental factors to be considered when selecting products and services include: pollutant releases, waste generation, environmental cost of entire product or service life cycle, recyclability, recycled content, energy consumption, depletion of natural resources and potential impact on human health and the environment. The County shall apply procurement practices in employee operations and vendor contracts for goods and services that result in:
  - Reduction of Waste
    - The County shall implement practices that result in reducing the amount of waste generated that do not reduce safety or quality, including those that:
      - Support extending the useful life of products and supplies,
      - Reduce materials used in production and packaging, and
      - Reduce waste at County-sponsored meetings and functions and result in the procurement of fewer products whenever practicable, but without reducing safety or workplace quality, including use of electronic communications instead of printing, and use of reusable, recyclable and/or compostable products.
  - Reduction or Elimination of Toxins and Pollution
    - The County shall implement practices that reduce toxins and pollution through the use of products and supplies whose production, use, and disposal involve fewer hazardous wastes or compounds that have an adverse impact on human health and the environment.
  - Reuse
    - The County shall implement practices that support the longevity of products and supplies or service life cycle, including those that:
      - Use durable, reusable items over disposable items, and

- Reuse items and assets in good condition rather than dispose of them.
  - iv. Strong Recycling Markets
    - The County shall implement practices to minimize the use of virgin materials in products and supplies or service life cycle, including:
      - Whenever practicable, products and supplies with a specific minimum amount or percent of recycled content based on criteria established by governmental or widely respected third party authorities will be specified and procured, and
      - Products and supplies that can be recycled at the end of their useful life.
  - v. Reward Manufacturer Responsibility
    - The County shall support companies or manufacturer product responsibility through the procurement of products and services from companies that take financial and/or physical responsibility for collecting, recycling, reusing, or otherwise safely disposing of their products at the end of their useful life.
  - vi. Reduce water and energy use
    - As practicable, energy-efficient and water-saving products and supplies will be procured.
- The County Manager shall establish and disseminate [Environmentally Preferable Procurement procedures](#) that identify standards for priority products and services based on performance, price and availability.

## 5. Procurement of Meals and Refreshments

- The general authority is Minn. Stat. § [375A.06](#), subd. 4 governing the powers and duties of the County Manager and Minn. Stat. § [375.18](#), subd. 2 governing the general powers of the County Board.
- County divisions/departments may supply meals and/or refreshments at County meetings and functions when necessary for the accomplishment of official County business as defined below. This policy does not apply to the reimbursement of individual County employees who have expended personal funds for their own or others' meals while travelling overnight, travelling outside the nine-county Metro area, or conducting County business with clients that can only be accomplished during mealtime. See [Policy 3340](#) for the County's policies in regard to these areas.
- Meals and refreshments may be considered necessary for the accomplishment of official County business in the following situations:
  - i. Meetings or required work which can only be held at a time and location for which employees have an inadequate opportunity to take a regular mealtime break
  - ii. Public meetings or celebrations
  - iii. Formal employee or volunteer recognition events
  - iv. Events where registration fees are charged
  - v. Other events approved by the County Manager or designee
- When the County provides food, refreshments, not meals, are the norm. Meals should only be offered when required and unavoidable work occurs during mealtime.
- Because the environment in which we live and work influences our food choice, employees are to assure that healthy food and beverage choices are provided when meals or refreshments are procured by the County. Examples of healthy food options include: more fruits and vegetables;

limit added sugars, saturated fat, and sodium; offer whole grain products; offer local products when available, and; provide pitchers or bottles of water. When meals are served, attempt to accommodate special dietary needs.

- Alcohol will not be provided by the County at any event.
- Managers authorizing such expenditures should exercise prudent judgment as to the need and cost of refreshments and especially meals. Prior approval by the division director or elected department head is required before department funds may be expended for meals and refreshments pursuant to this policy.

## 6. Emergency Procurement

- The general authority is Minn. Stat. [§375.75](#) permitting the County Board to authorize any County office, department, or agency to procure supplies, materials, equipment or contractual services on the open market for immediate delivery. Resolution No. 91-724 adopted by the Dakota County Board of Commissioners on November 5, 1991
- The County Board recognizes that emergency procurement requires that the County enter into agreements without complying with contract procedures. Therefore, the County Board authorizes the County Manager to enter into contracts for emergency procurement. Emergency procurement exists when an emergency condition warrants dispensing with advertising for competitive bids or other solicitations. The emergency conditions must be present, immediate and existing, and not a condition which may or may not arise in the future, or a condition which reasonably may be foreseen in time to advertise for bids. The contract must be presented to the County Board for ratification at the next meeting of the County Board, regardless of the amount of the contract.
- For more information on emergency procurement refer to [Policy 2751](#).

## 7. Conflict of Interest

- The general authority is Minn. Stat. [§382.18](#) prohibiting interests in contracts, Minn. Stat. [§ 10A.07](#) regulating conflict of interest, and Minn. Stat. [§10A.071](#) prohibiting the receiving and giving of certain gifts.
- For more information on conflict of interest refer to [Policy 3041](#) and [Policy 2751](#) governing organizational conflict of interest.

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Board Resolution or Manager Signature: Res. 19-781; 10/29/2019

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