



## Policy #2751 Procurement, Contract and Grant

**Version:** 5.0

**Effective Date:** MM/DD/2026

**Board or Administrative:** Board

### Policy Statement

It is the policy of the Dakota County Board of Commissioners to provide direction on the County's procurement, contract, and grant procedures. This policy establishes requirements and guidelines for Dakota County management and employees to acquire necessary goods and services for County-specific operations and to ensure procedures comply with State and Federal laws and regulations. It is the policy of the County to engage in procurement, contracting, and grant management using cost-effective, efficient processes and procedures that bring best overall value to the County and are in compliance with all applicable laws. This policy should be read in conjunction with Policy 2002 Budget Compliance, Policy 3041 Conflict of Interest, and Policy 6010 Cloud Computing.

### Definitions

- "The County" refers to the officers and employees of Dakota County government.
- "The County Board" refers to the Dakota County Board of Commissioners.
- *Amendment*: an agreed addition to, deletion from, correction, or modification to a contract, which includes a change order, which is a type of amendment to a construction construct that modifies quantity, price, or schedule.
- *Approval as to form*: based upon the documentation provided to the attorney in the request for approval of the contract, the attorney has concluded that the agreement on its face includes all terms required by law for the particular agreement and does not include any terms prohibited by law, and will be valid and binding upon execution. Approval as to form doesn't encompass review of the project or program associated with the agreement or approval of the political or discretionary choices that are the responsibility of the department requesting the agreement and subject to County Board policy direction.
- *Authorized Purchaser*: an employee or elected official who is granted specific, formal permission by delegation or by job description to make purchases, place orders, or enter into contracts on behalf of the County.
- *Capital Improvement Program (CIP)*: as defined in Policy 2002, Budget Compliance.

- *Capital Equipment Program (CEP)*: as defined in Policy 2002, Budget Compliance
- *Contract*: a meeting of the minds between two or more parties, usually reduced to writing, that establishes the rights and responsibilities of the parties and includes the consideration for each party to enter into the agreement. Contracts include all County agreements, no matter what they are called, for the procurement of goods, materials, equipment, real or personal property, labor, work, services, or construction, regardless of whether money is exchanged, including an amendment to or extension of a contract. While a purchase order is a contract, it is distinguishable from other written contracts by the brevity and commercial nature of its terms and the application of Article Two of the Uniform Commercial Code to supplement its written terms. For purposes of this policy the term “contract” is synonymous with “agreement.”
- *Cooperative Purchasing Venture (CPV)*: a national municipal association’s purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.
- *County Board Authorized Contract*: a contract that is brought forward by a request for board action and authorized by the Dakota County Board of Commissioners.
- *County Manager*: Dakota County Manager or delegate.
- *Department*: County divisions, departments or offices.
- *Emergency condition*: situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riot, equipment failures or other such similar circumstances. The existence of such condition creates an immediate and serious need for supplies, services or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten: (a) the functioning of County government; (b) the preservation or protection of property; or (c) the health or safety of any person (County Board Resolution No. 91-724). This includes conditions arising from the destruction or impassability of roads or bridges by floods, rain or snow, or other casualty, or from breaking or damaging of any property in the County when public health, safety, or welfare would suffer by delay (Minn. Stat. § [375.21](#)).
- *Grant agreement*: a written contract between two parties, through which the grantor gives a sum of money to the grantee on condition the grantee uses the money for the specific purposes of the grant, often to benefit a third party that is not a party to the grant agreement.
- *Host County Contract*: a written agreement governed by Minn. Stat. § 256.0112, in which a local agency (county or tribe) (“Lead Agency”) executes a contract with a vendor for community social services, and then those terms govern all purchases of the same services by all other local agencies. The County’s use of a Host County Contract requires compliance with the requirements of this policy, unless expressly stated otherwise.
- *Joint Powers Agreement*: a written agreement governed by Minn. Stat. § [471.59](#) where two or more governmental units work together by agreement to exercise any power common to them; or a written agreement between governmental units where one unit performs a service or activity on behalf of another unit(s).

- *Organizational conflict of interest*: a conflict of interest that exists when, because of existing or planned activities or because of relationships with other persons, a contractor is unable or potentially unable to render impartial assistance or advice to the County, or the contractor's objectivity in performing the contract work is or might be otherwise impaired, or the contractor has an unfair competitive advantage.
- *Purchasing-Card (P-card)*: refers to a commercial credit card that allows authorized purchasers to purchase goods under established limits. See Policy 2502, Purchasing Card Administration and Usage.
- *Purchase Order (PO)*: a formal, legally binding document that the County issues to a seller to purchase specific goods or services, detailing the terms, quantities, and prices. It is a key component of the procurement process, creating a record of the transaction and serving as an official offer that becomes a contract once accepted by the supplier.
- *Real property*: land, buildings, permanent fixtures, or permanently installed equipment attached to land or buildings, and easements.
- *Request for Bids*: a solicitation in which the terms, conditions, and specifications are described and responses are not subject to negotiation.
- *Request for Information*: a written request to potential responders to provide information about their goods or services for comparative purposes.
- *Request for Proposals*: a solicitation in which a bid is not required by law or this policy and it is advantageous for the County to be able to negotiate the final scope of services and costs to achieve best value for the County. The County is not required to select the lowest cost proposal but may take into consideration all relevant criteria that will result in the best overall value to the County.
- *Request for Qualifications*: a written request to potential responders to describe their qualifications to provide specified services.
- *Request for Quotes*: a written request to potential suppliers to obtain quotes for procurement of goods and services.
- *Scope of services*: the description of the services, materials, equipment, goods, or labor to be performed or provided by the contractor under the contract.
- *Sealed bid*: a bid that is sealed by the bidder prior to submission to the County and which will not be opened until the date and time for the bid opening.
- *Solicitation*: the act of offering to purchase goods and/or services through a competitive process, whether through Letter of Interest, Inquiries and Networking, Request for Bids, Request for Proposals, Request for Quotes, Request for Qualifications, Request for Information, or any other means.

## Source

The County's procurement, contract and grant policy and procedures are governed by several statutes. These statutes have been listed and linked throughout the policy. Additionally, as required by Minn. Stat. [375.75](#), this Policy will provide the controls necessary for the County to ensure accountability, fiscal responsibility, transparency and compliance when procuring goods and services and accepting grant awards for use of public funds entrusted to Dakota County.

This policy is governed by Dakota County Board Resolution **No.26-xxx**.

## General

1. **GENERAL STANDARDS.** Departments shall follow this policy and any procedures applicable to their 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.
2. **RESPONSIBILITY AND COMPLIANCE.**
  - A. Finance Department.
    - Recommends procurement and grant policy updates to County Manager and County Board.
    - Authorizes and develops procedures that conform with federal requirements, state statute, and policy; provides training and maintains internal controls.
    - Conducts procurement and contract processes responsibly; extending fair and equal opportunities to qualified suppliers.
    - Provides a quarterly contract expenditure report to the County Board identifying contracts executed by Department Delegates of Authority pursuant to section 5. Efficiency, of this policy.
    - Maintains centralized filing system document of record for all County contracts and grants to serve as reference for County administration, departments and audit.
    - Provides contract and grant support and advisory services to Departments.
    - Manages and administers the County's Procurement of goods.
    - Manages and administers the County's Surplus Disposal program.
    - Manages and administers the County's PCard program.
    - Conducts procurement, contract and grant audits and reports variances as appropriate.
  - B. County Departments.
    - Comply with the requirements of this policy and the County's Contract Manual.
    - Adhere to all applicable policies and procedures as referenced in this policy and as described in the County's Contract Manual.
    - Utilize the County's financial systems to manage, verify, and approve all contract and

- procurement information and payments from inception to completion.
  - Utilize approved template agreements for contracts and solicitations as practicable given the particular contract.
  - Conducts solicitation processes responsibly; extending fair and equal opportunities to qualified suppliers.
  - Contacts assigned attorney in the County Attorney's Office as needed for legal advice.
  - 3. Comply with County insurance and indemnification terms. Insurance and indemnification terms must be included in all Requests for Proposals (RFPs), Requests for Quotes (RFQs), and contracts as applicable. Any requests for changes, considerations, or exceptions to insurance or indemnification terms are subject to review and approval by Risk Management.
- C. Authorized Purchasers.
- Responsible for completing training requirements established by the Finance Department. If at any time, an authorized purchaser is not following County policy or procedures, their privileges of preparing for or making purchases may be removed.
- D. Risk Management.
- Maintain standard insurance and indemnification requirements in the County Contract Manual, reviewed annually and communicated to Finance contract staff.
  - Review and approve any requests for changes, considerations, or exceptions to insurance or indemnification terms.
- E. Office of the County Attorney.
- Contracts and grants are subject to review and approval as to form as determined by the County Attorney's Office. The County Attorney's Office will provide contract templates with approved boilerplate provisions.
3. **LEGAL COMPLIANCE.** The County Board recognizes the importance of compliance with all laws, rules and regulations governing procurement, contract, grant and solicitation policies and procedures.
- A. All County procurement, sales, rental, leases, and other agreements shall comply with applicable law and regulations.
- B. Each prospective and current County contractor shall be required to disclose any potential or actual organizational conflict of interest. In cases of potential or actual organizational conflict of interest, the County may pursue any one or combination of the following:
- i. Disqualify the prospective contractor from the contract award;
  - ii. If the contract has been awarded, terminate the contract;
  - iii. Disqualify the prospective or current contractor from subsequent contracts if the organizational conflict of interest was not properly disclosed or was

- misrepresented; or
- iv. Mitigate or neutralize the potential or actual organizational conflict of interest as allowable by law.

If there is no potential or actual organizational conflict of interest that would prohibit a contract, but there is a question as to whether there may be an appearance of such a conflict, the contract shall be presented to the County Board for approval, regardless of the amount of the contract. The County Board shall have sole discretion to determine whether an appearance of a conflict of interest should bar a proposed contract not governed by the law applicable to competitive bidding.

- C. County staff must be in compliance with all laws and rules regarding 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. County staff are subject to the County Conflict of Interest Policy 3041.
  - D. Contracts and grants with all attachments and exhibits must be entered into the County's official systems of record.
  - E. All contracts must be in writing unless the County Attorney advises that a written contract is not legally required.
4. **COMPETITION.** The County Board favors competition in connection with County procurements, sales, leases, rentals and other agreements to which the 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.
- A. 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. Organizational conflicts of interest,
    - v. 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
    - vi. Arbitrary actions in the procurement process.

B. All contracts shall comply with competitive processes as follows:

- i. **Construction/Supplies/Labor.** The following types of contracts must comply with the solicitation and published notice requirements set forth in the Minnesota Statutes for Uniform Municipal Contracting Law and Contracts of County Boards ([Minn. Stat. §471.345](#) and [Minn. Stat. § 375.21](#)) and the procedural guidelines maintained in the Contract Manual:
- Contracts for work or labor
  - Contracts to purchase furniture, fixtures, or other property
  - Contracts for the construction or of repair roads, bridges or buildings,
  - Contracts for the construction, alteration, repair, or maintenance of real or personal property
  - Contracts for the sale or purchase of supplies, materials, equipment or the rental thereof

Pursuant to [Minn. Stat. § 331A.03](#), effective May 16, 2017, any legally required published notice may be effectuated through a posting on the County's website.

- ii. **Federally Funded.** Contracts funded in whole or in part with federal grant funds must comply with the Uniform Grant Guidance (UGG) procurement rules, including methods of procurement based on aggregate dollar amount purchases ([2 CFR § 200.320](#)). Under the UGG, the County must comply with the more restrictive of the federal or state requirement. County staff must comply with the following solicitation requirements, as they may be amended under the UGG or MN law, for the acquisition of supplies and services:
- **Micro-purchases<sup>1</sup>**

The County is not required to follow any formal solicitation process, and may purchase using any method to assure favorable pricing<sup>2</sup> if valued from:

    - (a) \$0 through \$2,000 for construction, alteration, or repair of roads, bridges, buildings or public works, as required by the Davis-Bacon and Related Acts; or
    - (b) \$0 through \$15,000 for supplies or services.
  - **Simplified Acquisition<sup>3</sup> for Small Purchases**

The County must obtain at least two price or rate quotations if valued from

    - (a) \$15,001 through \$60,000 for rental of equipment;

---

<sup>1</sup> The UGG micro-purchase threshold, 48 CFR Part 2, subpart 2.1, increased from \$10k to \$15k on October 1, 2025.

<sup>2</sup> When practicable, distribution should be equitable among all qualified suppliers.

<sup>3</sup> The UGG simplified acquisition threshold went up to \$350k in Oct. 2025. However, MN law requires bidding on certain contracts in excess of \$175k. [Threshold Changes - October 1st, 2025 | Acquisition.GOV](#) Definition in 48 CFR Part 2, subpart 2.1.

- (b) \$2,001 through \$175,000 for construction, alteration, or repair of roads, bridges, buildings or public works<sup>4</sup>;
- (c) \$15,001 through \$175,000 for work or labor, purchase of furniture, fixtures or other supplies, purchase or rental of supplies or materials, purchase of equipment, or maintenance of real property or alteration or maintenance of personal property; or
- (d) \$15,001 through \$350,000 for all contracts (including professional services)

- **Formal Procurement Exceeding Simplified Acquisition Threshold**

The County must complete a competitive solicitation process, requiring sealed bids or competitive proposals with posted notice on the County's website if valued more than:

- (a) \$60,000 for rental of equipment;
- (b) \$175,000 for work, or labor, purchase of furniture, fixtures or other supplies, purchase or rental of supplies or materials, purchase of equipment, repair of roads, bridges or buildings, or alteration, maintenance or repair of real or personal property; or
- (c) \$350,000 for all other contracts (including professional services)

- Under the UGG, non-competitive procurement methods are allowed if one of the following circumstances applies:
  - (a) Micro-purchases, as described above;
  - (b) Procurement can only be fulfilled by a single source;
  - (c) In cases of an emergency that does not allow for competitive proposals;
  - (d) Upon authorization of the federal funding agency; or
  - (e) If after a number of attempts there is no adequate competition.

- iii. **All other contracts, including contracts for professional services:**

- (a) After soliciting Request for Proposals, Request for Information, Request for Qualifications or quotes, so far as practicable and reasonable, or
- (b) Through the State of Minnesota Cooperative Purchasing Venture (CPV), or
- (c) Through any Cooperative Purchasing Venture, or
- (d) In the open market, or
- (e) Through a Host County Contract.

---

<sup>4</sup> The UGG simplified acquisition threshold, 48 CFR Part 2, subpart 2.1, increased from \$250k to \$350k on October 1, 2025. However, MN law requires competitive bidding on certain contracts in excess of \$175k. [Threshold Changes - October 1st, 2025 | Acquisition.GOV](#).

5. **EFFICIENCY.** The County Board favors solicitation, grant, procurement and contract procedures that are based upon the principles of delegation and decentralization, when allowable. Notwithstanding the following delegations of authority, a Department should seek County Board approval if the circumstances so warrant.
- A. **Delegations.** The County Manager may delegate authority under this Policy by written delegations which specifically identify the authorities delegated, the individuals to whom authority is delegated, the duration of the delegation (not to exceed two years) and which are maintained by the Office of the County Manager. The County Attorney and the County Sheriff have the same authority as the County Manager under this Section with respect to their respective offices.
- B. **Solicitations.** Solicitations may be issued by the County Manager when the funds for the proposed procurement are specifically included within the current year budget or capital improvement plan or capital equipment plan, without additional authorization from the County Board.
- C. **Contracts.**
- i. The following contracts require approval by resolution of the **County Board**:
- Joint Powers Agreements;
  - Agreements to join a Cooperative Purchasing Venture (CPV);
  - Sales, leases, purchases, or other conveyances of an interest in real property where the County is a party;
  - Contracts, including Purchase Orders, for any value when funds are not specifically included in the department current year budget, adopted CIP, or CEP;
  - Contracts, including any combination of amendments to the original contract, exceeding \$175,000 when the funding is specifically included in the department current year budget, adopted CIP, or CEP;
  - Amendments to a County Board Authorized Contract that materially alter the scope of services;
  - Amendments to a County Board Authorized Contract when funds are not in the current year department budget, adopted CIP, or CEP.
  - Amendments to a County Board Authorized Contract for construction that exceeds \$250,000 in total combined amendments from the first County Board Authorized Contract;
  - Amendments to all other County Board Authorized Contracts that exceed \$75,000 in total combined amendments from the first County Board Authorized Contract.

- ii. The following contracts may be approved and signed by the **County Manager**:
  - Contracts that are included in the current year department budget, adopted CIP, or CEP and do not exceed \$175,000 (including any combination of amendments).
  - For County Board Authorized Contracts, amendments that:
    1. Do not materially alter the scope of services; and
    2. Do not exceed \$250,000 (for construction) or \$75,000 (for all other contracts) in total combined amendments from the first County Board Authorized Contract.
  - Contract amendments to extend the term of the contract for up to two years beyond original end date may be processed administratively if the amendment does not materially alter the scope of services and if there are no changes to dollar amount that would require Board approval.

**D. Grant Agreements.**

**i. Included in the Budget.**

- For grants that are included in the current year budget, the County Manager may apply for the grant, accept the grant, and sign the grant agreement if the grant award does not exceed the amount in the current year budget by \$175,000 or more (including any combination of amendments).
- Board authorization is required if the award exceeds the amount in the current year budget by \$175,000 or more. This also applies to grants that require a County match.
- Grant amendments to extend the term of the contract for up to two years beyond the original end date may be processed administratively if there are no other material or dollar amount changes that would require Board approval.

**ii. Not Included in the Budget.**

- For grants that are not included in the current year budget, the County Manager may apply for the grant, accept the grant, and sign the grant agreement where the grant amount does not exceed \$175,000 (including any combination of amendments) and the grant funds will only be used to support existing County programs and will not be used to increase the number of County FTEs, in accordance with Policy 3080, Position Control.
- Board authorization is required if the award is \$175,000 or more, will not support existing County programs, or will increase the number of County FTE. This also applies to grants that require a County match.

- iii. **Real Property.** The application for and acceptance of a grant requiring the County to grant a declaration, restrictive covenant, or other encumbrance on real property requires approval by resolution of the County Board.

## 6. EMERGENCY PROCUREMENT.

- i. In accordance with Minn. Stat. § [375.21](#), Minn. Stat. § [375.75](#), and Resolution No. 91-724, adopted November 5, 1991), the County Board authorizes the County Manager to enter into contracts without necessitating the solicitation requirements under the law or this policy when an Emergency Condition warrants dispensing with advertising for competitive bids or other solicitations. The Emergency Condition 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.
- ii. In accordance with, Minn. Stat. § [12.37](#) (and Resolution No. 97-679, adopted November 4, 1997), the County Board authorizes the County Manager to advance funds to agencies already under contract with the County through an amendment to the contract in order to provide required social and community services when the provider is temporarily unable to continue to provide the required services and County residents will be harmed by the interruption or unexpected termination of services, subject to the criteria listed in Resolution No. 97-679.
- iii. Any contract entered into, or advancement of funds issued, pursuant to this emergency procurement paragraph must be presented to the County Board for ratification at the next meeting of the County Board, regardless of the amount of the contract.

## Procedures

For procedures and user guides refer to the [County Contract Manual](#). The County Contract Manual provides staff with information, tools, and resources on contracting processes and procedures in Dakota County in alignment with County policies, County Board Resolutions, and all state and federal law. Procedures will be maintained by the Finance Department.

**Competitive Procurement Process.** Follow Uniform Municipal Contracting Law. Minn. Stat. [471.345](#)

**Cooperative Purchasing.** The purchase of supplies, materials, or equipment may be accomplished through the State CPV or Cooperative Purchasing Venture without regard to the competitive bidding requirements pursuant to Minn. Stat. [471.345, subd. 15](#).

**Systems.** Contracts and grants with all attachments and exhibits, including contractor's Certificates of Insurance must be entered into the County's official systems of record. (e.g., DakotaConnect and OnBase).

**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](#).

- a. 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.
- b. The County will encourage suppliers and vendors to offer environmentally preferable products, supplies and equipment at competitive prices.

- c. 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.
- d. 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.

**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.

Departments may supply meals and/or refreshments at County meetings and functions when necessary for the accomplishment of official County business. Refer to the [Procurement of Meals and Refreshments](#) procedural guidance.

## History

Version	Revision Date Policy 2740	Revision Date Policy 2751
1.0	9/1/91	12/18/01
2.0	3/1/95	5/17/11
3.0	11/1/16	10/23/12
4.0	10/29/19	9/18/18

## Related Policies

- Policy 2002, Budget Compliance
- Policy 3041 Conflict of Interest
- Policy 6010 Cloud Computing

## Contact

Will Wallo, Finance Director

[will.wallo@co.dakota.mn.us](mailto:will.wallo@co.dakota.mn.us)

## Approval

**Resolution No. and Date**