

Purchasing Policy 23

Acquisitions ALP Policy, Procedures, and Training Overview

Requirements for Purchasing at All Levels

- All purchasing must comply with all laws, rules, policies, procedures, and the requirements in the Department of Administration Office of State Procurement (OSP) Authority for Local Purchase ([ALP Manual](#)).
 - For exceptions to ALP delegated authority, see ALP Manual Section 1.6.
 - For exceptions to the solicitation process, see ALP Manual Section 3.
- Goods and general services that are on State contracts must be purchased from the Contract Vendor, unless specifically stated otherwise in the contract release or a written exception is granted by OSP.
- State agencies must utilize the most current [OSP Approved Forms](#) (see Acquisitions/Purchasing Forms).
- All specifications that include a reference to a specific manufacturer and/or a specific make or model number must be written to include the phrase, "Or Approved Equal." If there is a business need for a no substitution purchase, use the [No Substitute Justification Form](#). To certify the procurement as a single source, use the [Single Source Justification Form](#).

EQUITY SELECT – Purchasing at \$25,000.00 or Less.

- The Equity Select procurement method is a procurement method that allows you to award directly to a TG/ED/VO business a contract up to \$25,000.00, including all extension options, for goods, services, professional/technical services, and construction. With Equity Select you may forgo a competitive solicitation. This generally applies to non-contract items only. Agencies must use the service certification process that applies to the value of your contract (including extensions). If the agency instead chooses to use a competitive process, the agency buyer is encouraged to invite multiple TG/ED/VO businesses to respond.

TIER 1 PROCUREMENT - Purchasing at \$5,000.00 or Less

- A purchase may be made by a State agency non-certified buyer; however, the purchase must be monitored by an ALP certified buyer or otherwise monitored via an agency's OSP approved purchasing card policy. This includes, but is not limited to, purchases using a field purchase order (FPO) or purchasing card.

Goods

- A minimum of one firm price is required. A Targeted Group/Economically Disadvantaged/Veteran Owned (TG/ED/VO) vendor must be utilized if one is reasonably available. We encourage you to get more than one firm price whenever practical so the State benefits from competitive pricing. The current directory of TG/ED/VO companies may be found on the OSP website.
- Firm price(s) may be obtained via telephone, facsimile, in writing, email, website, or as a transaction in a retail store. The buyer or end user must obtain a firm price prior to issuing an order. In a situation where multiple vendors are invited to submit firm prices, include the due date and time to respond in the solicitation, and document the received date and time of each response. Pricing obtained by State agency non-certified buyers must be monitored by an ALP certified buyer. Whenever practical, the firm price should

be signed by the vendor. The current [Informal Solicitation at or less than \\$10,000](#) may be used for confirmation, as this document includes general terms and conditions.

- Document the firm price(s) and other pertinent information in the procurement file. The firm price(s) should be documented in the Statewide Integrated Financial Tools ([SWIFT](#)) system in the Response Documentation field on the Purchase Order screen.

General Services

- In addition to the procedures for goods, a valid Certificate of Insurance from the awarded vendor must be obtained prior to any work being performed. Unless an exception has been granted pursuant to section 2.40.3, a certificate of insurance is required if the awarded vendor will perform a service for the State, regardless where the service is being performed. Specific examples of where insurance is required includes:
 - If the awarded vendor will fabricate a custom made object specifically for the State, regardless where the fabrication takes place;
 - If the awarded vendor will have State property in its care, custody, or control; or
 - If special insurance is required, including, but not limited to, network security/privacy liability and garage liability/garagekeepers liability.

The State agency must verify the coverage meets all of the insurance requirements prior to issuing a purchase order. For the insurance requirements and any exceptions to the insurance requirements, see [ALP Manual](#), Section 2.40.

Conferences, Meetings, and Special Events

- Prices should be obtained by issuing a [SWIFT](#) solicitation or on paper via the [Informal Solicitation at or less than \\$10,000](#). All other procedures for goods apply to conferences, meetings, and special events. The solicitation must include the Conference Special Terms and Conditions. The current Conference Special Terms & Conditions template and the Conference Price Sheets template are available on OSP's website in the [OSP Approved Forms](#) (see Acquisitions/Purchasing Forms).
- See ALP Manual, Appendix N, [Purchasing Policy 33](#) for additional information on conferences.

Information Technology (IT) Goods and Services Including Telecommunications, Network, Hardware, Software Licensing and Related Maintenance Agreements Including SaaS, PaaS, IaaS, and Other IT Hosting or Cloud Agreements, Including But Not Limited to "Click-Through" Agreements; and, IT Professional Technical Contracts

- **For ALL State agencies**, in addition to the procedures for goods and general services, any software licensing and/or maintenance agreements must be reviewed by a representative of the Office of the Attorney General for that State agency or by OSP before the State agency may issue the award (See ALP Manual, Appendix N, [Purchasing Policy 17](#)). The fully executed software licensing and/or maintenance agreement must be retained in the procurement file.

For executive branch State agencies that are part of IT consolidation and subject to Minn. Stat. § 16E, review [Purchasing Policy 24](#), MN.IT Services Authority for IT Purchases and Contracts. In general, MN.IT Services processes all telecommunications, network, software and hardware purchasing transactions and IT Professional Services contracts.

MN.IT Services reviews software licenses and/or maintenance agreements, including SaaS, PaaS, IaaS, and other IT hosting or cloud agreements, prior to purchase to determine suitability with the State's IT systems. MN.IT Services' attorney general representative reviews these licenses/agreements for legality. State agencies that are part of IT consolidation may only directly purchase IT goods and services, software licenses or maintenance agreements after receiving approval to do so from MN.IT Services or the Department of Administration in the form of an exception to Purchasing Policy 24.

Construction

Purchasing Policy 23 does NOT apply to construction. State agencies must comply with the requirements in the ALP Manual, [Appendix Q](#), Instructions for Construction Solicitations. Construction includes remodeling or repairing of a public building or other public work. (For example: painting, electrical, mechanical, cement, carpentry, plumbing, paving, landscaping, fencing, roofing, etc.) Construction requires Construction General Terms and Conditions, a certificate of insurance for construction, and prevailing wage rates when only one trade or occupation is required to complete the project and the project is greater than \$2,500.00. In addition, a Withholding Affidavit for Contractor, Jobs Reporting for certain funding, and Building Construction Contractor Registration verification are required.

TIER 2 PROCUREMENT- Purchasing at \$5,000.01 to \$10,000.00

- Buyers must be ALP certified and stay within their delegated ALP authority limit to make purchases within this dollar range.

Goods

- Send a solicitation to or receive a firm price from a minimum of two vendors, at least one of which must be a TG/ED/VO vendor if one is reasonably available. The current directory of TG/ED/VO companies may be found on the OSP website.
- Firm price(s) may be accepted via telephone, facsimile, email, website, or in writing. Document the received date and time of each response. The low bid firm price must be confirmed in writing by the vendor – the confirmation must be signed and/or emailed by the vendor. The [Informal Solicitation at or less than \\$10,000](#) should be used for confirmation as this document includes general terms and conditions.
- Document all firm prices and other pertinent information in the procurement file. The firm prices must be documented in the [SWIFT](#) system in the Response Documentation field on the Purchase Order screen.

General Services

- A [Service Certification Form](#) must be completed, signed by the appropriate individuals, and retained in the procurement file.
- In addition to the procedures for goods, a valid Certificate of Insurance from the awarded vendor must be obtained prior to any work being performed. Unless an exception has been granted pursuant to section 2.40.3, a certificate of insurance is required if the awarded vendor will perform a service for the State, regardless where the service is being performed. Specific examples of where insurance is required includes:
 - If the awarded vendor will fabricate a custom made object specifically for the State, regardless where the fabrication takes place;
 - If the awarded vendor will have State property in its care, custody, or control; or
 - If special insurance is required, including, but not limited to, network security/privacy liability and garage liability/garagekeepers liability.

The State agency must verify the coverage meets all of the insurance requirements prior to issuing a purchase order. For the insurance requirements and any exceptions to the insurance requirements, see [ALP Manual](#), Section 2.40.

Conferences, Meetings, and Special Events

- A [Service Certification Form](#) must be completed, signed by the appropriate individuals, and retained in the procurement file.
- Prices should be obtained by issuing a [SWIFT](#) solicitation or on paper via the [Informal Solicitation at or less than \\$10,000](#). All other procedures for goods apply to conferences, meetings, and special events. The

solicitation must include the Conference Special Terms and Conditions. The current Conference Special Terms & Conditions template and the Conference Price Sheets template are available on OSP's website in the [OSP Approved Forms](#) (see Acquisitions/Purchasing Forms).

- See ALP Manual, Appendix N, [Purchasing Policy 33](#) for additional information on conferences.

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- **For ALL State agencies**, in addition to the procedures for goods and general services, any software licensing and/or maintenance agreements must be reviewed by a representative of the Office of the Attorney General for that State agency or by OSP before the State agency may issue the award (See ALP Manual, Appendix N, [Purchasing Policy 17](#)). The fully executed software licensing and/or maintenance agreement must be retained in the procurement file.

For executive branch State agencies that are part of IT consolidation and subject to Minn. Stat. § 16E, review [Purchasing Policy 24](#), MN.IT Services Authority for IT Purchases and Contracts. In general, MN.IT Services processes all telecommunications, Network, software and hardware purchasing transactions and IT Professional Services contracts.

MN.IT Services reviews software licenses and/or maintenance agreements, including SaaS, PaaS, IaaS, and other IT hosting or cloud agreements, prior to purchase to determine suitability with the State's IT systems. MN.IT Services' attorney general representative reviews these licenses/agreements for legality. State agencies that are part of IT consolidation may only directly purchase IT goods and services, software licenses or maintenance agreements after receiving approval to do so from MN.IT Services or the Department of Administration in the form of an exception to Purchasing Policy 24.

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TIER 3 PROCUREMENT/INFORMAL SOLICITATION - Purchasing at \$10,000.01 to less than \$50,000.00

- Buyers must be ALP certified and stay within their delegated ALP authority limit to make purchases within this dollar range.

Goods

- The solicitation must be processed in [SWIFT](#) using the Strategic Sourcing Module and must be advertised on the OSP website for a minimum of seven calendar days, unless otherwise provided by law or approved in writing by the OSP Acquisitions Manager. When using the SWIFT Strategic Sourcing Module, you must leave the “Public Event” box checked in the “Bidder Invitations” section of the Event. That will automatically create the advertisement on the OSP website.
- The General Terms and Conditions are hard-coded in SWIFT and will automatically default into the Event.
- Send the SWIFT solicitation “invite” to a minimum of three vendors, at least one of which must be a TG/ED/VO vendor if one is available via the “Bidder Invitations” section of the SWIFT Event. The current directory of TG/ED/VO companies may be found on the OSP website.

Additional email addresses may be added through the “This is a Public Event” icon, but these do NOT qualify towards the three vendor minimum requirement.

- Document all responses and other pertinent information in the procurement file.

General Services

- A [Service Certification Form](#) must be completed, signed by the appropriate individuals, and retained in the procurement file.
- In addition to the procedures for goods, a valid Certificate of Insurance from the awarded vendor must be obtained prior to any work being performed. Unless an exception has been granted pursuant to section 2.40.3, a certificate of insurance is required if the awarded vendor will perform a service for the State, regardless where the service is being performed. Specific examples of where insurance is required includes:
 - If the awarded vendor will fabricate a custom made object specifically for the State, regardless where the fabrication takes place;
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The State agency must verify the coverage meets all of the insurance requirements prior to issuing a purchase order. For the insurance requirements and any exceptions to the insurance requirements, see [ALP Manual](#), Section 2.40.

Conferences, Meetings, and Special Events

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REQUIREMENTS FOR CERTIFICATION AND ASSOCIATED

Unless otherwise approved by OSP, delegated authority is issued through a training program administered by OSP. Certification is issued to individuals as outlined in the table below. For additional information contact the OSP Training Coordinator at OSP.Training.Coordinator@state.mn.us.

Office of State Procurement ALP Certification (as of November 1, 2015)	
Certifications (Certification level may be further restricted by the Agency)	Certification Requirements (All levels are subject to random audit)
If buyer is certified at \$10,000	Certification as of August 1, 2015, will remain at \$10,000 until the certification expires based on the original certification date or the buyer attends the in-person training for purchasing authority at \$25,000 and successfully passes the written exam.
Certification at \$25,000	Certifications issued prior to August 1, 2015, will remain at \$25,000 until the certification expires based on the original certification date.
If buyer is certified to \$25,000, they may request certification at \$50,000	Requires audit by OSP (minimum five tier 3/informal solicitations) and Agency Head confirmation. At OSP’s sole discretion, OSP may require written exam to be recompleted with a passing score of 80% or higher.
Recertification	Initial certifications are valid for a three year period. The certified individual may either attend the in-person training for purchasing authority at \$25,000 or complete the online course for recertification at \$25,000. Either option will require passing a written exam with a score of 80% or higher.

Specialized ALP Trainings Offered by OSP
The following trainings are highly recommended for ALP Buyers who process solicitations specific to the trainings offered.
Services Contract Training
Conferences, Meetings, and Special Events Contract Training
Construction Contract Training

ASSISTANCE

Contact a [OSP Acquisitions Management Specialist/Buyer](#) or [OSP Acquisitions Manager](#) for assistance.