

Regulation 2-10



Winona State University

Purchasing

1. **PURPOSE:** To establish the internal procedure for the purchase of supplies, equipment, repairs, and miscellaneous items. See [Business Office Procedures Manual](#) on the Winona State University (WSU) website for more details.
2. **PURCHASING CONTRACT:** A purchasing contract means any agreement such as a purchase order or a field order entered into by the University for the purchase of supplies, materials, equipment, or the rental thereof. Throughout this document using the terms purchasing and purchases will refer to purchasing contracts.
3. **PURCHASING REQUIREMENTS:**
 - A. Purchases less than \$2,000: If the amount of the purchase is estimated to be less than \$2,000, the purchase may be made with a minimum of one (1) verbal, written, or faxed quote. Quotes should include any shipping charges and educational discounts. A second quote is highly recommended to assure competitive pricing.
 - B. Purchases from \$2,000 to \$4,999.99: If the amount of the purchase is estimated to exceed \$2,000 but not to exceed \$5,000, the purchase may be made with a minimum of one (1) written or faxed quote. Quotes should include any shipping charges and educational discounts. A second quote is highly recommended to assure competitive pricing. One (1) quote will be from a targeted vendor if practicable.
 - C. Purchases from \$5,000 to \$9,999.99: If the amount of the purchase is estimated to exceed \$5,000 but not to exceed \$10,000, the purchase must be made with a minimum of two (2) written or faxed quotes. Quotes should include any shipping charges and educational discounts. More than two (2) quotes are highly recommended to assure competitive pricing. One quote should be from a targeted vendor if practicable.
 - D. Purchases from \$10,000 to \$24,999.99: If amount of the purchase is estimated to exceed \$10,000 but not to exceed \$25,000, the purchase must have a minimum of two (2) written bids. Precise and detailed specifications are required. The bids must have a specified date and time for submission and signed by the vendor. One (1) bid will be from a targeted vendor if practicable.
 - E. Purchases over \$25,000 to \$100,000: If amount of the purchase is estimated to exceed \$25,000, sealed bids shall be solicited by publishing a two (2)-week notice in an official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

A bid containing an alteration or erasure must be rejected unless the alteration or erasure is crossed out and the corrections printed in ink or typewritten adjacent to it and

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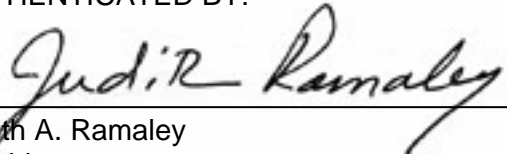
initialed in ink by the person signing the bid. Bids must be sealed and when they are read, must be opened in public at the time stated in the notice.

F. Purchases over \$100,000: Purchases over \$100,000 require system office approval.

4. **ENCUMBRANCE:** Funds must be encumbered prior to making an obligation through an authorized employee certifying that the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. An expenditure or obligation authorized or incurred prior to encumbering funds is illegal and ineligible for payment until made valid and is in violation of Minnesota Statute 16A.15, Subd 3. Furthermore, an employee authorizing or making the payment, or taking part in it 1) may be 2) is jointly and severely liable to the state for the amount paid. A knowing violation of M.S.16A.15 Subd. 3 is just cause for the employee's removal. (The State cannot agree to indemnify third parties or hold them harmless - Minn. Const .Art .XI, Sec. 1)
5. **PREPAYMENT:** M.S. 16A.41, Subd. 1, prohibits the state from paying in advance. The state can only make prepayments for software or software maintenance contracts for state-owned or leased computer equipment, sole source maintenance agreements, exhibit space, subscription fees for newspapers and magazines, and the library of Congress.
6. **PURCHASING FROM TARGETED GROUP BUSINESS:** Purchasing practices will include provision whenever practicable, for procurement for small targeted group business as defined in M.S. 471.345, Subd. 8.

This WSU Regulation supersedes WSU Regulation 2-10 dated August 18, 1988.

AUTHENTICATED BY:



Judith A. Ramaley
President

August 13, 2007

Date of Adoption

Authoritative References:

[MnSCU-System Procedure 5.14.5](#) Purchasing
[Minnesota Statute 16A.15, Subd.3](#), Accounting system; allotment and encumbrance
[Minnesota Statute 16A.41, Subd.1](#), Claims against state
[Minnesota Statute 471.345, Subd.8](#), Uniform Municipal Contracting Law
[Minnesota Constitution, Article XI](#), Section 1, Appropriations and Finances
President

Initial Date of Adoption: 1/25/77

Dates of Revisions: 8/18/88, 8/13/07