

**Overview of Key Contract/Purchasing Laws
State of Minnesota (10-2004)**

Category	Cities	Counties	Towns	State Agencies	School District
<p>Purchasing Requirements</p>	<p><u>MN 471.345</u> Competitive sealed bids required for contracts over \$50,000. Public notice according to municipality requirements. Under \$10,000--a minimum of two quotes required. Electronic solicitation options are authorized for all "political subdivisions."</p> <p><u>MN 471.382</u> Authorizes cities and towns to make purchases via credit card.</p> <p><u>MN 331A.03</u> Allows for "alternative" methods of providing notice of bids, including notice on web sites; 6-month transition process required.</p>	<p><u>MN 471.345</u> Competitive sealed bids required for contracts over \$50,000. Public notice according to municipality requirements. Under \$10,000— a minimum of two quotes required. Electronic solicitation options are authorized for all "political subdivisions."</p> <p><u>MN 383B.145</u> establishes the requirements for Hennepin County purchasing</p> <p><u>MN 160.17</u> governs town and county road construction contracts and requires advertisement of bids for three consecutive weeks</p>	<p>(Also 471.345) <u>MN 365.37</u> subd. 2: “A contract let on bid must be let to the lowest responsible bidder.” Subd. 3: “..10 day’s public notice of the time and place of receiving bids must be given ...notice must be posted in the 3 most public places in the town or published for two weeks in a newspaper generally circulated in the town</p> <p><u>MN 471.382</u> Authorizes cities and towns to make purchases via credit card.</p> <p><u>MN 160.17</u></p>	<p>Procurement policies and procedures for State of Minnesota Agencies are contained in MN 16C. Most provisions do not apply to Minnesota state colleges and universities</p> <p>Formal, sealed bids are required for contracts of \$50,000 or more; \$100,000 for MN DOT contracts.</p>	<p><u>MN 471.345</u> Competitive sealed bids required for contracts over \$50,000. Public notice according to municipality requirements. Under \$10,000----a minimum of two quotes required. Electronic solicitation options are authorized for all "political subdivisions."</p> <p><u>MN 331A.03</u> Allows for "alternative" methods of providing notice of bids, including notice on web sites; 6-month transition process required</p>

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Leasing/ Rental	<u>MN 465.71</u> authorizes the purchase of personal property under an installment contract, and the lease of real or personal property; subject to competitive bidding requirements	<u>MN 465.71</u> authorizes the purchase of personal property under an installment contract, and the lease of real or personal property; subject to competitive bidding requirements <u>MN 383 B 143 Subd. 2</u> Authorizes Hennepin County to enter into lease agreements and installment purchases for up to 7 years <u>MN 471.345 Subd5a</u> Allows Counties to use informal solicitations for equipment rental contracts of \$60,000 or less.	<u>MN 365.025, subd 2:</u> “The town may buy personal property on a conditional sales contract and real property on a contract for deed. The town must pay for the property within 5 years.” ...purchases that cost more than 0.24177% of market value of the town must follow specific procedures..... MN 465.71 also applies <u>MN 471.345 Subd5a</u> Allows Counties	<u>MN 16C.03 Subd6</u> authorizes “the Commissioner” to enter into lease or installment purchases for periods not to exceed the useful life of the items acquired	<u>MN 465.71</u> authorizes the purchase of personal property under an installment contract, and the lease of real or personal property; subject to competitive bidding requirements

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Bonds	<u>MN 574.26</u> requires contractors to provide a performance bond and a payment bond on contracts of \$75,000 or more for “public works.” The bond amount must be in the amount of the contract.	<u>MN 574.26</u> requires contractors to provide a performance bond and a payment bond on contracts of \$75,000 or more for “public works.” The bond amount must be in the amount of the contract.	<u>MN 574.26</u> requires contractors to provide a performance bond and a payment bond on contracts of \$75,000 or more for “public works.” The bond amount must be in the amount of the contract.	<u>MN 574.26</u> requires contractors to provide a performance bond and a payment bond on contracts of \$75,000 or more for “public works.” The bond amount must be in the amount of the contract.	<u>MN 574.26</u> requires contractors to provide a performance bond and a payment bond on contracts of \$75,000 or more for “public works.” The bond amount must be in the amount of the contract.
Retainage	<u>MN 15.72</u> requires a public contracting agency to make monthly progress payments on contracts for public improvements and authorizes retainage of up to 5%	<u>MN 15.72</u> requires a public contracting agency to make monthly progress payments on contracts for public improvements and authorizes retainage of up to 5%	<u>MN 15.72</u> requires a public contracting agency to make monthly progress payments on contracts for public improvements and authorizes retainage of up to 5%	<u>MN 15.72</u> requires a public contracting agency to make monthly progress payments on contracts for public improvements and authorizes retainage of up to 5%	<u>MN 15.72</u> requires a public contracting agency to make monthly progress payments on contracts for public improvements and authorizes retainage of up to 5%

<p>Wage Rates</p>	<p><u>MN 471.345 Subd. 7</u> Authorizes municipalities to adopt rules, regulations, or ordinances which establish a prevailing wage rate as a condition for a contract award.</p>	<p><u>MN 471.345 Subd. 7</u> Authorizes municipalities to adopt rules, regulations, or ordinances which establish a prevailing wage rate as a condition for a</p>	<p><u>MN 471.345 Subd. 7</u> Authorizes municipalities to adopt rules, regulations, or ordinances which establish a prevailing wage rate as a condition for a</p>	<p><u>MN 177.41 to 177.44</u> Requires that employees working on state-funded construction projects or other projects covered by law be paid wage rates comparable to wages paid for similar work in the area where the project is located.</p>	<p><u>MN 471.345 Subd. 7</u> Authorizes municipalities to adopt rules, regulations, or ordinances which establish a prevailing wage rate as a condition for a</p>
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Insurance	<u>MN 466</u> governing Torts, sets insurance limits for local governments.	<u>MN 466</u> governing Torts, sets insurance limits for local governments.	<u>MN 466</u> governing Torts, sets insurance limits for local governments.	<u>MN 466</u> governing Torts, sets insurance limits for local governments.	<u>MN 466</u> governing Torts, sets insurance limits for local governments.
Payment	<p><u>MN 471.381</u> Authorizes cities and counties to make payments by check, electronic funds transfer, wire transfer and authorizes cities and counties to accept payment by credit card.</p> <p><u>MN 471.425</u> Requires municipalities to make payment within 35 days of receipt of invoice <u>Subd.4a</u> Requires municipalities to require General contractors to pay subcontractors within ten days of receipt of payment from municipality</p>	<p><u>MN 471.381</u> Authorizes cities and counties to make payments by check, electronic funds transfer, wire transfer and authorizes cities and counties to accept payment by credit card.</p> <p><u>MN 471.425</u> Requires municipalities to make payment within 35 days of receipt of invoice <u>Subd.4a</u> Requires municipalities to require General contractors to pay subcontractors within ten days of receipt of payment from municipality</p>	<u>MN 471.425</u> Requires municipalities to make payment within 35 days of receipt of invoice <u>Subd.4a</u> Requires municipalities to require General contractors to pay subcontractors within ten days of receipt of payment from municipality	<u>MN 471.425</u> Requires municipalities and local governments to make payment within 35 days of receipt of invoice	<p><u>MN 471.38 Subd. 3</u> authorizes school districts to make payments via electronic funds transfer</p> <p><u>MN 471.425</u> Requires municipalities to make payment within 35 days of receipt of invoice <u>Subd.4a</u> Requires municipalities to require General contractors to pay subcontractors within ten days of receipt of payment from municipality</p>

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Data Practices/ Public Information	<u>MN 13</u> governs data practices; All governmental data is public unless specifically exempted by law.	<u>MN 13</u> governs data practices; All governmental data is public unless specifically exempted by law.	<u>MN 13</u> governs data practices; All governmental data is public unless specifically exempted by law.	<u>MN 13</u> governs data practices; All governmental data is public unless specifically exempted by law.	<u>MN 13</u> governs data practices; All governmental data is public unless specifically exempted by law.
Ethics/Conflict of Interest	<u>MN 471.87</u> A public officer who is authorized to take part in any manner in making any sale, lease, or contract in official capacity shall not have a personal financial interest I the transaction or personally benefit from it.	<u>MN 382.18</u> No county official or employee shall have a direct or indirect financial interest in a contract <u>MN 383A.201</u> Ramsey County officials or employees may have a personal financial interest in a contract <u>MN 383B.151</u> indicates that Hennepin County officials and employees shall not have a direct or indirect financial interest in a contract Also MN 471.97	<u>MN 365.37 subd. 1:</u> ...a Supervisory or town board must not be a party to, or be directly or indirectly interested in, a contract made or payment voted by the town board....” Also MN 471.87	<u>MN 16C.04</u> Executive branch employees who are directly or indirectly in the acquisition process are subject to the code of ethics in 43A.38.	<u>MN 471.87</u> A public officer who is authorized to take part in any manner in making any sale, lease, or contract in official capacity shall not have a personal financial interest I the transaction or personally benefit from it.

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Emergency purchasing			<u>MN 365.37, subd4:</u> “..special emergencies—a contract may be let without notice or competitive bidding...”	<u>MN 16C.10 Subd2</u> Provides a definition of emergency and waives certain solicitation requirements for emergency purchasing	
Cooperative Purchasing	<p><u>MN 471.345 Subd. 15</u> Authorizes municipalities to use existing contracts established by purchasing alliances or cooperatives of national municipal associations or joint powers organizations</p> <p><u>MN 471.59</u> Authorizes municipalities to establish joint powers agreements</p>	<p><u>MN 471.345 Subd. 15</u> Authorizes municipalities to use existing contracts established by purchasing alliances or cooperatives of national municipal associations or joint powers organizations</p> <p><u>MN 471.59</u> Authorizes municipalities to establish joint powers</p> <p><u>MN 383A.32</u> Ramsey County and Saint Paul shall establish a joint buying program, using the City of Saint Paul purchasing department</p>	<p><u>MN 471.345 Subd. 15</u> Authorizes municipalities to use existing contracts established by purchasing alliances or cooperatives of national municipal associations or joint powers organizations</p> <p><u>MN 471.59</u> Authorizes municipalities to establish joint powers</p>	<u>MN 16C.11</u> Authorizes the State to establish a cooperative purchasing program with any entity that is authorized to do joint purchasing.	<p><u>MN 471.345 Subd. 15</u> Authorizes municipalities to use existing contracts established by purchasing alliances or cooperatives of national municipal associations or joint powers organizations</p> <p><u>MN 471.59</u> Authorizes municipalities to establish joint powers</p>

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Professional Services				<p><u>MN 16C.08</u> sets forth procedures for professional and technical services</p> <p><u>MN 16C.095</u> governs architectural, engineering and other design services</p>	<u>MN 471.345</u> is silent on this issue.
Best Value				<u>MN 16C.02 Subd</u> provides a definition of best value and authorizes contract awards based on best value	
Request for Proposal	<u>MN 471.345</u> mentions bid	<u>MN471.345</u> mentions bid	<u>MN471.345</u> mentions bid	<p><u>MN 16C.03 Subd 3</u> <u>MN 16C.02 Subd. 19</u> <u>Defines a Solicitaion as either a bid or RPF</u> <u>and allow RFP's to</u> to used as an acquisition method</p>	<u>MN471.345</u> mentions bid

Federal Contract Use				<u>MN 16C.10 Subd 3</u> Allows for contract with a vendor that has a published schedule of prices to any federal agency of the U.S.	
Multiple award				<u>MN16C.06 Subd 4</u> If in the best interest of the state	