

# Purchasing Policy 14

Date: December 17, 2014

To: State Agency ALP Certified Buyers

From: Kent Allin, Director

Subject: **Instructions for Reporting of Purchasing Violations, Vendor Protests, and Mis-Awards**

State agencies are required to report to the Department of Administration, Office of State Procurement (OSP) Acquisitions Manager, violations of purchasing laws, rules, policies, and procedures, which include the situations below:

- Purchasing violations
- Vendor protests
- Mis-awards of orders or contracts

The above situations include noncompliance with Minn. Stat. chapters 16A and 16C, Minn. Rules chapter 1230, and the Minnesota Department of Administration Authority for Local Purchase Manual (ALP Manual). The ALP Manual is available on OSP’s Web Page <http://www.mmd.admin.state.mn.us/alpmanual.htm> and provides links to the Minnesota laws, rules, and the Minn. Stat. 16A.15 / 16C.05 Report Form.

## 1. Purchasing Violations

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(Also see ALP Manual Section 1.17, Purchasing Violations)

If:	Then:
Agency incurs an <b>obligation prior to encumbering funds</b> (agency has violated Minn. Stat. §§ 16A.15, subd 3, and 16C.05, subd. 2)	Agency <b>must</b> : <ul style="list-style-type: none"> <li>• complete <b>Box II</b> of the Minn. Stat. 16A.15 / 16C.05 Report Form,</li> <li>• email a copy of the completed and fully executed form to OSP at Procurement.User@state.mn.us, and</li> <li>• keep a copy in the agency’s purchasing file.</li> </ul>
Agency incurs an <b>obligation prior to purchase order or contract execution</b> (agency has violated Minn. Stat. § 16C.05, subd. 2)	Agency <b>must</b> : <ul style="list-style-type: none"> <li>• complete <b>Box III</b> of the Minn. Stat. 16A.15 / 16C.05 Report Form,</li> <li>• email a copy of the completed and fully executed form to OSP at Procurement.User@state.mn.us, and</li> <li>• keep a copy in the agency’s purchasing file.</li> </ul>
Agency <b>has or may have</b> violated <b>other</b> laws, rules, policies, or procedures	ALP certified buyer <b>must</b> call the OSP Acquisitions Manager for guidance on how to proceed before taking any action.

## Vendor Protests

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If:	Then:
Vendor's protest <b>is not valid</b> and no corrections need to be made	ALP certified buyer <b>must</b> : <ul style="list-style-type: none"> <li>• respond to the vendor in writing to answer the vendor's questions, concerns, issues, and objections,</li> <li>• email a copy of the vendor's protest, if received in writing, and a copy of the agency's response to OSP at Procurement.User@state.mn.us, and</li> <li>• keep a copy of the vendor's protest, if received in writing, and a copy of the agency's response in the agency's purchasing file.</li> </ul>
Vendor's protest <b>may be valid</b>	ALP certified buyer <b>must</b> call the OSP Acquisitions Manager for guidance on how to proceed <b>before</b> taking any action.

## Mis-Awards of Orders or Contracts

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If:	Then:
An incorrect intent to award (mis-award) is discovered <b>prior to notifying the vendor(s) or the issuance of an order or contract</b> , and the ALP certified buyer can correct the factors that were wrong	ALP certified buyer should proceed with correcting the award to comply with purchasing requirements.
The possible mis-award is discovered <b>after the vendor has been notified or after the order or contract has been executed</b>	ALP certified buyer <b>must</b> call the OSP Acquisitions Manager for guidance on how to proceed before taking action, regardless of the acquisition dollar amount or the delegated authority for the ALP certified buyer.

If you have questions regarding this policy, call the OSP Acquisitions Manager at 651.201.2446.