

A Small Business Enterprise Guide To Ramsey County Procurement



RAMSEY
COUNTY

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Introduction

Thank you for your interest in doing business with Ramsey County. Ramsey County's hope is that this guide will provide Small Business Enterprises ("SBE") with a basic understanding of the County's Procurement structure and processes.

The Ramsey County Procurement Manager leads Ramsey County's centralized procurement management function within the County's Finance Department. Procurement includes the acquisition and contracts related to all supplies, equipment, materials, labor services, construction, professional services and client services and contracting made by or on behalf of the County, its agencies, departments, officials, and authorized agents.

In 2010, the County Board approved changes to Administrative Codes related to procurement. Approved changes were to allow for a more effective and efficient procurement process, support an open access, fair, and fully transparent procurement process, integrate industry best practices, and support Ramsey County's Small Business Enterprise (SBE) ¹ program. Since 2010, Ramsey County has worked diligently to implement a foundational structure for the County's procurement program that aligns with the direction of the County Board. Notable changes include:

- Created, trained, and implemented procurement procedures that support the approved Administrative Codes and MN State Statutes;
- Re-designed the internet page to include relevant and up to date information in an effort to be fully transparent to the public;
- Selected Onvia DemandStar as the internet purchasing tool to release all competitive solicitations to the public;
- Raised the Performance and Payment Bond threshold for all County Public Works projects that include labor services when the labor services portion of the contract is estimated to cost over \$100,000;
- Raised the Bid Bond threshold for supplies, materials, equipment and/or labor service and construction procurements from \$50,000 to over \$100,000;
- Streamlined the contracting process and contract language to aid a faster contracting process, minimized the amount of manual effort, and clarified contract terms and conditions;
- Transferred the Procurement Function from the previous Purchasing Agency, the City of Saint Paul, to a fully supported Ramsey County Procurement Team.

Ramsey County values its contractors and we strive to ensure procurement serves the needs of the County while providing efficient and effective expenditure of County funds with maximum protection of County taxpayer as well as Contractor interests.

Purchasing Agent

Since, September 30, 2013, Ramsey County has handled all procurement activities on behalf of the County.

Central Certification Program ("CERT")

Ramsey County has a Small Business Enterprise (SBE) program that supports equal access and contracting opportunities to all Contractors including CERT SBEs. In support of this commitment, Ramsey and Hennepin Counties, along with the City of Saint Paul created a certification program to promote market growth and increase competitiveness among qualified small businesses. Eligible business owners wishing to be certified by the participating jurisdictions should submit a single, standard application to a central processing location. Applications are evaluated using a uniform set of certification criteria. Certified businesses are included in a CERT directory and are eligible to participate in specific

¹ A for profit independently owned firm, corporation, or establishment, having a small number of employees, low volume of sales, small amount of assets, and limited impact on the market that has received SBE certification thru an application process administered by the CERT lead agency.

CERT SBE activities. For further information regarding CERT, call (651) 266-8900 or email cert@ci.stpaul.mn.us.

Typical Procurement Process

A typical procurement process begins when a County Department creates a purchasing requisition. The department must include a definition of the required supplies, material, equipment and/or labor services or professional or client services including appropriate specifications/scope, terms, minimum requirements, and funding approval.

Methods of Contractor Selection

Unless otherwise authorized by law, Administrative Code, or written Ramsey County policies and procedures, all purchases or contracts shall be based on one of the following methods:

Direct Purchasing

Direct Purchases are purchases that can be placed for supplies, equipment, materials and/or labor services, construction or professional or client services without a competitive solicitation after having followed existing procurement policies and procedures and are within County Board or County Manager delegations of authority.

Direct Purchasing Types

- Certified Small Business Enterprise Quote (“CERT SBEQ”)
- Cooperative or other Public Entity Master Contracts (approved by the Procurement Manager)
- Emergency
- Ramsey County Master Contracts
- Small Order Purchases
- Sole Source
- Single Source
- State of MN Master Contracts available to Cooperative Purchasing Venture (CPV) members

Direct Purchasing Matrix

Category	Goods/Services	Anticipated Contract Value	Contract Execution Authority
Small Order Purchase	Supplies, Equipment, Materials, and/or Labor Services and Professional or Client Services	\$5,000 and under	Department Director
CERT SBE Purchasing	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$5,000.01 - \$25,000	Department Director
Existing Master Contracts	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	In accordance with contract allowance	Department Director
Emergency Purchases	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$100,000 and under	County Manager
Sole Source Purchases	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$100,000 and under	County Manager
Single Source Purchases	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$100,000 and under	County Manager

Competitive Solicitations

Competitive solicitations are typically Request for Informal Quotes (RFIQ), Certified Small Business Enterprise Quote (CERT SBEQ), Request for Quotes (RFQ), Request for Proposals (RFP), or Request for Bids (RFB). They are used to obtain Contractor responses in the form of quotes, proposals, or bids for the purpose of entering into a contract.

Competitive Solicitation Types

- Request for Informal Quotes (RFIQ)
- Certified Small Business Enterprise Quote (CERT SBEQ)
- Request for Quotes (RFQ)
- Request for Proposals (RFP)
- Request for Bids (RFB)

Competitive Solicitation Matrix

Category	Goods/Services	Anticipated Contract Value	County Contract Execution Authority
Non-CERT SBE Purchasing	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$5,000.01 - \$25,000	Department Director
CERT SBE Purchasing	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$25,000.01 - \$100,000	County Manager
Other	Supplies, Equipment, Materials, and/or Labor Services, Construction and Professional or Client Services	\$25,000.01 - \$100,000	County Manager
Other	Supplies, Equipment, Materials, and/or Labor Services and Construction	Over \$100,000	County Manager
Other	Professional or Client Services	Over \$100,000	County Board

Onvia DemandStar

Ramsey County uses Onvia DemandStar ("DemandStar"), an Internet purchasing network, to post competitive solicitations. Contractors may select the commodities/services of interest to their company and receive immediate and automatic notification of purchasing opportunities, solicitation documents and results, and prior solicitation information 24 hours a day, 7 days a week. When properly registered with DemandStar, Contractor subscription is free. For further information regarding DemandStar, call 1-800-711-1712.

Solicitation Submissions

- Each solicitation is unique so it is very important that you read the solicitation documents thoroughly and follow all instructions. Failure to do so will likely result in the rejection of your submission.
- Get to know DemandStar. All of the information related to each solicitation can be obtained through the DemandStar website.
- Solicitation questions should be directed to the Procurement Specialist whose name and contact information appear on the solicitation document. During an open solicitation, communication with Ramsey County, Commissioners, or any person other than the Procurement Specialist is strictly prohibited.

- Submit your response before the specified solicitation closing date and time. Solicitation responses received after the due date and time will be considered late and will be rejected, regardless of the degree of lateness or the reasons for lateness, including reasons beyond the control of the Contractor.

Notice of Intent to Award

- For supplies, equipment, materials and/or labor services and construction, Notice of Intent to Award shall be sent to the lowest responsible contractor whose quote or bid met all specifications and requirements.
- For professional or client services, Notice of Intent to Award shall be sent to the Contractor whose proposal scored the highest thru the evaluation process as defined by the solicitation.

Contract Requirements

- The solicitation shall include all applicable contract terms and conditions. By signing and submitting a solicitation response, the contractor is agreeing to all terms and conditions.
- A Notice of Intent to Award letter shall be sent to the awarded contractor stating all required documentation that must be submitted within ten (10) business days.
- Contracts for supplies, equipment, materials and/or labor services or construction are either Purchase Orders or Ramsey County Procurement Contracts. The contract form includes the contractor's offer (solicitation response) and Ramsey County's acceptance. As a result, these types of purchases do not require contractor signatures on the contract form. A copy of the PO or Ramsey County Procurement Contract will be emailed to the contractor once the contract has been fully executed by the County.
- Contracts for professional and client services are in the form of a Service Agreement and require signature by a representative of the awarded contractor(s). A copy of the Service Agreement will be emailed to the contractor as and if requested.

Insurance Requirements

The solicitation shall specify all contractual insurance requirements. By signing and submitting a solicitation response, the contractor is agreeing to the stated insurance requirements. A Certificate of Insurance (COI) shall be required upon the successful contractor receiving the Notice of Intent to Award for contracts over \$25,000 and shall be submitted within ten (10) business days from the date of the Notice of Intent to Award. If the required documentation is not received from the contractor, in its correct form, within ten (10) business days, the County reserves the right to cancel the Notice of Intent to Award and award the contract to another contractor.

Bond Requirements

Bid Bonds may be required for purchases of supplies, equipment, materials and/or labor service and construction estimated to cost over \$100,000. A Bid Bond shall be submitted by the contractor with its bid response and in accordance with the RFB response requirements. Submitted Bid Bonds shall equal 5% of the contractor's bid amount unless otherwise stated in the solicitation. If a Bid Bond is not submitted in accordance with RFB requirements, the bid response may be rejected. If a contractor withdraws its bid before the due date as permitted by the terms of the RFB, no action shall be taken against the contractor or the Bid Bond.

Performance and Payment Bonds shall be required for all Public Works projects *that include labor services* and are estimated to cost over \$100,000². Occasionally, Performance and Payment Bonds may be required for other types of procurements at various contract thresholds. Performance and Payment Bond requirements will be clearly stated in the solicitation. Performance and Payment Bonds **must** be submitted using Ramsey County's forms; equal 100% of the contractor's bid amount, unless otherwise

² The Procurement Manager may require Performance and Payment Bonds on Public Works contracts under \$100,000 when circumstances warrant.

stated in the solicitation; be signed by both the awarded contractor and the Surety with notarized signatures; and be submitted within ten (10) business days from the date the Notice of Intent to Award letter was sent to the contractor. An assignment, modification, or change of the contract, or change in the work covered by the contract, or an extension of time to complete the contract, does not release the Sureties on the Performance and Payment Bonds.

If Performance and Payment Bonds are not submitted within the required timeframe, Ramsey County may choose to cancel the Notice of Intent to Award and award the contract to the next lowest Responsive and Responsible contractor. Ramsey County will not sign a contract with a contractor until appropriate Performance and Payment Bonds have been received. Ramsey County Performance and Payment Bond forms include language that binds the Surety to the full contract amount, including the original contract amount and amounts included in all subsequent Change Orders and/or amendments. As long as the Ramsey County bond forms are used, no further action is required by Ramsey County if one or more Change Orders or Amendments are executed changing the original cost of the contract.

If, in Ramsey County's judgment, a Surety on a Performance or Payment Bond is insolvent, or for any cause is no longer a proper or sufficient Surety, Ramsey County may require the contractor to furnish a new or additional bond within ten (10) days. If so ordered, all work on the contract must cease until a new or additional bond is furnished. If the bond is not furnished within the ten (10) days, Ramsey County may terminate the contract and complete the same as the agent, and at the expense of the contractor and its sureties.

Multi-Year Contracts

Unless otherwise provided by law, Administrative Code or County Board approval, a contract may be entered into or may be amended to include a term not to exceed five (5) years, provided the length of the contract term and/or conditions of renewal or extension are included in the solicitation and the resulting contract. Variations of the original term and renewals may be at the discretion of the department as long as in total the contract term does not exceed five (5) years. Examples of multi-year contract term language options include:

- The contract will continue for twelve (12) months and may be extended for up to four (4) additional one-year periods.
- The contract will continue for three (3) years and may be extended for up to two (2) additional one-year periods.

Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds.

Multi-year contracts are appropriate for use where:

- the need for the described service or goods/labor is anticipated to continue without change for multiple years; AND
- a multi-year contract will serve the best interests of the County when comparing the County's commitment to effective competition via the solicitation process and the promotion of economies in County procurement.

Multi-year contracts may not be used for a one-time purchase of supplies, equipment, materials and/or labor services (Purchase Orders).

Contract Fee Structures

- Fixed Price: Obligates the Contractor to a specified price including all expenses.
- Not to Exceed: Obligates the Contractor to a set hourly or unit cost up to a not to exceed total. The final spend may be less than, but not more than, the not to exceed total.
- Rate/Unit Setting: Obligates the Contractor to a set hourly or unit cost without a not to exceed total.

Contract Execution Authority

A contract is not valid and the County will not be bound by it until: 1) it has first been executed by the Department Director, County Manager, or County Board Chair and Clerk, as applicable; and 2) the money has been encumbered in Aspen.

Unless a department has received prior approval from the County Manager or County Board Chair per Administrative Code, a department ***shall not*** authorize work to begin on a contract unless the above requirements are met.

Contract Payments

- Payment from the County includes all applicable Minnesota sales tax of 6.875% and use taxes; there are other taxes for IT purchases.
- Invoices must show sales tax separately.
- Payments shall be made within 35 days following the receipt of an invoice and verification of the charges, provided that at no time will cumulative payments to the Contractor exceed the percentage of project completion, as determined by the County.
- Interest accrual and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.

Contract Changes

The intent of a contract change is to enable the parties to document their agreement regarding unanticipated changes, such as variations in estimated quantities, changes in timelines, additional services, etc.

All service contract changes shall be in writing, consistent with the provisions of the contract terms and conditions, and signed including a date of signature or electronically approved. Generally, service contract changes do not purposely change the scope as provided in the associated solicitation. Changes to a service contract that result in a cost that exceeds the established solicitation or contracting dollar value thresholds, will not be approved.

Contract Administration

Contract administration consists of actions from the time a contract is executed until the delivery, acceptance, and payment for the contracted purchase have been completed. Once the contract has been executed, the contract administration function is the primary link between the Contractor and the department to handle problems arising from the procurement action.

Each department is responsible for contract administration to assure that the contractor delivers the supplies, equipment, materials or services to the County in accordance with the terms and conditions of the contract. Contract administration includes, but is not limited to,

- Holding meetings with the awarded contractor prior to and during the contract to emphasize contract requirements and contractor responsibilities for complex or critical projects or services;
- Documenting contractor performance issues and resolutions;
- Ensuring invoices are correct prior to payment submission;
- Following up with the contractor on past due work or deliveries;
- Taking necessary action to renew contracts through required approval channels, prior to contract expiration, and in compliance with the contract terms;
- Taking necessary action to amend contracts through required approval channels and in compliance with the contract terms;
- Taking necessary action to terminate existing contract, when required, through approved channels and in compliance with the contract terms.

Contract Termination

Terminating a contract is the last alternative after all other administrative means have been sought to resolve a problem between the County and a contractor. In general, termination can be classified in one of two ways:

For Convenience

- Mutual Convenience exists when both parties agree that they will no longer be held to the provisions of the contract.
- County Convenience exists when the County makes a determination that, through no fault of the Contractor, termination is in the best interests of the County; or that funds are no longer available.

For Cause

- Cause exists when a contractor is in default or breach of the contract. In this case, the department shall give the contractor proper time to cure the default or breach in accordance with the contract terms and conditions. If the contractor is unable to cure the default or breach within the identified time period, the contract will terminate. It shall be the responsibility of the department to document and justify a decision to terminate for Cause

All contract terminations shall be in writing and in accordance with the contract terms and conditions.

State Master Contracts

For contracts estimated to exceed \$25,000, Minnesota municipalities must first consider the availability, price and quality of supplies, materials, equipment or services available through the State of Minnesota's CPV before purchasing through another source.

Ramsey County Master Contracts

Ramsey County Master Contracts are the result of a competitive Request for Bids (RFB) for supplies, equipment, materials and/or labor or construction or a Request for Proposals (RFP) for professional or client services that comply with Minnesota Statutory requirements for solicitations and contract awards and the County's Procurement Policies and Procedures.

The competitive solicitation must use the standard language which states that all County departments, other than the one that initiated the competitive solicitation and resulting contract, may make purchases under the contract. Departments may use a Ramsey County Master Contract to make purchases consistent with the scope and dollar threshold established by the contract.

Cooperative Contracts

If the County does not utilize the state's CPV, it may contract for the purchase of SEML or construction without competitive bidding requirements if the purchase is through 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.

The County may contract for the purchase of PCS without competitive bidding requirements if the purchase is through 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 proposals or competitive quotations.

All Cooperative Master Contracts must be approved by the Procurement Office prior to use. Once approved, the Cooperative Contract will be routed for appropriate signatures and entered into Aspen.

Additional Resources

- CERT
 - [CERT Introduction](#)
 - [CERT Eligibility Criteria](#)
 - [CERT New and Renewal Certification Application](#)
 - [CERT Business Size Standards](#)
- MN Statutes:
 - [§15.71 Public Contracts; Definitions](#)
 - [§181.59 Discrimination Prohibited](#)
 - [§331A.04 Designation of a Newspaper for Official Publication](#)
 - [§375.21 Contracts of County Boards](#)
 - [§471.425 Prompt Payment of Local Government Bills](#)
 - [§471.345 Uniform Municipal Contracting Law](#)
 - [§471.59 Joint Exercise of Powers](#)
 - [§574.26 Contractors' Bonds for Public Work](#)