



## REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 6/16/2026  
Agenda Section: Consent Agenda

---

**Department Origination:** Finance

---

**Agenda Item:** Approve Revisions to the City of Baxter's Purchasing Policy

---

**Approval Required:** Simple Majority Vote

---

### **BACKGROUND**

Attached are proposed revisions to the city's purchasing policy that was last updated in 2018. The city is required to follow the Uniform Municipal Contracting Law in Minnesota Statutes 471.345 that sets out procedures for city entering into contracts to sell, purchase, or rent supplies, materials, or equipment, or to construct, alter, repair, or maintain real or personal property. The procedures are based upon the estimated amount of the contract.

It was recently discovered the city's policy does not provide for cooperative purchasing as the sole quote or source. Authority to utilize cooperative purchasing is authorized in Minnesota Statute 471.345 Subdivision 15, as written below.

*(a) Municipalities may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state's cooperative purchasing venture authorized by section [16C.11](#). For a contract estimated to exceed \$25,000, a municipality must consider the availability, price and quality of supplies, materials, or equipment available through the state's cooperative purchasing venture before purchasing through another source.*

*(b) If a municipality does not utilize the state's cooperative purchasing venture, a municipality may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements of this section 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 authority is proposed to be added to the attached reline policy. In addition to the proposed cooperative purchasing authorization, increasing the purchase order threshold from \$1,000 to \$5,000 is recommended to recognize some inflationary increase as well administrative burden of processing purchase orders. Departments are still responsible for their budgets. Any proposed purchases over \$75,000 would be approved by the council prior to the purchase being made. Historically, amounts at this level have already been presented to the council for approval.

The policy also provides specific examples of when sole source purchases may be made for items that have been considered "proprietary" in nature. Due to the nature of emerging lease/purchase agreements, a provision to have them reviewed by the city attorney and finance department (for accounting treatment) has also been added. The proposed policy is subject to final review by the city attorney to address the statutory requirements.

### **FINANCIAL IMPLICATIONS**

The changes are proposed to increase efficiency and provide additional purchasing flexibility. Departments remain encouraged to seek the most cost-effective means of providing city services.

**STAFF RECOMMENDATIONS**

Finance Director Vacinek recommends approving the revisions to the city's purchasing policy.

**COUNCIL ACTION REQUESTED**

Motion to approve the revisions to the City of Baxter's Purchasing Policy