



<b>Policy Number:</b>	2.049
<b>Originating Office:</b>	Purchasing Department
<b>Responsible Executive:</b>	Vice President of Administration and Information Technology
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# Procurement

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## I. REASON FOR THIS POLICY

The purpose of this policy is to document the requirements for the acquisition of equipment, supplies and services. The Purchasing Department has the authority and responsibility for procuring these items for the University of South Dakota. Following this policy will ensure all requirements of the United States Government, the State of South Dakota and the South Dakota Board of Regents are followed.

The Purchasing Department shall have the final approval on all purchases and will procure items in a manner that is in the best interest of the University and in accordance with SDCL 5-18A, B & D.

## II. STATEMENT OF POLICY

The State of South Dakota acting through the Office of Procurement Management maintains various contracts for supplies and equipment. The contracts are bid by the State of South Dakota or are national cooperative contracts the state participates in. These contracts must be utilized as the first source unless it is more cost effective to purchase from other sources.

### Equipment & Supplies (Supplies) Purchases under \$4,000

- a. Orders with a total cost of less than \$4,000 shall be obtained by using sound business practices in the best interest of the institution. All orders > \$1,000 must be submitted on a purchase requisition. Orders less than \$1,000 may be purchased using a purchase requisition, procurement card, direct pay invoice or other approved method.

### **Equipment & Supplies (Supplies) Purchases from \$4,000 to \$25,000**

- a. Orders with a total cost exceeding \$4,000 and less than \$25,000 requires a minimum of three competitive quotes unless the supplies are available from existing contracts; are considered exempt as outlined in section 5 below; or are justifiably a sole source. Orders for any non-exempt supplies must be approved by the Office of Procurement Management unless they are being purchased from existing contracts. The Purchasing Department will be responsible for obtaining competitive quotes and requesting approval from the Office of Procurement Management if applicable.

### **Equipment & Supplies (Supplies) Purchases over \$25,000**

- a. Orders with a total cost exceeding \$25,000 must be bid by the Office of Procurement Management unless the supplies are available from existing contracts; are considered exempt as outlined in section 5 below; or are justifiably a sole source. The Purchasing department will coordinate the bidding process through the Office of Procurement Management.

Per federal law, any purchase made from federal funds exceeding \$25,000, may not be made from a vendor that has been debarred or suspended from doing business with the federal government. Any purchase order meeting this requirement shall be certified by checking the following web site: <https://www.sam.gov/portal/SAM/##11> and a copy of the results attached to the purchase order.

### **Exempt Equipment & Supplies (Supplies)**

- a. SDCL § 5-18A-22 provides an exemption from competitive bidding requirements for supplies referenced in this section. Exempt supplies shall be purchased using sound business practices and in the best interest of the institution. The Purchasing Department shall review exempt orders to determine if and when competitive quotes should be solicited. Any federal bidding requirements (if funded from federal grants) must be adhered to.
- b. Orders for computer hardware and software require approval from Information Technology Services.
  - i. Any contract for the purchase of supplies from the United States or its agencies or any contract issued by the General Services Administration;
  - ii. Any purchase of supplies or services, other than professional services, by purchasing agencies from any active contract that has been awarded by any government entity by competitive sealed bids or competitive sealed proposals or from any contract that was competitively solicited and awarded within the previous twelve months;
  - iii. Any equipment repair contract;
  - iv. Any procurement of electric power, water, or natural gas; chemical and biological products; laboratory apparatus and appliances; published books, maps periodicals and technical pamphlets; works of art for museum and public display; medical supplies; communications technologies, computer hardware and software, peripheral equipment, and related connectivity; tableware or perishable foods;
  - v. Any supplies, services, and professional services required for externally funded research projects at institutions under the control of the Board of Regents;

- vi. Any property or liability insurance or performance bonds, except that the actual procurement of any insurance or performance bonds by any department of the state government, state institutions, and state agency shall be made under the supervision of the Bureau of Administration;
- vii. Any printing involving student activities conducted by student organizations and paid for out of student fees;
- viii. Any purchase of surplus property from another purchasing agency;
- ix. Any animals purchased;
- x. Any seeds, fertilizers, pesticides, feeds, and supplies used in the operation of farms by institutions under the control of the Board of Regents.

**Capital Asset Purchases**

- a. Purchases of capital assets with a per-unit cost between \$250,000 and \$500,000 must be approved by the Executive Director of the Board of Regents prior to a purchase order being issued.
- b. Purchases of capital assets with a per-unit cost exceeding \$500,000 must be approved by the Board of Regents prior to a purchase order being issued.

**Printing Projects**

- a. Per Bureau of Administration Administrative Rule 10:02:03:01 any publication, pamphlet, flyer, or brochure with a total cost exceeding \$100 and for distribution to the public at large, must bear an inscription indicating the number of copies made, the approximate cost per copy, and the name of the printer. An exemption to this requirement has been granted to all Board of Regents institutions for the following items:
  - i. Materials used for the recruitment of students
  - ii. Materials used for recognition of students and employees including graduation programs, diplomas and certificates of recognition
  - iii. Programs for athletic events that are sold to the general public

**Environmentally Preferred Products**

- a. Bureau of Administration Administrative Rules 10:02:05:01 through 10:02:05:15 pertain to the use of environmentally preferred products when purchasing printing projects, paper stock, and cleaning and maintenance equipment and supplies. Refer to these rules when purchasing these items.

**Non-Professional Services**

- a. Any contract for non-professional services in excess of \$25,000 must be awarded through a competitive bid process. This process may include a sealed bid process or Request for Proposal (RFP). Non-professional services include services which are typically physical or manual in nature, examples include: bussing contracts, snow removal, garbage contracts, etc. The Purchasing Department shall be responsible for this process.

**Professional Services**

- a. Any contract for professional services in excess of \$50,000 must be awarded through a Request for Proposal process. The requirements listed in SDCL § 5-18D-17 through 5-

18D-22 shall be followed. Professional services are classified as: services arising out of a vocation, calling, occupation, or employment involving specialized knowledge, labor or skill, and the labor or skill involved is predominantly mental or intellectual, rather than physical or manual. The Purchasing Department shall be responsible for this process.

**Construction Projects**

- a. Construction contracts with a total cost of \$50,000 or more must be awarded through a competitive bid process. All construction contracts, regardless of cost, must be coordinated through Facilities Management.

**Departmental Approvals**

- a. Department purchases require supervisory approval (or supervisory appointed approval). Departments are required to use the Banner departmental electronic approval queues for direct pay invoices or the Purchasing approval queues in SDezBuy for all purchase requisitions.

**Charge Accounts/Credit Cards**

- a. Any department wanting to obtain a credit card or open a charge account at local businesses must request approval in advance from the Vice President of Financial Affairs or the Director of Auxiliary Services.
- b. A master list of approved charge cards and local open charge accounts will be maintained by Financial Affairs. An annual review of the master list will be conducted.
- c. The department is responsible for contacting the office of Financial Affairs to request or make updates within their department related to credit cards or open charge accounts, including approved department users. This includes changes in authorized employees, due to change in responsibilities or turnover.

**Food Purchases**

- a. See USD policy 2.008 – Food and Beverage Reimbursements Not Related to Travel.

<https://www.usd.edu/policies/business-and-administration>

**Reimbursements & Permanent Incidental Fund (PIF)**

- a. See USD policy 2.010 – Permanent Incidental Funds.

<https://www.usd.edu/policies/business-and-administration>

**Campus Services**

- a. Campus services such as Aramark, Barnes & Noble, Office Stores, Copy Center, Facilities Management, etc. must be utilized if the supply or service requested is available unless approval has been granted by the applicable Vice President or his/her designee.
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### III. DEFINITIONS

**CAMPUS SERVICES** – Aramark, Barnes & Noble, Office Stores, Copy Center, Facilities Management, etc.

**CAPITAL ASSET** – any tangible equipment with a useful life of one-year or more and a purchase cost of \$5,000 or more.

**COMPETITIVE BIDS** – a formal process used to solicit competitive pricing from multiple suppliers.

**COMPETITIVE QUOTES** – an informal process to solicit competitive pricing from multiple suppliers.

**PROCUREMENT CARD** – credit card issued by the State of South Dakota

**PURCHASING AGENCY** – any governmental body or officer authorized by law, administrative rule, or delegated authority, to enter into contracts.

**PURCHASE REQUISITION** – Request for equipment and supplies processed through SDezBuy purchasing system.

**RFP** – Request for Proposal, used to solicit competitive pricing and other pertinent information

**SDCL** – South Dakota Codified Law

**SUPPLIES** – any property, including equipment, materials and printing

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### IV. PROCEDURES

The procedures to be followed in support of this policy may be found at:

<https://portal.usd.edu/financial/financial-affairs/loader.cfm?csModule=security/getfile&PageID=3669>

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### V. RELATED DOCUMENTS, FORMS AND TOOLS

The State of South Dakota procurement laws are referenced in SDCL 5:18A-D located at [http://sdlegislature.gov/Statutes/Codified\\_Laws/DisplayStatute.aspx?Type=Statute&Statute=5](http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=5)

Federal government procurement requirements are referenced in Circular §200.318 General procurement standards at [https://www.ecfr.gov/cgi-bin/text-idx?SID=864d368d82aee507dcf0e2f89de15dd7&mc=true&node=pt2.1.200&rgn=div5#\\_top](https://www.ecfr.gov/cgi-bin/text-idx?SID=864d368d82aee507dcf0e2f89de15dd7&mc=true&node=pt2.1.200&rgn=div5#_top)

South Dakota Board of Regents procurement policies are referenced in BOR policy 5:4 located at <https://www.sdbor.edu/policy/documents/5-4.pdf>.

Food and Beverage Reimbursements Not Related to Travel are detailed in USD policy 2.008 at <http://www.usd.edu/-/media/files/policies/2008-food-and-beverage-reimbursements-not-related-to-travel.ashx?la=en>

Permanent Incidental Funds information is detailed in USD policy 2.010 at  
<http://www.usd.edu/-/media/files/policies/2010-permanent-incidentalfunds.ashx?la=en>