

**BLACK HILLS STATE UNIVERSITY**  
**Policy & Procedure Manual**

SUBJECT: Purchasing

NUMBER: 5:8

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Office: Business Office

Source: Source: [SDCL 5-18A and 5-18D](#); [SDBOR Policy 5:4](#)

Associated Forms: Specification Document, Quote Request Form, Sole Source Request Form, Capital Asset Purchase Form, Brand Name Specification Justification Form (All Forms may be obtained from the [Office of Procurement Management](#) or via the SDezBuy system); [Appraisal Sheet](#)

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1. Purpose

This policy and its procedures set forth the standards applicable to University purchasing of supplies, equipment and services to ensure compliance with State statutes, SD Bureau of Administration policy and administrative rules, SDBOR policy, and University protocols.

2. Definitions

- a. Buyer: the individual(s) responsible for the procurement of supplies, equipment or services requested. The University buyer referenced in this document is located at the University, while the Shared Services buyers are located at other SDBOR universities.
- b. Purchase Order: an electronically created document issued by the appropriate buyer to a vendor specifying the types, quantities and agreed prices for supplies, equipment or services.
- c. Purchase Requisition: an electronically created request to communicate to the particular buyer what supply, equipment or service a particular department needs to purchase.
- d. Requestor: the authorized individual(s) in each department that are trained in SDezBuy by University Purchasing staff to process purchase requisitions.

- e. SDezBuy: the SDBOR electronic purchase requisition system. Each department authorizes individuals who are given access to SDezBuy and trained by University Purchasing staff as requestors who initiate the purchase requisition or approvers who approve the purchase.
- f. Sourcing Manager: the SDBOR electronic bid system. Buyers at each University are trained to use the system for requisitions that need to be bid.
- g. Purchasing Shared Services: SDBOR assigned purchasing buyers located at five (5) different institutions governed by the SDBOR to handle the procurement of assigned commodities.
- h. Sole Source: a purchase of supplies, equipment or services that is deemed to only have one supplier. Sole source approval is determined by the appropriate buyer based on detailed justification from the requestor.
- i. Written Quote: a written document outlining the specifications of a potential purchase. The Written Quote must include vendor contact information, model/item number(s), quantities, shipping and other necessary costs, unit and extended prices. Departments can also utilize a Quote Request Form, which is a fillable form to provide to potential vendors.

### 3. Policy

- a. Purchases of equipment, supplies, and services at the University shall be performed by authorized persons designated by the SDBOR and in accordance with SDCL 5-18A, B & D and SDBOR Policy 5:4.
- b. SDBOR designates individuals of the University and other SDBOR institutions to handle the procurement of specified commodities for the University and other SDBOR institutions through Purchasing Shared Services. The University Purchasing Office is responsible for maintaining the list of Purchasing Shared Services employees, along with their areas of responsibility, and for making it available to departments.
- c. To the extent allowed by SDBOR Policy 5:4 and in compliance with applicable state laws and rules, University purchases shall conform to the following:
  - i. State Contracts

1. The State of South Dakota, through the Office of Procurement Management (“OPM”), maintains various contracts for supplies and equipment. These contracts are competitively bid by the State of South Dakota or are national contracts in which the State participates. When making University purchases, these contracts must be utilized as the first source unless it is more cost effective to purchase the items from other authorized sources.
- ii. Purchasing Limits:
1. Equipment and Supply Purchases under \$4,000
    - a. Orders for items with a total cost equal to or less than \$4,000 shall be obtained using sound business practices in the best interest of the University and in conformity with all other policies, rules, laws, and regulations.
    - b. A minimum of one (1) written quote must be obtained from the vendor and attached to the purchase requisition unless the item(s) are purchased from an existing contract.
  2. Equipment and Supply Purchases between \$4,000 and \$25,000
    - a. In accordance with SDCL 5-18A-11, any order with a total cost exceeding \$4,000 and less than \$25,000 requires a minimum of three (3) competitive written quotes unless the item(s) are available from existing contracts, are considered exempt as outlined below, or are justifiability a sole source.
    - b. Orders for any non-exempt item(s) must be approved by the OPM unless they are being purchased from existing contracts.
    - c. The University Purchasing or Purchasing Shared Services buyer, as appropriate, will be responsible for submitting competitive quotes to and receiving approval from the OPM.
  3. Equipment and Supply Purchases exceeding \$25,000

- a. Orders with a total cost exceeding \$25,000 must be bid by the OPM unless the item(s) are available from existing contracts, are considered exempt as outlined below, or are justifiably a sole source.
    - b. All sole source requests require approval by the OPM.
- iii. Technology Hardware Purchases
  - 1. All orders for technology related hardware must be reviewed and approved by the Director of Network & Computer Services, or designee for compliance with University and SDBOR hardware standards and terms and conditions.
  - 2. Technology related items include, but are not limited to: computers, software, computer peripherals, printers, scanners, monitors, projectors, digital cameras/camcorders. A purchase requisition is required as outlined in the Purchasing Limits above.
- iv. Technology Software Purchases
  - 1. All orders for software must be reviewed and approved by the Director of Network & Computer Services, or designee for compliance with University and SDBOR software standards and terms and conditions.
- v. Web Based IT Services and IT Professional Services
  - 1. All orders for IT services must be reviewed and approved by the Director of Network & Computer Services, or designee for compliance with University and SDBOR software standards and terms and conditions.
- vi. Non-Professional Services
  - 1. Any contract for non-professional services exceeding \$25,000 must be awarded through a competitive bid process. This may include a sealed bid process or a 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. Construction and public

improvement projects are not considered services and are governed by other SDBOR policies.

2. The University Buyer is responsible for managing this process which could include review of bidder's terms and conditions.
3. A Service Contract is created as a result of the applicable process.

vii. Professional Services

1. Any contract for professional services exceeding \$50,000 must be awarded through a Request for Proposal ("RFP") 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.
2. The University Buyer is responsible for managing this process which could include review of bidder's terms and conditions.
3. A Consultant Contract may be created as a result of the applicable process.

viii. Exempt Items

1. SDCL 5-18A-22 provides an exemption from competitive bidding requirements for certain items referenced below. Exempt supplies shall be purchased using sound business practices and in the best interest of the University. A written quote must be obtained from the suggested supplier and attached to the purchase requisition. Purchasing buyers 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.
  - a. Any contract for the purchase of supplies from the United States or its agencies or any contract issued by the General Services Administration

- b. 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;
- c. Any equipment repair contract;
- d. 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;
- e. Any supplies, services, and professional services required for externally funded research projects at institutions under the control of the Board of Regents;
- f. 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 institution, and state agency shall be made under the supervision of the Bureau of Administration;
- g. Any printing involving student activities conducted by student organizations and paid for out of student fees;
- h. Any purchase of surplus property from another purchasing agency;
- i. Any animals purchased;
- j. Any seeds, fertilizers, herbicides, pesticides, feeds, and supplies used in the operation of farms by institutions under the control of the Board of Regents.

- ix. Emergency Purchases
  - 1. An emergency purchase is a purchase of supplies, equipment or services that is purchased without using the normal bid process because of a threat to public health, welfare or safety or other allowable urgent and compelling reasons.
  - 2. Emergency Purchase approval is determined by the assigned buyer based on detailed justification received from the requestor. This may require additional approval from the OPM.
- x. Grants and Contracts Requirements
  - 1. All purchases funded by a sponsored program must adhere to their procurement and bidding requirements.
- xi. University Logos and Trademarks
  - 1. All orders must be reviewed and approved by the University Marketing and Communications office. Examples include, but are not limited to: clothing, uniforms, promotional items, vehicle wraps, printing, and banners.
- xii. SDBOR Executive Director and Board Approval
  - 1. Purchases of capital assets with a per-unit cost between \$250,000 and \$500,000 must be approved by the SDBOR Executive Director prior to issuance of a purchase order.
  - 2. Purchases of capital assets with a unit cost of \$500,000 or more must be approved by the full SDBOR prior to issuance of a purchase order.
  - 3. The University buyer is responsible for managing this process.
- xiii. Debarred and Suspended Vendors
  - 1. 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.
  - 2. The appropriate buyer will be responsible for checking the status of vendors. Any purchase order meeting this requirement shall be

certified by checking the following website: <https://www.epls.gov/> and a copy of the results attached to the purchase order.

xiv. Printing Requirements

1. In accordance with applicable South Dakota administrative rules, 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.
2. An exemption has been granted to the University for the following items: 1) materials used for the recruitment of students; 2) materials used for recognition of students and employees including graduation programs, diplomas and certificates of recognition; and 3) programs for athletic events that are sold to the general public.
3. All requests/PO's for outside printing, marketing, and graphic design services must be approved by Marketing and Communications.

xv. Environmentally Preferred Products

1. In accordance with applicable South Dakota administrative rules, University individuals must adhere to the provisions regarding the use of environmentally preferred products when purchasing printing projects, paper stock, and cleaning and maintenance equipment and supplies.

4. Procedures

- a. After determination of the supply, equipment or service that is required by their department, a requestor processes a requisition in the SDezbuy system using all resources and training information available.
- b. The requestor, or designated individual, is responsible to obtain necessary information to include or paperwork to attach to the requisition as outlined below:
  - i. Possible attachments, as applicable, to the purchase requisition:



1. Specification Document/Form: To be completed when it has been determined that the supply, equipment or service needs to be bid in accordance with this policy.
2. Written Quote/Quote Request Form: If the purchase is from an existing authorized contract, no written quote is required; however, pertinent information from the contract must be included. This includes contract number, detailed description, manufacturer and item numbers, unit and extended costs. Otherwise a written quote is requested from a vendor which includes all pertinent information, or a Quote Request Form is sent to the vendor for completion. The Quote Request Form is a fillable form that can be used in place of asking for a written quote.
3. Sole Source Request Form: To be completed when it is determined that there is only one source for the supply, equipment or service requested. This form is also used if it is determined that it is in the best interest of the University to not bid the item.
4. SDBOR Capital Asset Purchase Form: When the capital asset exceeds the dollar limits outlined herein, this form must be completed. The Business Officer prepares and then submits this document to the SDBOR based on information from the requesting department.
5. Trade in/Appraisal Sheet: If the requesting department has a piece of equipment they would like to trade in, the department must complete an [Appraisal Sheet](#) and attach it to the purchase requisition. The responsible buyer will obtain the necessary appraisal/approval.
6. Brand Name Specification Justification Form: To be completed when the purchase is over \$25,000 and it is vital to use a particular brand name to ensure compatibility. The appropriate buyer will use the justification to determine how to handle the purchase.

- c. After a requestor processes a purchase requisition, the appropriate approver electronically approves the purchase requisition. After a requisition is approved, it will flow to the appropriate buyer via the assigned commodity code.
- d. The appropriate buyer reviews the requisition and all attachments to determine how to process the purchase. Factors to review include: 1) purchasing limits, 2) delivery date, and 3) competitiveness of the commodity/service. If a bid or RFP is done, the online bid system Sourcing Manager is utilized following all bid requirements. If the purchase exceeds the purchasing limit and is required to be bid, the appropriate buyer manages the bidding process.
- e. Once it is determined who the successful vendor is, a purchase order is processed and distributed to the vendor. After the vendor delivers/performs the merchandise/service, the requestor is responsible to receipt in the merchandise into the Banner system. This step authorizes the system to process a payment for the merchandise/service after the vendor invoices the University.
- f. Change orders to purchase orders are processed in the Business Office when an invoice relating to a particular purchase order does not match. Examples could include: difference in quantity, difference in price, or additional products that were authorized. The change is done in SDezbuy and Banner, and changes to the purchase order are only completed if the change is authorized by the originating department and buyer.
- g. The University Buyer or the responsible department may contact the vendor if additional information or follow-up is needed. If the department contacts the vendor, they must communicate the information to the University Buyer.

#### 5. Responsible Administrator

The Associate Vice President for Finance & Administration is responsible for the ad hoc and annual review of this policy and its procedures. The University President is responsible for approval of this policy.

SOURCE: Approved by President Laurie Nichols on 11/9/2020.