

Office/Contact: University Purchasing

Source: SDCL 5-18A and 5-18D, SDBOR Policy 5.4 (Purchasing), SDSU Facilities & Services Service Guide (Energy Star Appliances), University Policy 9:3 (Trademarks)

Link: [https://sdlegislature.gov/Statutes/Codified\\_Laws/default.aspx](https://sdlegislature.gov/Statutes/Codified_Laws/default.aspx); <https://www.sdbor.edu/policy>;

<https://www.sdstate.edu/facilities-and-services/energy-star-appliances>;

<https://www.sdstate.edu/sites/default/files/policies/upload/Trademarks.pdf>

Associated Forms: Specification Document, Quote Request Form, Sole Source Request Form, Capital Asset Purchase Form, Appraisal Form, Brand Name Specification Justification Form. (All Forms may be accessed at: <https://snap.sdbor.edu> under the Finance tab)

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## SOUTH DAKOTA STATE UNIVERSITY Policy and Procedure Manual

SUBJECT: Purchasing Policy

NUMBER: 5:35

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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 may be 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. Supplies: any property, including equipment, supplies, materials, and printing, but excluding real property.
- j. 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 must 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. 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.
- d. To the extent allowed by SDBOR Policy 5.4 and in compliance with applicable state laws and rules, University purchases must conform to the following:
  - i. Purchasing Limits:
    - 1. Equipment and Supplies Purchases under \$4,000
      - a) Orders for items with a total cost equal to or less than \$4,000 must be obtained using sound business practices in the best interest of the University and in conformity with all other policies, rules, laws, and regulations. The following methods may be used for the acquisition of these items: direct pay invoice, procurement card payment, purchase requisition/purchase order, or employee reimbursement. If the purchase requisition/purchase order method is used, 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 Supplies Purchases between \$4,000 and \$50,000

- a) In accordance with SDCL 5-18A-11, any order with a total cost exceeding \$4,000 and less than \$50,000 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 justifiably a sole source. Orders in excess of \$4,000 must be submitted on a purchase requisition.
    - 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 Supplies Purchases exceeding \$50,000
    - a) Orders with a total cost exceeding \$50,000 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. Orders in excess of \$50,000 must be submitted on a purchase requisition.
    - b) All sole source requests require approval by the OPM.
- ii. Other Purchasing Provisions
  - 1. Technology Hardware Purchases
    - a) All orders for technology related hardware exceeding \$500 in total cost must be reviewed and approved by the Vice President for Technology and Security, successor, or designee for compliance with University and SDBOR hardware standards and terms and conditions.
    - b) Technology related items include, but are not limited to: computers, software, computer peripherals, printers, scanners, monitors, projectors, digital cameras/camcorders. Procurement cards cannot be used for technology related items. A purchase requisition is required as outlined in the Purchasing Limits above.
  - 2. Technology Software Purchases
    - a) All orders for software must be reviewed and approved by the Vice President for Technology and Security, successor, or designee for compliance with University and SDBOR software standards and terms and conditions.
  - 3. Web Based IT Services and IT Professional Services
    - a) All orders for IT services must be reviewed and approved by the Vice President for Technology and Security, successor, or designee for compliance with University and SDBOR software standards and terms and conditions.
  - 4. Non-Professional Services
    - a) Any contract for non-professional services exceeding \$50,000 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.

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

5. Professional Services

- a) 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.
- b) The University Buyer is responsible for managing this process which could include review of bidder's terms and conditions.
- c) A Consultant Contract is created as a result of the applicable process.

6. Exempt Items

- a) SDCL 5-18A-22 provides an exemption from competitive bidding requirements for certain items. 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.
- b) Any federal bidding requirements if funded from federal grants must be adhered to.

7. Emergency Purchases

- a) 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.
- b) 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.

8. Grants and Contracts Requirements

- a) All purchases funded by a sponsored program must adhere to their procurement and bidding requirements.

9. University Logos and Trademarks

- a) All orders must be reviewed and approved by the University Marketing and Communications office, or successor unit. Examples include, but are not limited to: clothing, uniforms, promotional items, vehicle wraps, printing, and banners.

iii. 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 per-unit cost exceeding \$500,000 that are not funded by a grant or donation must be approved by the SDBOR prior to a purchase order being issued.
3. Purchases of capital assets with a per-unit cost between \$500,000 and \$1,000,000 that are fully funded by a grant or donation must be approved by the SDBOR Executive Director prior to a purchase order being issued.
4. All capital asset requests must be submitted to the SDBOR for approval on the SDBOR's Capital Asset Request form.
5. Individuals should refer to the SDBOR meeting calendar for meeting schedules and applicable deadlines. Questions should be referred to the University Purchasing Office.
6. The University buyer is responsible for managing this process.

iv. Debarred and Suspended Vendors

1. The University shall comply with SDBOR Policy 1.7.4 to ensure that vendors or contractors are checked against appropriate governmental exclusion, debarment, and suspension lists. 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 in accordance with SDBOR Policy 1.7.4 and the procedures established and maintained by the University Purchasing Office.

v. 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.

vi. 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.
2. Energy Star regulations must apply to any electronic appliance or device as outlined in the SDSU Facilities and Services Service Guide.

4. Procedures

- a. After determination of the supplies, 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 supplies, 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 University Purchasing Office prepares and then submits this document to the SDBOR based on information from the requesting department. The University Purchasing Office will obtain the necessary approval.
    5. Trade in/Appraisal Form: If the requesting department has a piece of equipment they would like to trade in, the department must complete this form 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 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 University Purchasing 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.

#### 5. Responsible Administrator

The Vice President for Finance and Administration, successor, or designee is responsible for annual and ad hoc review of this policy and annual review of procedures. The University President is responsible for approval of this policy.

SOURCE: Approved by President on 03/19/2019. Revised; Approved by President on 04/21/2021. Revised; Approved by President on 05/13/2024.