

## 803.1 Purchasing

### Purpose:

To operationalize Bismarck State College's purchasing policy.

All purchases of commodities (supplies, materials, equipment, printing, insurance, and leases of equipment) and services (furnishing of labor and time and effort by a contractor) which encumber College funds shall be properly authorized, documented, and processed. They shall be obtained at the best value, and in a timely manner, while maintaining fairness to vendors, and abiding by state law.

### Procedure:

#### Commodities and Services:

Purchase Price	Quote/Bid Requirement	Documentation Maintenance Requirement
Less than \$10,000	At least one fair and reasonable quote.  Equipment and software. BSC's practice is that any equipment valued over \$2500 must be added to the inventory.	Documentation not required.  Alternate Procurement form not required if multiple quotes not solicited.
At least \$10,000 but less than \$50,000	Solicit informal quotes/bids or proposals from at least three vendors or post on SPO Online with appropriate state Bidder's List. May send to additional vendors.	Purchase documentation is required.  Alternate Procurement form required if competition is not solicited from at least three vendors. The form is not required if fewer than three bids are received.
At least \$50,000 but less than \$100,000	Solicit informal bids or proposals using SPO Online with appropriate state Bidder's List. May send to additional vendors.	Purchase documentation is required. Alternate Procurement form required if: 1. Competition is not solicited.



		2. SPO Online is not used.
\$100,000 and over	Must be purchased using formal sealed bids or Request for Proposal (RFP). Solicitations must be posted using SPO Online with appropriate state Bidder's List. May send to additional vendors.	Purchase documentation is required.  Alternate Procurement form required if: <ol style="list-style-type: none"> <li>1. Competition is not solicited.</li> <li>2. SPO Online is not used.</li> </ol>

Tagged equipment: All equipment over \$2,500 receives a BSC inventory tag. For insurance purposes, assets such as tablets, computers, networked printers, also receive inventory tags.

**Definitions:**

**Informal quote or bid:** A written competitive solicitation for commodities or services that do not require a formal sealed bid, public opening, or other formalities. Award is made to the lowest cost, responsive, responsible bidder meeting specifications.

**Informal proposal:** A written competitive solicitation for commodities or services that does not require formal sealed proposals, public opening or other formalities. Award is made to the highest scoring bidder based on stated evaluation criteria.

**Formal bid:** A process by which sealed bids are received and opened at a specified time in response to a solicitation for a well-defined commodity or service. Award is made to the responsible bidder whose bid is the lowest price and responsive to the specifications and other solicitation requirements.

**Request for Proposal (RFP):** A process by which sealed proposals are received and opened at a specified time in response to a solicitation for a certain commodities or service. Award is made to the highest scoring bidder based on stated evaluation criteria.

**Sole Source or Alternate Procurement:** The commodity or service is unique and that the vendor, to the best of the requestor's knowledge and belief, based on the thorough research of the requestor, is the only vendor able to furnish the commodity or service.



**Non-Competitive Purchases:** Items which do NOT require competitive bidding are those items possessing: Utilities such as telephone, electric and natural gas services, public books and maps, periodicals and technical pamphlets, and items for resale.

**Uniqueness:** The good or service being obtained can only be requested from one manufacturer and no other manufacturers make or provide comparable products of services that will meet our needs.

**Technical Specifications:** The technical aspects of the piece of equipment are required or necessary for the work or research and no other manufacturer can provide those required technical specifications in a similar or comparable piece of equipment.

**Standards:** If standards have been developed in an effort to streamline processes, meet departmental needs, or reduce costs, this could be an acceptable justification. However, development of standards usually involves detailed RFP proposals and supporting documentation.

**Compatibility:** A piece of equipment’s compatibility with existing equipment. Final determination as to what may be classified as an “alternate procurement” shall be at the discretion of the Purchasing Coordinator. The Alternate Procurement Request form must be filled out completely and include any applicable include supporting documentation such as: a product brochure that identifies technical specifications, a federal grant or sponsored agreement that shows a particular piece of equipment was required in order to comply with the grant, an RFP that demonstrate a bid process was completed to establish a standard, and documentation from a prior order that establishes compatibility requirements

**Direct Purchases:** BSC can purchase directly from the following sources without obtaining competition or completing an Alternate Procurement form:

State Contracts	<a href="#">State contracts</a> established by OMB.
Government Sources of Supply	<a href="#">Government entities</a> , including but not limited to, OMB’s Central Supply, Central Duplicating, and Surplus Property divisions, Roughrider Industries, Information Technology Department (ITD), Core Technology Services (CTS), Work Activity Centers, correctional institutions, 1033 Program, 1122 Program.



Cooperative Purchasing Agreements	Approved higher education cooperative purchase agreements.  OMB cooperative purchase agreements are listed as State
Statutory Exemptions	N.D.C.C. §54-12-08 - Legal counsel with attorneys not employed by the state  Commodities and services exempted under N.D.C.C. §54-44.4-02.
OMB-approved Limited Competition and Non-Competitive Purchases	Commodities and services listed in North Dakota Administrative Code Chapter <a href="#">4-12-09-01</a> .

**Procurement Officer Responsibilities:**

The procurement officer is responsible for enforcing this procedure and ensuring proper documentation of purchasing transactions. Requesting departments shall provide all necessary supporting documentation required to the procurement office. Requests without adequate documentation may not be processed.

The procurement officer will determine the appropriate method of procurement based upon the circumstances of the procurement (informal/formal, bid/RFP or alternate procurement).

Reasonable estimated value must be assigned to a purchase to ensure that the proper level of authority, competition and documentation is achieved. For commodities, the entire amount of the purchase price, including shipping and handling and all other related charges, such as installation or maintenance agreements, is to be included. For services, the entire amount of a service contract includes the initial term and all possible extension and renewal options. *For example, the value of a one-year contract estimated at \$15,000 per year with 3 renewal options is \$60,000.*

All commodity and service contracts for a term in excess of three years shall include a provision for review of contract performance at specified intervals, not less frequently than once every two years. Commodity and service contracts may not exceed a term of ten years.



### Purchase Order Process:

1. Purchase Requisition: Each purchase starts with the requesting department submitting a Purchase Requisition form and supporting documentation to the purchasing coordinator.
2. Purchase Order: Once the requisition has been approved by the purchasing coordinator, it is submitted to Accounts Payable where it will be entered, and a Purchase Order (PO) will be generated. The PO and receiving report will be sent via email to the buyer. The buyer is only then authorized to order the product.
3. Receiving Report: A Receiving Report is sent to the requesting department to verify the quantity and price of the product received. The department supervisor signs the receiving report, attaches the invoice, and submits it to Accounts Payable for payment. **DO NOT PAY A PURCHASE ORDER.**

### Payment Procedure:

Payment for goods can be accomplished only upon receipt of an original invoice and completed receiving report. The invoice must show a description of item purchased and correct pricing. If part of an order is being paid, an original invoice and a copy of the receiving report must be submitted for processing. It is not acceptable to have invoices dated earlier than the purchase order. **NOTE! Bismarck State College is sales tax exempt and shortpay any invoice including sales tax.**

All invoices shall be charged and mailed to Bismarck State College, PO Box 5587, Bismarck, ND 58506-5587.

### Reference:

SBHE Policy 803.1 [Purchasing.docx \(sharepoint.com\)](#)

### History of This Policy:

First policy draft November 1979. Revisions - November 17, 1979; February 1, 1982; December 30, 1985; January 3, 1986;

July 1, 1987; October 17, 1988; June 1, 1990; November 14, 1991; June 4, 1993; August 9, 1994;



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January 1, 1997; August 12, 1997; November 9, 2001; January 7, 2003; April 19, 2004; January 29, 2009; reviewed by the Operations Council on December 22, 2010 and amended/approved by the Executive Council on January 20, 2011; November 21, 2012; Reviewed by the Operations Council on November 27, 2013 and approved by the Executive Council on December 9, 2013, January 8, 2018; Reviewed by the Operations Council on May 9, 2018 and approved by the Executive Council on May 9, 2018 effective July 1, 2018.

Reviewed by Campus Council on October 23rd, 2023, and reviewed by the Executive Council on November 8th, 2023, year, and approved by the President on November 28th, 2023.