

Lake Region State College
Policy and Procedure Manual

SECTION 400.13.01
PROCUREMENT

Procurement is the acquisition of goods, services or works from an external source. Employees should be good stewards of State money when making purchases. LRSC defines processes intended to promote fair and open competition, minimize exposure to fraud and collusion, to foster ethical conduct and compliance with state purchasing laws and rules, and increase efficiency.

Procurement Officer(s), as designated by the President using Delegation of Purchase Authority Form, SFN 2566, is the person responsible for authorizing the procurement process and is held accountable for the following purchasing guidelines, although others may perform some of the actual work. Not everyone in the procurement process needs to be certified, but the Procurement Officer's verification and process approval would be needed on purchases of \$10,000 or more, prior to the purchase being made.

TRAINING	
All employees who have purchasing authority must complete the procurement trainings for their level of authorized procurement. Employees must receive a delegation of purchase authority from the President or his/her designee using Delegation of Purchase Authority Form, SFN 2566.	
Level 1 Micro less than \$10,000	All employees must complete the OMB Procurement training. (excluding cooks and custodians)
Level 2 Small \$10,000 to less than \$100,000	President and Vice Presidents must complete the OMB Procurement training. Procurement officers must complete OMB Procurement training.
Level 3 Formal \$100,000 and over	Procurement officers must complete OMB Procurement training.

Individual items of a system may not be split to stay under the quote/bid limits. The total estimated price of all items in a system determines if a quote or formal bid/RFP is required. A "system" is defined as a group of items that are used together. Items that are the same of similar types may not be put on separate purchase requests to stay under quote or bid limits.

When trading in goods, the purchase amount parameters need to be based on the gross purchase price, regardless of the trade-in value allowed. All purchases that include a trade-in must be communicated to Asset Management prior to the transaction taking place.

An alternate procurement is when a good or service is available from only one supplier and has unique characteristics. All alternate procurement purchase requests must be justified and approved by the Procurement Officer. Requesting department must fill out the *Alternate Procurement* form (SFN 51403) prior to purchase and submit to the Procurement Officer for verification and approval.

Goods and services can be purchased from a government source of supply and government entities without obtaining competition, regardless of the dollar amount. When a need is identified, check first to see if the good or service is available from a government source of supply. If you are not purchasing from a state source of supply, purchasing threshold competition requirements apply.

PURCHASING THRESHOLDS AND REQUIREMENTS FOR GOODS AND SERVICES			
NDUS employees must follow SBHE policies and NDUS procedures.			
LEVEL		COMPETITION REQUIREMENTS	DOCUMENTATION MAINTENANCE REQUIREMENT
Level 1 Micro Purchase	Less than \$10,000	Obtain at least one fair and reasonable quote. Note: Equipment and software must be added to inventory if \$5,000 or greater.	NDUS: Documentation not required Alternate Procurement form not required if multiple quotes not solicited
Level 2 Small Purchase	At least \$10,000 but less than \$100,000	Solicit informal, unsealed bids/quotes (RFB/RFQ), an informal Request for Proposal (RFP), or internet quotes from at least three vendors. President or a Vice President must sign purchase order, agreements, contracts, work order, etc. prior to purchase.	Documentation is required and must be attached to payment voucher. Alternate Procurement form required if competition is not solicited from at least three vendors. Procurement Automation system, NDBuys, may be used for documentation of Level 2 Small Purchases.
Level 3 Formal Purchase	\$100,000 and over	Solicit a formal, sealed Invitation for Bid (IFB) or Request for Proposal (RFP) using the procurement information website. ALL vendors listed under the selected Commodity Code, Sub-Class(es) must be added to the Bidders List and additional vendors may be added. Include as many North Dakota vendors as possible.	Document solicitation method used, vendors solicited, amendments, responses received, evaluation, and basis for award. Alternate Procurement required if soliciting less than required level of competition.

History

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