



## 2023 South Dakota Legislature

# House Bill 1060

Introduced by: **Representative Callies**

1 **An Act to modify provisions related to procurement for the state and other**  
 2 **purchasing agencies.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 5-18A-11 be AMENDED:**

5 **5-18A-11.** Unless otherwise specified by statute, purchases of supplies and  
 6 services under ~~twenty-five~~ fifty thousand dollars ~~shall~~ must be made as follows:

7 (1) Notwithstanding other provisions of chapter 5-18A or 5-18D, the Bureau of  
 8 Administration may authorize state agencies and institutions to make purchases of  
 9 supplies over four thousand dollars and under ~~twenty-five~~ fifty thousand dollars by  
 10 obtaining three quotes from different vendors. If three quotes cannot be obtained,  
 11 the Bureau of Administration may approve the purchase if in the best interest of  
 12 the state, require additional quotes to be obtained, or require the purchase be  
 13 advertised for bids;

14 (2) State purchases of supplies under four thousand dollars may be made in  
 15 accordance with procedures established by the purchasing agency in the best  
 16 interests of the state;

17 (3) State purchases of services under ~~twenty-five~~ fifty thousand dollars may be made  
 18 in accordance with procedures established by the purchasing agency in the best  
 19 interests of the state; and

20 (4) For all other purchasing agencies, purchases under ~~twenty-five~~ fifty thousand  
 21 dollars may be made in accordance with procedures established by the purchasing  
 22 agency.

23 No purchases may be artificially divided to constitute a small purchase under this  
 24 section.

25 **Section 2. That § 5-18A-14 be AMENDED:**

1           **5-18A-14.** If the purchasing agency intends to enter into a contract for any public  
2 improvement that involves the expenditure of one hundred thousand dollars or more, or  
3 a contract for the purchase of supplies or services, other than professional services, that  
4 involves the expenditure of ~~twenty-five~~ fifty thousand dollars or more, the purchasing  
5 agency shall advertise for bids or proposals. The advertisement shall appear as a legal  
6 notice in the appointed legal newspaper. The advertisement shall be printed at least twice,  
7 with the first publication at least ten days before opening of bids or the deadline for the  
8 submission of proposals. The first publication shall be in each official newspaper of the  
9 purchasing agency, and the second publication may be in any legal newspaper of the state  
10 chosen by the purchasing agency. If the purchasing agency has no official newspaper, the  
11 first publication shall be made in a legal newspaper with general circulation in the  
12 jurisdiction of the purchasing agency to be selected by the purchasing agency. The  
13 advertisement shall state the time and place where the bids will be opened or the deadline  
14 for the submission of proposals. In each notice, the purchasing agency shall reserve the  
15 right to reject any or all bids or proposals.

16   **Section 3. That § 5-18A-22 be AMENDED:**

17           **5-18A-22.** The provisions of this chapter and chapters 5-18B, 5-18C, and 5-18D  
18 do not apply to:

- 19       (1) Any highway construction contract entered into by the Department of  
20       Transportation;
- 21       (2) Any contract for the purchase of supplies from the United States or its agencies or  
22       any contract issued by the General Services Administration;
- 23       (3) Any purchase of supplies or services, other than professional services, by  
24       purchasing agencies from any active contract that has been awarded by any  
25       government entity by competitive sealed bids or competitive sealed proposals or  
26       from any contract that was competitively solicited and awarded within the previous  
27       twelve months;
- 28       (4) Any equipment repair contract;
- 29       (5) Any procurement of electric power, water, or natural gas; chemical and biological  
30       products; laboratory apparatus and appliances; published books, maps, periodicals  
31       and technical pamphlets; works of art for museum and public display; medical  
32       supplies; communications technologies, computer hardware and software,  
33       peripheral equipment, and related connectivity; tableware or perishable foods;

- 1 (6) Any supplies, services, and professional services required for externally funded  
2 research projects at institutions under the control of the Board of Regents;
- 3 (7) Any property or liability insurance or performance bonds, except that the actual  
4 procurement of any insurance or performance bonds by any department of the  
5 state government, state institution, and state agency shall be made under the  
6 supervision of the Bureau of Administration;
- 7 (8) Any supplies needed by the Department of Human Services or the Department of  
8 Social Services or prison industries for the manufacturing of products;
- 9 (9) Any printing involving student activities, conducted by student organizations and  
10 paid for out of student fees, at institutions under the control of the Board of  
11 Regents. However, nothing in this subdivision exempts, from the requirements of  
12 this chapter and chapters 5-18B, 5-18C, and 5-18D, purchases that involve  
13 printing for other activities at institutions under the control of the Board of Regents;
- 14 (10) Any purchase of surplus property from another purchasing agency;
- 15 (11) Any animals purchased;
- 16 (12) Any purchase by a school district of perishable food, raw materials used in  
17 construction or manufacture of products for resale, or for transportation of  
18 students;
- 19 (13) Any authority authorized by chapters 1-16A, 1-16B, 1-16G, 1-16H, 1-16J, 5-12,  
20 or 11-11;
- 21 (14) Any seeds, fertilizers, herbicides, pesticides, feeds, and supplies used in the  
22 operation of farms by institutions under the control of the Board of Regents;
- 23 (15) Any purchase of supplies for any utility owned or operated by a municipality if the  
24 purchase does not exceed the limits established in § 5-18A-14;
- 25 (16) For political subdivisions, any contract for asbestos removal in emergency response  
26 actions and any contract for services provided by individuals or firms for  
27 consultants, audits, legal services, ambulance services, architectural services and  
28 engineering, insurance, real estate services, or auction services;
- 29 (17) Any purchase of supplies or services from a contract established through a  
30 Midwestern Higher Education Compact group purchasing program by a competitive  
31 sealed bid or a competitive sealed proposal; or
- 32 (18) Any contract concerning the custody, management, purchase, sale, and exchange  
33 of fund investments and research by the State Investment Council or Division of  
34 Investment; ~~or~~

- 1        ~~(19) For political subdivisions, any purchase of equipment involving the expenditure of~~  
2            ~~less than fifty thousand dollars.~~