

Bond Case Briefs

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CONTRACTS - SOUTH DAKOTA

Lowe v. City of Hot Springs

Supreme Court of South Dakota - January 28, 2015 - N.W.2d - 2015 S.D. 3

After city accepted corporation's proposal to lease real property belonging to city, private entity, whose proposal had been rejected, sued city and corporation, seeking to require city to reject all proposals and restart process, based on allegation that city failed to adhere to statutory service procurement requirements. The Circuit Court granted city and corporation summary judgment. Private entity appealed.

The Supreme Court of South Dakota held that city's request for proposals and contract with corporation did not involve procurement services.

City's request for competitive sealed proposals for continued utilization of its real property and subsequent contract with corporation to lease property for sand and gravel extraction did not involve procurement of services, such that city was not required to adhere to statutory service procurement requirements. Even though lease required corporation to use its efforts with respect to certain matters, terms requiring corporation's efforts were all integrally related to city's historical use of property, transaction involved bona fide lease, and city paid no monetary compensation for corporation's efforts.