State Procurement Manual

The *State Procurement Manual* is your guide to statewide policies and procedures for obtaining materials, supplies, equipment, contractual services and all other items of a consumable nature.

The State Bureau of Procurement issues the Manual and updates it as necessary. Announcements of updates are communicated to agency purchasing directors or the established contact in PRO-A-7. This agency contact person is responsible for distributing information within his/her agency.

Rick S. Hughes, Director
State Bureau of Procurement

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(Work Center) Contract Cost Analysis	PRO-K-6	10/4/2002
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Introduction

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PRO-A-1		
PRO-A-2		
PRO-A-3	Delegation (Formerly Major Delegation)	10-14-14
PRO-A-4	Procurement Plans	10-31-11
PRO-A-5	State Procurement Manual	04-01-02
PRO-A-6	Management Reviews	11-30-12
PRO-A-7	Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices	02-01-99
PRO-A-8	State Agencies Purchasing Council	01-01-82

AUTHORITY: Wis. Stats. 16.71
16.72(4)
16.75(1)(c)

SCOPE:
- to define delegation
- to establish authority to perform and to delegate authority to perform procurement activities
- to establish criteria for granting or maintaining delegation to a state agency

DEFINITIONS:

I. "Agency" means an office, department, agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority *and* is seeking or has received "delegation" from the "State Bureau of Procurement".

II. "Bureau" means the State of Wisconsin, Department of Administration, Division of Enterprise Operations, State Bureau of Procurement.

III. "Delegation" is the authority for an agency to purchase up to a specified dollar level without obtaining prior approval for each individual transaction from the State Bureau of Procurement.

IV. "Criteria" is a standard by which a judgment can be formed to determine whether delegation is warranted for a state agency.

V. "Special designated agent" means the person within an agency who receives the primary procurement delegation for that agency.

VI. "Full delegation" transfers procurement authority to a special designated agent in another state agency. This delegation authorizes the agency to:

A. Conduct bids for commodities in any dollar amount if not provided on a mandatory statewide contract.

B. Approve sole source procurements meeting statutory requirements through $25,000.

Full delegation does not include authority to:

A. Conduct any request for proposal over $50,000,

B. Conduct any bid for services over $50,000, and

C. Approve any sole source waiver request over $25,000.

Full delegation to a special designated agent must be acquired from the Bureau.

VII. "Partial delegation" means the transfer of procurement authority with specific dollar or commodity and/or service limits.

VIII. "Sub-delegation" means the act of a special designated agent assigning procurement authority within the construct of this policy, to a position(s) within his or her procurement oversight.

CONTENT: I. Authority

A. Under the statutes, the Bureau establishes rules and procedures that govern the procurement process.

B. Under these rules and procedures, the Bureau purchases, and may delegate to special designated agents, the authority to purchase, all necessary materials, supplies, equipment, permanent property and miscellaneous capital, contractual services and other expenses of a consumable nature for all state offices.

C. Delegation to special designated agents is done in writing and such delegation specifies dollar, transaction and commodity parameters within which the agent is authorized to act.

D. Actions performed under delegation must conform to the rules and procedures that govern the procurement process at any dollar level.

E. Actions performed under delegation are documented so as to leave a full audit trail.

F. Delegation may be increased, reduced, or withdrawn when deemed appropriate by the Bureau.

G. A transition period will be developed to give all current delegated agencies an opportunity to meet the criteria.

H. A special designated agent with full delegation authority may sub-delegate the authority to conduct procurements in accordance with Bureau procedures and policies to appropriate positions within his or her procurement oversight. Such sub-delegation may be full or partial. In order to sub-delegate, the special designated agent must establish a process for sub-delegation that mirrors or exceeds the state's delegation requirements and process. If sub-delegation is partial then a modified delegation review would occur. The sub-delegated position may further sub-delegate procurement authority if the following are observed:

1. Sub-delegation is done in writing.

2. Written sub-delegation contains specifically defined procurement limitations and responsibilities.

3. All written sub-delegation agreements must be kept on file.

4. Sub-delegation is subject to Bureau audit.

The special designated agent remains responsible for all agency wide activities regardless of any sub-delegation agreement.

II. Criteria for delegation

A combination of the following criteria will be the basis of the Bureau's determination of delegation authority to an agency:

A. The organizational structure of the agency supports the receipt of delegated authority and all related responsibilities thereof.

B. The agency's internal policies and procedures adhere to state procurement standards and support the level of delegation assigned.

C. The special designated agent has the knowledge, experience and performance requirements needed to support the level of delegation assigned.

D. The agency's purchasing/procurement staff has the knowledge, experience and performance requirements needed to support the level of delegation assigned.

E. The agency's training program supports the level of delegation assigned.

F. The agency's internal procurement management review, audit and compliance monitoring activities support the level of delegation assigned.

G. The agency's procurement history, complexity of procurements, and history of protests and appeals support the level of delegation assigned.

H. The agency's baseline procurement data gathered from WiSMART, state purchasing card transactions, and agency contract data support the level of delegation assigned.

III. Process for obtaining delegation

A. The agency head submits a cover letter and application materials to the Bureau requesting delegation. The application will address the functional requirements identified in section II., Criteria for Delegation, and Appendix A, Delegation Approval Criteria.

B. The Bureau will acknowledge receipt of the application in writing and provide the agency with an estimated review response date.

C. After review of the application materials and baseline procurement data, the Bureau will issue a letter which:

1. Approves the application and issues full delegation, or

2. Approves the application and issues partial delegation that authorizes the agency to solicit commodities or services with certain conditions as delineated in the delegation letter, or

3. Rejects the application. The Bureau will issue a written statement that explains why the application was rejected and explains what the agency needs to improve or change to be considered for delegation.

D. The agency may appeal the rejection of their application. The agency will submit its appeal in writing to the Bureau stating specific reasons why the application should be reconsidered.

E. The Bureau will respond to the appeal within twenty (20) working days.

IV. Process for terminating/reducing delegation

A. The following situations could cause the Bureau to review an agency's delegation for possible reduction or termination of delegation:

1. A management review with significant findings that call into question the agency's internal controls for purchasing.

2. Significant purchasing/procurement staff turnover.

3. A pattern of bad procurements or procurement practices indicating a problem.

4. Failure to comply with delegation agreement terms.

B. The Bureau may take a series of actions, including:

1. Placing an agency on probation for a defined period of time.

2. Reducing the delegation.

3. Terminating delegation.

C. Restoration of delegation will require the agency to resubmit an application for delegation. The application must demonstrate that remedies have been implemented to address the identified deficiencies.

V. Changes impacting delegation

A. The agency must notify the Bureau within twenty (20) working days, when any of the following occurs:

1. The individual with delegated authority leaves the position. Agencies will be provided a window of time to recruit staff to meet the required

knowledge and experience criteria if a special designated agent leaves the position.

2. The agency experiences significant organizational or staff changes impacting the procurement function.

3. The agency makes significant revisions to the position descriptions or responsibilities of the delegee and/or purchasing/procurement staff.

B. The Bureau will review the situation and if necessary:

1. Direct the agency to resubmit the application for delegation as outlined in III. above, or

2. Temporarily modify agency delegation and direct the agency to resubmit the application when staffing changes are completed.

VI. Scoring of applications

A. A point system will be used to measure the agency's application materials against the evaluation criteria contained in Appendix A, Delegation Approval Criteria.

B. An agency must score at lease 60 out of 100 possible points to be considered for delegation.

VII. Appendix

A. Delegation Approval Criteria (Appendix A)

B. Pre-Delegation Baseline Purchasing Data Review of Delegated Agencies (Appendix B)

VIII. Reference material

Purchasing Personnel Inventory

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.71
16.72(4)
16.75(1)(c)

SCOPE:
- to establish guidelines for submitting procurement plans
- to simplify the approval process to obtain purchasing authority for specific transactions as listed in this policy

CONTENT:

I. The purpose of the use of procurement plans is to simplify the process of requesting purchasing approval.

II. The following are those transactions that are included in this simplified process. They must be listed in the procurement plan:

- Requests for proposals over $50,000
- Intergovernmental procurements over $50,000
- Cooperative purchases with other agencies/governmental entities over $50,000
- Requests for bids for *services* over $50,000

III. The following transactions are not included in the procurement plan:

- Requests for bids for *commodities* over $50,000
  Refer to PRO-C-5 for official sealed bidding policy and procedure.
- Purchases using statewide contracts
- Piggyback purchases from other agency contracts
  The procuring agency will ensure that piggybacking is an appropriate procurement solution. Refer to PRO-D-29, Piggybacking. A completed Piggybacking Data Plan must be submitted to the State Bureau of Procurement for all piggyback transactions and e-mailed to: doadlprocplan@wisconsin.gov

IV. Transactions requiring submittal of a Request for Purchasing Approval/Authority (RPA) to the Bureau will not be listed in the plan. (Refer to PRO-C-2, Request for Purchasing Approval/Authority (RPA) Policy and Procedure.) An RPA is required for the following:

- Sole source procurements over $25,000
  Refer to PRO-C-13, Noncompetitive Negotiation (Sole Source).

- General waivers over $25,000
  Refer to PRO-C-11, General Waiver.

- Motor vehicle purchases for any amount
  Refer to PRO-D-16, Procurement of Motor Vehicles.

- Legal service procurements for any amount
  Refer to PRO-I-8, Legal Services.

- Collective purchasing with other states or the federal government
  Approval thresholds vary depending on the type of collective purchasing request. Refer to PRO-D-25, Collective Purchasing with Other States or the Federal Government.

PROCEDURE: I. Delegated agencies and agencies not consolidated under Consolidated Agency Purchasing Services (CAPS)

A. All delegated agencies and agencies not consolidated under CAPS will submit a procurement plan for each anticipated procurement under Content II. to the State Bureau of Procurement for approval.

B. The agency's procurement director or designee will complete form DOA-3720, Procurement Plan, for **each** anticipated procurement. The form must be completed in its entirety before it is submitted electronically to the Bureau for approval. The agency must submit plans individually, each one on a completed form DOA-3720, to: doadlprocplan@wisconsin.gov

C. The Bureau will forward plans containing information technology-related procurements to the Division of Enterprise Technology.

D. The Bureau will forward plans containing limited trades or construction-related procurements to the Division of State Facilities.

E. The Bureau will review plans on an individual basis and respond back to the agency with an e-mail that permits the agency to proceed with the procurement outlined in its plan, unless otherwise stipulated. The agency will maintain in its files a copy of the plan along with the Bureau's response.

II. Consolidated Agency Purchasing Services (CAPS) agencies

A. CAPS agencies will work through their Department of Administration CAPS staff.

B. The agency's designated purchasing liaison will complete or have the appropriate person in their agency complete form DOA-3720, Procurement Plan, for each anticipated procurement. The form must be completed in its entirety before it is submitted electronically to the CAPS procurement staff. The agency must submit plans individually, each one on a completed form DOA-3720.

C. CAPS will submit consolidated agencies' procurement plans, completed form DOA-3720, to the Bureau for approval at: doadlprocplan@wisconsin.gov

D. The Bureau will forward plans containing information technology-related procurements to the Division of Enterprise Technology.

E. The Bureau will forward plans containing limited trades or construction-related procurements to the Division of State Facilities.

F. The Bureau will review plans on an individual basis and respond back to CAPS with an e-mail that permits the agency to proceed with the procurement outlined in its plan, unless otherwise stipulated. CAPS will maintain in its files a copy of the plan along with the Bureau's response.

III. All agencies will achieve delegation status from the Bureau by following the procedures outlined in PRO-A-3, Delegation.

IV. Printing is delegated in accordance with an agency's level of delegation, but *all* printing must be bid, no best judgment procurements.

Authorized:

Rick Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-A-5	4-1-02	5-1-85

Section	Agencies Affected	Page
INTRODUCTION	ALL	1 of 1

Title
STATE PROCUREMENT MANUAL

AUTHORITY: Wis. Stats. 16.705
16.71
16.72(4)(a)

SCOPE:
- to establish the *State Procurement Manual*
- to provide for the ongoing publication of policy and procedures in the *State Procurement Manual*
- to establish responsibility for issuance, use and maintenance of the *State Procurement Manual*

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CONTENT:

I. The State Bureau of Procurement, Department of Administration, purchases commodities and services for the state through direct or delegated authority, and establishes policy and procedures for the performance of this function.

II. The *State Procurement Manual* is the official publication for disseminating policy and procedures on the state's procurement function.

III. The State Bureau of Procurement is responsible for the development of the *State Procurement Manual*. The Bureau posts the *Manual* on VendorNet for state agency and public use. Announcements of updates are communicated electronically to agency purchasing directors or the established contact in PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices. This agency contact person will distribute information within his/her agency. The agency is responsible for maintaining the accuracy of PRO-A-7 by advising the Bureau of any changes.

IV. Agencies with delegated purchasing authority are responsible for keeping up to date on all additions, revisions or deletions published by the State Bureau of Procurement.

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Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.004(4), (5), (6)
16.71
16.72(4)
16.82(1), (2), (3)

SCOPE:
- to establish authority for the function of management review with the State Bureau of Procurement
- to define responsibility for the retention and provision of procurement documentation for management review purposes

CONTENT:

I. Delegation of authority by the State Bureau of Procurement carries with it the responsibility to conduct management reviews of those delegated processes to assure that the intent of the authorizing legislation is fulfilled and the terms of the delegation granted by the Department of Administration are met.

A. The agency will ensure a formalized management review program exists to create and maintain internal controls and internally monitor compliance with procurement statutes, administrative codes, state policies and procedures, and the agency policies and procedures.

B. The agency will perform periodic management reviews of internal procurements and processes to ensure compliance. Following management reviews, the agency will compile a report of the findings to be made available for review or upon request.

C. The Bureau may choose to perform its own management review of the agency's procurement processes. The agency will provide all information from its internal management reviews to the Bureau for its management review or upon request.

II. Assumption of delegated authority by a state office carries with it the responsibility to perform under the rules and the procedures involved and to provide a documented review trail for after-the-fact review of performance upon request by the Bureau.

A. Purchasing agents at all levels must bear in mind that decision-making on their part is always subject to challenge, sometimes long after the fact. Therefore, records, justifications, notes, bidder documentation and required registers and files are to be maintained and kept in useable, accessible condition for access.

B. Failure to maintain accessible and thorough records of performance and actions taken is cause for a review of, or withdrawal of, certain levels of delegated authority.

C. Input of records and documents to automated systems that are used for review purposes must be accurate and complete.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-A-7
		Effective 2-1-99
Section INTRODUCTION	Agencies Affected ALL	Replaces 12-1-97
Title DIRECTORY OF STATE BUREAUS OF PROCUREMENT/TRANSPORTATION AND STATE AGENCY PURCHASING/PRINTING OFFICES		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE:
- to establish procedures for agency reporting of internal changes
- to furnish agencies with an informational listing of purchasing and printing liaison personnel

CONTENT:

I. Each agency purchasing/printing office is responsible for maintaining the accuracy of the attached listing by:

A. Examining this listing as to accuracy for your purchasing/printing office; and

B. Advising the State Bureau of Procurement immediately of any changes by providing the necessary information as follows:

NAME OF AGENCY: _____ DATE: _____

ADDRESS: _____

_____ ZIP: _____

PURCHASING LIAISON: _____

TELEPHONE: _____

FAX NUMBER: _____

E-MAIL ADDRESS: _____

DEPARTMENT WEB SITE ADDRESS: _____

PRINTING LIAISON: _____

TELEPHONE: _____

FAX NUMBER: _____

E-MAIL ADDRESS: _____

DEPARTMENT WEB SITE ADDRESS: _____

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
INTRODUCTION	ALL	PRO-A-8
		Effective 1-1-82
		Replaces NEW
Title STATE AGENCIES PURCHASING COUNCIL		Page 1 of 1

AUTHORITY:

SCOPE: - to establish authority and function for the State Agencies Purchasing Council

CONTENT:

1. The State Agencies Purchasing Council, composed of agency and State Procurement personnel, provides a forum for discussion of policies and procedures, and makes recommendations for the promotion and improved effectiveness of the statewide purchasing function.

Authorized:

Director
State Bureau of Procurement

Statewide Contracts and Standards

Number	Title	Effective Date
PRO-B-1	State Procurement Statewide Contracts (Formerly Bulletins)	03-15-13
PRO-B-2	Index of Scheduled Statewide Contracts (Formerly Bulletins)	04-01-00
PRO-B-3	NIGP Commodity Codes	10-16-02
PRO-B-4	Questionnaires, State Procurement Operational	12-01-86
PRO-B-5		
PRO-B-6	Specifications	08-01-91
PRO-B-7	Standard Commodities and Statewide Contracts	05-01-92
PRO-B-8	Standards Committees	09-01-83
PRO-B-9	Value Analysis	04-01-00
PRO-B-10	Index of Procurement Information Memorandums (PIMs)	04-01-00
PRO-B-11		
PRO-B-12	Procurement Information Memorandum (PIM)	04-01-00

AUTHORITY: Wis. Stats. 16.72(4)(a)

SCOPE:
- to establish policy and procedure for the issuance and use of State Procurement statewide contracts
- to explain the State Procurement statewide contract numbering method

CONTENT:

I. State Procurement statewide contracts are written directives issued by the State Bureau of Procurement to authorize agency purchasing activities.

A. Contracts contain complete operational instructions as follows:

1. What quality is authorized for the procurement
2. Steps to be taken in selecting the materials or services
3. How to requisition or order the materials or services
4. Source of supply
5. Price structure
6. Terms and delivery information
7. Stipulations or management controls

B. Contracts identified as mandatory will be used by the agency when a need exists, regardless of dollar amount, for the material or contractual service contained in the contract. Optional contracts may be used at the agency's discretion.

C. The agency will consult the contract listing on VendorNet when a material or contractual service is needed.

II. The Bureau assigns contract numbers.

A. The contract number represents the following information (e.g., 15-95823-101):

15	95823	1	01
Contract Series	Commodity code	Calendar year in which contract is written	Sequential number

B. Contract series is used as follows:

Contract Series	Description
10	Mandatory short-term contracts, less than one year in length, where specific items and quantities are known
11	Experimental in nature, optional, possible future development into 10 or 15 series contracts
14	Mandatory long-term contracts, one year or longer, for estimated quantities, work center
15	Mandatory long-term contracts, one year or longer, for estimated quantities
18	Contract resulting from sole source procurements requiring the governor's approval (general waiver of the bidding process), over $25,000, State Bureau of Procurement initiated
20	Sole source procurements requiring the governor's approval (general waiver of the bidding process), over $25,000, agency initiated
21	General request for approval of accumulated, similar transactions over the course of a one year period in which competition occurs, over $25,000

22	Contract resulting from State Bureau of Procurement approval of the request for proposal (RFP) process, over $50,000
23	State Bureau of Procurement approval of intergovernmental transactions, over $50,000
24	State Bureau of Procurement approval of emergency procurements
25	State Bureau of Procurement approval of waiver of bidding, $25,000 or less
26	State Bureau of Procurement approval of RFPs, $50,000 or less
27	State Bureau of Procurement approval of intergovernmental transactions, $50,000 or less
28	State Bureau of Procurement approval of piggybacks
29	State Bureau of Procurement approval of collective purchasing
30	State Bureau of Procurement approval of simplified bids, agencies to take bids
31	State Bureau of Procurement/governor approval of extended period/continuing contracts
40	State Bureau of Procurement approval of official sealed bids, agencies to take bids
44	State Bureau of Procurement approval of a Request for Purchasing Approval/Authority, agency to contract with a work center
60	Contracts issued to one agency from a Request for Purchasing Approval/Authority, State Bureau of Procurement to take bids

C. Sequential number:

1. The sequential number is used to uniquely identify the contract.

2. The sequential number is assigned as follows:

Sequential Number	Description
00	No identifier required
01-10	Sequential number (several contracts in same commodity area over a year's period)
11-30	Agency identifier
31-40	Location identifier
41-60	Contractor identifier
70	Bureau of Correctional Enterprises dba Badger State Industries
90	Bureau of Correctional Enterprises dba Badger State Logistics (formerly Waupun Central Warehouse) contract
91	Agency purchase from Bureau of Correctional Enterprises dba Badger State Logistics (formerly Waupun Central Warehouse)
99	All agency contract
_ _ # alpha	Printing related contract

III. The Bureau posts contracts on VendorNet. The agency contacts on PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices, receive weekly e-mail notification of new contracts and contract updates.

IV. A purchase order written for a standard commodity in the 10, 14, 15 or 18 series contracts will comply with the corresponding contract.

A. The agency may not negotiate with the contractor concerning terms, conditions or commodities when such are specified on the contract.

B. Only items specifically referred to in the contract may be purchased. Other products available from the contractor but not specified on the contract are not covered.

V. Issuing a contract in response to a Request for Purchasing Approval/Authority or approval of a procurement plan for contractual services constitutes "prior approval" as required by s. 16.72(4)(a), Wis. Stats.

VI. Consolidated Agency Purchasing Services (CAPS) will use its own unique numbering system for any agency-specific contract it administers.

VII. Delegated agencies and agencies not consolidated under CAPS will use their own unique numbering system for any contracts they administer. However, under certain situations, the Bureau may allow agencies to use the contract numbering as outlined in Content II. above.

VIII. Reference material:

A. PRO-B-2, Index of Scheduled Statewide Contracts

B. PRO-B-10, Index of Procurement Information Memorandums (PIMs)

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-B-2	4-1-00	1-1-99

Section	Agencies Affected	Page
STATEWIDE CONTRACTS AND STANDARDS	ALL	1 of 1

Title
INDEX OF SCHEDULED STATEWIDE CONTRACTS (FORMERLY BULLETINS)

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish numerical and alphabetical listings of State Procurement statewide contracts for agency procurements

CONTENT:

I. Many contract numbers have changed since this index was previously issued. Please revise agency files to reflect the current contract numbers.

II. The third digit from the end of a contract number represents the calendar year in which the contract is written. This digit changes frequently and is not included in this index (except for printing contracts). When writing a purchase order using a contract, refer to the appropriate ten-digit contract number shown on that contract. For example, enter 15-43103-052 not 15-43103-(52).

III. The Bureau posts contracts on VendorNet. The agency contacts on PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices, receive weekly e-mail notification of new contracts and contract updates.

IV. See:

A. PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices, for a listing of State Bureau of Procurement personnel for agency contact.

B. PRO-B-1, State Procurement Statewide Contracts

C. PRO-B-10, Index of Procurement Information Memorandums (PIMs)

D. PRO-B-12, Procurement Information Memorandum (PIM)

Authorized:

Director
State Bureau of Procurement

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Number	Effective	Replaces
PRO-B-3	10-16-02	NEW

Section	Agencies Affected	Page
STATEWIDE CONTRACTS AND STANDARDS	ALL	1 of 2

Title
NIGP COMMODITY CODES

AUTHORITY: Wis. Stats. 16.71

SCOPE:
- to define "National Institute of Governmental Purchasing commodity code" and "living code"
- to define and establish use and maintenance of the "master file"
- to establish a timeline for updating the master file
- to establish procedures for updating/adding a code

DEFINITIONS:

I. The "National Institute of Governmental Purchasing (NIGP) commodity code" structure is a set of numbers used to identify commodities/services procured by the state.

II. The "living code" is a current listing of codes that can be updated by various states as necessary to meet the needs of the individual states. It is maintained by Periscope Holdings, Inc., and it is located on their Website.

III. The "master file" is a listing of codes that is located on VendorNet and maintained by the Bureau of Procurement's commodity code coordinator.

POLICY: The NIGP commodity code structure will be used at the five-digit level as the state standard. The master file is the preferred resource for the agency.

CONTENT:

I. The code structure is used to:

A. Register vendors for the state bidders lists,

B. Maintain bidder/vendor files, and

C. Identify items on purchase orders to assist in creating purchasing reports.

II. The coordinator will maintain and update the master file of NIGP codes. A text or tab delimited file is available for the agency to access and download into any system.

Authorized:

Director
State Bureau of Procurement

III. The agency may request an update to the master file if a code does not exist that meets the agency's needs.

A. The agency will contact the coordinator at 608/261-8552 and identify the proposed code update and/or suggest where the code would fit into the structure.

B. The coordinator will make the update/addition as a Wisconsin-specific code unless Periscope Holdings, Inc. edits the code in the NIGP structure.

IV. The Bureau will make updates on a quarterly basis, that is March 1, June 1, September 1 and December 1.

A. Updates are communicated electronically to agency purchasing directors or the established contact in PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices.

B. Wisconsin-specific codes are available via a link from VendorNet.

C. Updates to the master file are available via a link from VendorNet.

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Number	Effective	Replaces
PRO-B-4	12-1-86	4-1-83

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STATEWIDE CONTRACTS AND STANDARDS	ALL	STATE PURCHASING OPERATIONAL QUESTIONNAIRES	1 of 1

AUTHORITY: Wis. Stats. 16.72(2)(A)

SCOPE:
- to establish the State Bureau of Procurement as the office authorized to conduct statewide surveys of procurement needs
- to establish policy and procedure for using the State Purchasing operational questionnaire

CONTENT:

1. The State Bureau of Procurement issues State Purchasing operational questionnaires to state agencies to determine agencies' needs to develop standard commodity bulletins.

   A. Each questionnaire concerns commodities or services usually common in specifications and used by more than one agency.

   B. Agencies' responses represent needs for a specific period of time.

2. The questionnaire will be accurately completed and promptly returned to the State Bureau of Procurement on or before the date due.

   A. If the commodity or service required by an agency does not appear on a questionnaire, the agency will list its requirements under "Other Items" on a separate sheet attached to the questionnaire.

   B. When an agency has no requirements, the questionnaire will be returned checking the "Negative Report" box on the form.

   C. Information from subdivisions of the agency is consolidated by the agency's central purchasing office and submitted to the State Bureau of Procurement. The agency's central purchasing office is responsible for contacting agency staff to ensure questionnaires are returned on time.

   D. Those agencies which continually fail to accurately complete and return questionnaires on time will be held responsible by the State Bureau of Procurement.

3. Once agencies' responses to a questionnaire are tabulated, the State Bureau of Procurement will issue a bulletin containing instructions to agencies on the appropriate method of procurement. The bulletin number will correspond to the questionnaire number.

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Director
State Bureau of Procurement

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PRO-B-6	8-1-91	10-1-88	1 of 2

Section	Agencies Affected
STATEWIDE CONTRACTS AND STANDARDS	ALL

Title
SPECIFICATIONS

AUTHORITY: Wis. Stats. 16.72(2)(a) & (b)
16.75(1)(a)
16.75(2)(a)

SCOPE:
- to establish authority and policy for the preparation and use of specifications in the state procurement process
- to define standard and nonstandard specifications
- to identify key considerations in the writing of specifications

CONTENT:

I. Specifications presented to potential bidders define both the product or end result of the contract, and the time in which performance is to take place.

A. Specifications are written in concise, measurable terms and measurement of the results to be achieved by the supplier must be provided for.

B. Specifications presented to a potential bidder must relate to the specifications appearing in any resulting contract. Approvals granted on the basis of an original set of specifications will be voided if the specifications in the final contract vary seriously from the original set.

C. Specifications should be prepared so as to preclude restrictive provisions and encourage competition.

D. Specifications drawn for the purchase of equipment to be used by the state must contain sufficient reference to safety factors. These references are presented in generic form, excluding brand names. (See safety requirement language in PRO-E-7, Standard Terms and Conditions.)

II. The State Bureau of Procurement prepares standard specifications, as far as possible, for all state purchases. A standard specification is prepared to describe in detail the article desired for purchase.

A. Trade names are not used in writing standard specifications.

B. On the formulation, adoption and modification of any standard specification, the State Bureau of Procurement may request and be afforded without cost the assistance of other state agencies.

C. Each standard specification adopted satisfies, insofar as possible, the requirements of any and all agencies making common use of it.

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Director
State Bureau of Procurement

D. A file of standard specifications in current use is kept by the State Bureau of Procurement and revised as necessary. Where possible, such specifications are also on file with those suppliers who may wish to bid.

E. The State Bureau of Procurement only may obtain bids based on standard specifications.

F. The State Bureau of Procurement staff members preside at all standard specifications meetings with suppliers.

III. The State Bureau of Procurement prepares or reviews specifications for all materials, supplies, equipment and contractual services not purchased under standard specifications. Nonstandard specifications may be generic or performance specifications, or both, prepared to describe in detail the article desired for purchase either by its physical properties or programmatic ability. Trade names are not used in writing nonstandard specifications unless this is determined to be inappropriate. When it is necessary to use trade names to communicate a level of quality, performance or compatibility, the specifications will give at least two, preferably three, examples of trade names of articles purchased in the past. It is unacceptable to state one trade name along with "or equal" unless only one is available. The rationale for using trade names will be documented in the bid file.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-B-7	5-1-92	2-1-90

Section	Agencies Affected	Page
STATEWIDE CONTRACTS AND STANDARDS	ALL	1 of 1

Title
STANDARD COMMODITIES AND STATEWIDE CONTRACTS

AUTHORITY: Wis. Stats. 16.72(2)(a)

SCOPE:
- to define standard commodity
- to establish authority and policy for designation and procurement of standard commodities
- to establish policy requiring agency purchasing offices to use standard bulletins (10, 14 and 15 series) in purchasing operations

DEFINITION:

I. A statewide "standard commodity" is a material or contractual service, the single specification for which, suitably provides the requirements of all agencies using such commodity or service. A commodity or service is declared a standard commodity by the Bureau's procurement manager after a Procurement survey has determined that such action will benefit the state as a whole and be consistent with the best interests of the state.

CONTENT:

I. The Bureau's Procurement Standards and Specifications Program involves the development and use by agencies standard commodities which have, by technical analysis, been selected, to the exclusion of all other like materials or contractual services, as most suitable for use by all agencies.

II. The State Bureau of Procurement alone may take bids on standard commodities. All standard commodities are identified to agencies by State Procurement 10, 14 and 15 series operational bulletins. Each agency will maintain a current file of these bulletins for reference use during the purchasing process.

III. It is mandatory that standard commodities be purchased by all agencies requiring such materials or services, to the exclusion of all other like commodities. During the purchasing process, agencies will refer to the appropriate 10, 14 or 15 series bulletin and closely follow its instructions.

IV. The Bureau's procurement managers also may issue 11 series State Procurement operational bulletins for optional use by agencies of certain materials and contractual services with possible future development of these bulletins into 10 or 15 series mandatory bulletins.

V. All 10, 14 and 15 series State Procurement operational bulletins are considered as standard bulletins.

Authorized:

Director
State Bureau of Procurement

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Number	Effective	Replaces
PRO-B-8	9-1-83	9-1-82

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STATEWIDE CONTRACTS AND STANDARDS	ALL	1 of 2

Title
STANDARDS COMMITTEES

AUTHORITY: Wis. Stats. 16.72(2)(a)(b)

SCOPE: - to establish purpose, selection process, and function of standards committees

CONTENT:

1. Standards committees may be formed by the State Bureau of Procurement for the purpose of drafting standard specifications or acceptable products lists, establishing standardized policies or procedures affecting a specific commodity or procurement technique, resolving disputes or rectifying unusual situations, or conducting pilot projects. Generally a standards committee is formed in instances where several state agencies are involved and the dollar volume of procurement (and potential savings) warrant such action.

2. The appropriate procurement manager in the State Bureau of Procurement is responsible for selecting members to participate. Committee member invitations will be made by letter from the procurement manager.

3. A standards committee consists of the procurement manager as permanent chairperson, other selected representatives from the State Bureau of Procurement, and various state agency personnel invited to participate by the permanent chairperson because of interest in or special knowledge of a particular commodity or service.

   The committee may invite manufacturers or suppliers when necessary before finalizing a standard specification and contract conditions to ensure that they are compatible with the product or service available in the market place and with maximum competition.

4. The chairperson may appoint task groups from the membership, to be given specific assignments and asked to report to the committee as a whole.

5. All standards committees serve in an advisory capacity to the State Bureau of Procurement. The committee convenes upon call by the chairperson to hear, discuss, and make recommendations of solutions or actions the State Bureau of Procurement might consider taking. Arrangements for the meetings, agendas, and meeting notes are the responsibility of the chairperson.

Authorized:

Director
State Bureau of Procurement

6. Copies of all meeting notes and results of standards committee activities are distributed to each member of the committee, the bureau director, section chief, and other parties. The procurement manager coordinates and supervises all activities involving use of standards committees or special task groups assigned from such committees.

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Director
State Bureau of Procurement

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Section	Agencies Affected	Number
STATEWIDE CONTRACTS AND STANDARDS	ALL	PRO-B-9
		Effective 4-1-00
		Replaces 1-1-82
Title VALUE ANALYSIS		Page 1 of 1

Remove and destroy PRO-B-9, Value Analysis. The Value Analysis Program no longer exists.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

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		Number PRO-B-10
		Effective 4-1-00
Section STATEWIDE CONTRACTS AND STANDARDS	Agencies Affected ALL	Replaces 1-1-99
Title INDEX OF PROCUREMENT INFORMATION MEMORANDUMS (PIMs)		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish a listing of Procurement Information Memorandums for agency procurements

CONTENT:

I. The Bureau posts Procurement Information Memorandums on VendorNet. The agency contacts on PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices, receive e-mail notification of new Procurement Information Memorandums.

II. See PRO-B-12, Procurement Information Memorandum (PIM).

Authorized:

Director
State Bureau of Procurement

LISTING OF PROCUREMENT INFORMATION MEMORANDUMS

NUMBER	PROCUREMENT INFORMATION MEMORANDUM TITLE
99-057	Reporting Recycled Paper Purchases
16-059	Wisconsin/Minnesota Collective Purchasing Process

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Number	Effective	Replaces
PRO-B-12	4-1-00	9-1-91

Section	Agencies Affected	Title	Page
STATEWIDE CONTRACTS AND STANDARDS	ALL	PROCUREMENT INFORMATION MEMORANDUM (PIM)	1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE:
- to define the Procurement Information Memorandum
- to explain the use of the Procurement Information Memorandum

CONTENT:

I. The "Procurement Information Memorandum (PIM)" is a tool used by the director of the State Bureau of Procurement to communicate immediate information, pertinent legislative mandates and administrative policy changes. The PIM will give notification of these mandates and changes with interim instructions until formal policies and procedures can be developed, reviewed and formally incorporated in the State Procurement Manual or until the directive has been rescinded.

II. The Bureau posts Procurement Information Memorandums on VendorNet. The agency contacts on PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices, receive e-mail notification of new Procurement Information Memorandums. Agencies should disseminate PIM information to applicable program areas when necessary.

III. PIMs are sequentially numbered and assigned effective dates. A PIM will stay in effect until it is either replaced by a State Procurement Manual update or abolished. All PIMs should have a life expectancy of no more than one year unless specifically noted.

IV. PIMs do not constitute purchasing authority and are not to be used in the same way as a State Procurement statewide contract. PIMs should not reference specific commodity codes or contract numbers and agencies will not reference PIM numbers in the contract number field on purchase orders.

V. See PRO-B-10, Index of Procurement Information Memorandums (PIMs).

Authorized:

Director
State Bureau of Procurement

The Procurement Process

Number	Title	Effective Date
PRO-C-1	Competitive Bidding Policy	08-01-82
PRO-C-2	Request for Purchasing Approval/Authority (RPA) Policy and Procedure	10-31-11
PRO-C-3	Emergency Procurement	02-07-13
PRO-C-4	Non-Collusion Statement	06-01-82
PRO-C-5	Bidding Policy and Procedure, Official Sealed Bid	08-01-05
PRO-C-6	Legal/Public Notice	01-12-12
PRO-C-7	Equipment List Procedure	10-01-00
PRO-C-8	Simplified Bidding	11-05-13
PRO-C-9	Waiver of Bidding Process	05-01-97
PRO-C-10	Bid Waiver Justification Letter	10-18-01
PRO-C-11	General Waiver	05-08-02
PRO-C-12	Competitive Negotiation (Request for Proposal)	08-01-05
PRO-C-13	Noncompetitive Negotiation (Sole Source)	04-01-02
PRO-C-14	Utility Services	01-01-86
PRO-C-15	Basis for Awards	07-01-94
PRO-C-16	Lowest Responsible Bidder	10-18-01
PRO-C-17	Bidders Lists	10-14-14
PRO-C-18	Printing Procurements	05-26-04
PRO-C-19	Bonds and Sureties	06-19-03
PRO-C-20	Reciprocity Law	05-26-04
PRO-C-21	Mail Job Action Contingency Plan	01-01-82
PRO-C-22	Request for Information (Formerly Estimate Solicitation)	06-19-03
PRO-C-23	Notice to Unsuccessful Bidder	03-09-12
PRO-C-24	Tied Bids	03-27-07
PRO-C-25	Intergovernmental Procurements	06-01-87
PRO-C-26	American-made Materials Policy	02-01-99
PRO-C-27	Serial Contracting	04-01-98
PRO-C-28	Disclosure	12-01-83
PRO-C-29	Evaluation Committee (Request for Proposal)	03-27-07
PRO-C-30	Communications with Proposers (Request for Proposal)	05-01-92
PRO-C-31	Reverse Auction	12-14-01
PRO-C-32	Grants and Other Nonprocurement Transactions	09-21-10
PRO-C-33	Procurement from Badger State Industries	03-14-13
PRO-C-34	Evaluation Committee Problems/Issue Resolution (Request for Proposal)	12-02-13
PRO-C-35	VendorNet	08-17-12
PRO-C-36	Electronic Forms	07-29-10
PRO-C-37	World Trade Organization Government Procurement Agreement	01-01-12
PRO-C-38	Guidelines for Use of Requests for Proposals, Official Sealed Bids and Waivers	03-27-07
PRO-C-39	Best and Final Offer Process and Procedures	03-27-07
PRO-C-40	Evaluation Committee Reports	03-27-07

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PRO-C-1	8-1-82	1-1-82

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THE PROCUREMENT PROCESS	ALL	1 of 1

Title
COMPETITIVE BIDDING POLICY

AUTHORITY: Wis. Stats. 16.001(1)
16.75(1)(a)

SCOPE:
- to establish the policy on achieving competitive bidding in the state's procurement process
- to establish responsibility for the development of procedures for the bidding process

CONTENT:

1. The State Bureau of Procurement has the responsibility to promote maximum competition in meeting the state's procurement needs.

2. The competitive bidding process is the preferred method for selecting suppliers of goods and services and is to be used in every case unless it can be determined, and justified, that competitive bidding is neither practical, on a given procurement, nor in the best interests of the state.

3. Specifications will be written to foster competitive bidding and permit selection of the lowest responsible bidder.

4. The Bureau of Procurement will develop procedures for the solicitation of competitive bids and the use of alternative means of procurement in those cases where competitive bidding cannot be reasonably or practically followed.

5. Agencies to which authority has been delegated to perform purchasing functions are responsible for implementing competitive bidding procedures. In cases where discretion as to waiving of the bidding process has been delegated, the agencies responsible must justify in writing the use of such waivers.

6. Some types of procurements do not lend themselves to competitive bidding, and the nature of some specific procurements preclude the competitive bidding process. In these cases, decisions to waive bidding will be based on established processes.

7. In no case will the decision to waive the bidding process be based on the amount of a procurement.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.72(4)(a)
16.75(1)(a)
16.75(1)(c)
16.75(3)

SCOPE:
- to define authority for the development and implementation of a requisition policy and process
- to establish the Request for Purchasing Approval/Authority (RPA) as the official requisition document
- to define circumstances when the RPA is required
- to give instruction on the use of the RPA
- to establish a pattern of communication between the State Bureau of Procurement and purchasing agencies

CONTENT:

I. Agencies initiate the procurement process for supplies, equipment or services by means of requisition processes established by the State Bureau of Procurement.

II. Agencies are delegated the authority to purchase commodities and services as specified in PRO-A-4, Procurement Plans. Agencies will submit procurement plans for the transactions specified in PRO-A-4. See also PRO-A-3, Delegation (Formerly Major Delegation).

III. To initiate a procurement process beyond an agency's delegated authority, the agency submits either an RPA or a procurement plan to the Bureau.

A. An RPA is required for the following procurements: (To determine if a request is necessary, the agency will use the estimated dollar amount of the initial contract length excluding renewal options.)

- Sole source procurements, <u>over $25,000</u>
  Refer to PRO-C-13, Noncompetitive Negotiation (Sole Source).

- General waivers, <u>over $25,000</u>
  Refer to PRO-C-11, General Waiver.

- Motor vehicle purchases, <u>regardless of dollar amount</u>
  Refer to PRO-D-16, Procurement of Motor Vehicles.

- Legal service procurements, <u>regardless of dollar amount</u>
  Refer to PRO-I-8, Legal Services.

- Collective purchasing with other states or the federal government Approval thresholds vary depending on the type of collective purchasing request. Refer to PRO-D-25, Collective Purchasing with Other States or the Federal Government.

IV. Form, number, content, and disposition of the request for purchasing approval process is established by the Bureau. The appropriate form for this procedure is the Request for Purchasing Approval/Authority (RPA) (form DOA-3046).

V. Agencies may develop and use appropriate internal requisitioning and control processes under guidelines established, and forms and procedures prescribed by the Bureau.

PROCEDURES:

I. When an RPA is required for the procurement, all delegated agencies and agencies not consolidated under Consolidated Agency Purchasing Services (CAPS) will submit an RPA with attachments consistent with the RPA Checklist (form DOA-3046A) to the Bureau for approval. CAPS agencies will submit their materials to CAPS staff who will in turn submit them to the Bureau. A completed RPA Checklist accompanies the RPA.

II. The agency first completes the RPA. Where additional space is required, the agency references the attachment of additional data in the appropriate location. The agency provides background information relevant to the request which, if voluminous, includes a summary cover memo. Complete data is essential to the processing of the RPA.

III. The agency will include a comprehensive list of commodity codes in the commodity code(s) box; if additional space is needed, attach a separate list. The agency will notify vendors who register on VendorNet under these commodity codes of request for bids/proposals over $50,000. The agency is not required to submit a bidders list with the RPA if the list is limited to the vendors registered on VendorNet.

IV. The agency will include the total dollar authority required for the entire length of the contract including renewal options. For multiple-year contracts, the agency will break down the total dollar amount by each year.

V. The agency will show its funding source(s) for the following transactions:

A. Sole source procurements, over $25,000

B. General waivers, over $25,000

C. Motor vehicle purchases, regardless of dollar amount

D. Legal service procurements, regardless of dollar amount

A percentage allocation by type of funds is sufficient; e.g., GPR=50% and PR-O=50%.

The following is a listing of funding sources:

GPR, General Purpose Revenue

PR-O, Program Revenue Other

PR-S, Program Revenue Service

PR-F, Program Revenue Federal

Seg-O, Segregated Revenue Other

Seg-L, Segregated Revenue Local

Seg-S, Segregated Revenue Service

Seg-F, Segregated Revenue Federal

VI. The agency will include the signature of the agency head, deputy, chancellor, vice chancellor, or authorized designee on the RPA for the transactions listed in V. A.-D. (The agency will submit documentation with each RPA signed by a designee to confirm that the designee is authorized to sign the RPA.) For these transactions that are recurring, the agency will include the previous year's:

A. Total expenditure (with justification for any increase in this year's request)

B. Case number

C. Breakdown of the total dollar amount by vendor (for multiple-vendor contracts)

D. RPA number

VII. The agency will justify any proposed length of contract which exceeds one year with two one-year extensions. See PRO-E-10, Length of Contracts.

VIII. The agency also provides a justification letter with authorized signature and sufficient detailed justification when waiver of sealed bid is requested. In emergency situations, the agency attaches a separate "RUSH" memo, giving justification for processing in the shortest time frame.

IX. The agency maintains a register for the monitoring of transmittal and receipt records. The agency numbers all RPAs as follows:

A. An assigned two-character alpha code is used as the prefix to each RPA number. See PRO-E-1, Purchase Order, for a listing of agency codes.

B. The fiscal year code follows the prefix. Fiscal year codes are:

FY 1 = A	FY 6 = F
FY 2 = B	FY 7 = G
FY 3 = C	FY 8 = H
FY 4 = D	FY 9 = I
FY 5 = E	FY 0 = J

C. A consecutive four-digit number follows the fiscal year code.

D. An example of an RPA number is ADA0001 (prefix "AD", plus fiscal year "A", plus number "0001").

X. The agency forwards the original RPA with original signatures to the Bureau, with all attachments. (CAPS agencies will submit their materials to CAPS staff who will in turn submit them to the Bureau.) The agency's request should reach the Bureau at least eight weeks before any procurement process is scheduled.

XI. The Bureau reviews the RPA and attachments for completeness and may return the package to the agency if more information is needed. When a complete package is received the Bureau then:

A. Approves the procurement and issues an RPA contract number with information and instructions on procedures. (The completed bottom portion of the RPA form contains the contract number.)

1. The agency has one year from the approval date to enter into the contract.

B. When approval is not given, the Bureau retains the package and sends a memo to the agency with the reason(s) for nonapproval.

XII. The agency will submit an RPA only for requests to increase by any sum the total dollar amount for the following transactions:

A. Sole source procurements, over $25,000

B. General waivers, over $25,000

C. Motor vehicle purchases, regardless of dollar amount

D. Legal service procurements, regardless of dollar amount

For additional information, refer to PRO-D-28, Amendments to Requests for Purchasing Approval/Authority (RPAs).

XIII. Reference material:

A. PRO-C-10, Bid Waiver Justification Letter

B. PRO-C-11, General Waiver

C. PRO-C-13, Noncompetitive Negotiation (Sole Source)

D. PRO-I-4, Justification of Need.

XIV. Special reporting requirements exist for RPAs utilizing ARRA funding. Click below.

Notice of ARRA Funding (Federal Stimulus Money) Reporting on Request for Purchasing Approval/Authority (RPA) Waiver Requests

Authorized:

Rick Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(6)(e)
16.75(7)
323.10
323.12(4)(a)(b)

SCOPE:
- to define emergency situation
- to establish authority for the exercise of certain authorizations in emergency situations
- to establish policy on emergency procurement in the state's procurement process
- to define documentation and justification requirements
- to establish the procedure to be followed when authorities are exercised in emergency situations
- to identify exceptions to the policy stated herein (See Content IV.)

DEFINITION:

I. An "emergency situation" is a situation which:

A. Threatens the public health, safety, or welfare; and all of the following conditions exist: was unforeseen; calls for immediate action; and cannot be responded to using established procurement methods; or

B. Exists as the result of a declaration by the governor, under s. 323.10, Wis. Stats.

CONTENT:

I. The existence of an emergency situation does not preclude the use of the competitive bidding process in its entirety. Procurement managers and purchasing officers will obtain such competition as is practical under the emergency requirements of the situation. (Consolidated Agency Purchasing Services (CAPS) agencies will work with their Department of Administration CAPS staff.)

II. Emergency procurement $25,000 or less

A. State Bureau of Procurement managers and state agency purchasing officers may waive the policies and procedures outlined in the State Procurement Manual, when necessary under emergency conditions, up to the level of the individual's delegated authority, not to exceed $25,000 per transaction.

B. Within three (3) business days, the procuring agency will place in the transaction file a written justification for exercising the authority to waive any policy or procedure including the following information:

1. The specific threat to the public health, safety, or welfare,

2. The unforeseen nature of the threat,

3. The basis for the need for immediate action, as opposed to filling the requirement through normal procedures, and

4. The steps taken to obtain competition on the procurement even with the emergency situation in existence.

III. Emergency procurement over $25,000

A. In emergency situations where the estimated cost of an emergency procurement exceeds $25,000:

1. The agency will promptly give verbal or written notice of the emergency to the director, State Bureau of Procurement. In his/her absence, the agency may seek approval from the director's designee.

2. Within three (3) business days, the agency will submit a justification letter, including the information in paragraphs II. B. 1.-4. above, to the director, State Bureau of Procurement.

3. The director will provide to the secretary, Department of Administration, written notice of the actions taken including the information in paragraphs II. B. 1.-4. above.

4. The director will obtain a waiver of a competitive process from the governor, or from the governor's designee, by title, the secretary, Department of Administration. The Bureau will send a copy of the approval to the agency to maintain in its files.

IV. Exceptions

A. PRO-C-3 does not apply to the purchase of stationery and printing. See PRO-C-18, Printing Procurements.

B. PRO-C-3 does not apply to emergency services and materials required to mitigate losses covered under the state's self-funded insurance program. An agency having questions about insurance related emergency procurements should contact its agency risk manager or the state property and liability manager, Bureau of State Risk Management, 608/266-0168.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-4	6-1-82	NEW

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 1

Title
NON-COLLUSION STATEMENT

AUTHORITY: Wis. Stats. 16.71
16.72 (4)
16.72 (1) (a), (b), (c)

SCOPE:
- to prevent collusion among bidders
- to establish the terminology to be used on purchasing forms to solicit bids and its standardized location
- to simplify the certification of the bidder by having his declaration of non-collusion made a part of his bid and become automatic with his signature as the bidder. Notarization is not required.

POLICY: There shall appear in each bid solicitation package, where more than one bid is solicited, the following statement. It shall appear in the vicinity of and generally above the space provided for the signature of the bidder.

> "In signing this bid, you also certify that you have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder, competitor or potential competitor; that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor; that the above statement is accurate under penalty of perjury."

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
THE PROCUREMENT PROCESS	ALL	PRO-C-5
		Effective 8-1-05
		Replaces 3-1-00
Title: BIDDING POLICY AND PROCEDURE, OFFICIAL SEALED BID		Page 1 of 13

AUTHORITY: Wis. Stats. 16.72(2)(a),(b),(4)(a)
16.75(1)(a),(b),(c)
16.75(1m),(4),(5)
16.754
19.85(1)(e)
985.01(1),(2),(3)
985.04(1)
985.07(2)
Wis. Adm. Code Chapter Adm 7.01, 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 8.02, 8.03, 8.04, 8.07, 10.15

SCOPE:
- to define official sealed bid process
- to define authority for development and implementation of policy on the use of official sealed bids
- to define circumstances when official sealed bidding is used
- to establish processes for official sealed bid solicitations, submissions, and selections
- to establish the process for requesting purchasing approval on official sealed bid procurements
- to establish a communications process between agencies and the State Bureau of Procurement on processing official sealed bids
- to establish policy on fax bidding

DEFINITION: The "official sealed bid process" is the procedure used for soliciting bids from at least three (3) bidders (when available) when the procurement is expected to cost over $25,000.

CONTENT:

I. The State Bureau of Procurement may solicit bids or may delegate responsibility to the purchasing agency.

II. Any official sealed bid for services requires a notice to the appropriate labor organization(s). See PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations.

III. Specifications for materials or services to be procured through the bid process are developed by the State Bureau of Procurement or by authorized agencies.

Authorized:

Helen McCain, Director
State Bureau of Procurement

A. Guidelines for writing specifications include:

1. Write specifications so as to permit the lowest responsible bid to be the principal basis of award.

2. Use performance criteria that will not restrict competition or limit the number of sources bidding.

3. Use generic specifications with no trade names. If this is determined to be inappropriate, document the rationale for using trade names in the bid file.

IV. Key elements to a solicitation:

A. Provide potential bidders with adequate lead time for response.

B. Develop clear specifications and define what is being bid.

C. Include pricing requirements, method of award, special conditions, and standard terms and conditions of bid. See PRO-E-7, Standard Terms and Conditions. Inform the bidders of any special requirements.

D. State whether or not alternate bids are permitted. Each alternate bid is considered separately.

E. Identify the forms required whenever special forms are necessary.

F. Specify the enclosures to be submitted with the bid, any samples that will be needed, and how samples will be disposed of.

G. Provide information on bonds and sureties. See PRO-C-19, Bonds and Sureties.

H. Include any provisions for renewal.

I. Include form DOA-3027, Designation of Confidential and Proprietary Information, in all bids for data processing commodities and services. The form may be included in other bids at the agency's discretion.

J. Include form DOA-3333, Vendor Agreement. See PRO-D-30, Cooperative Purchasing: Wisconsin Municipalities.

K. Include appeals language.

1. For transactions for services over $25,000, include the following language regarding appeals:

APPEALS PROCESS

The appeals procedure applies to only those requests for bids for services that are over $25,000. Notices of intent to protest and protests must be made in writing. Protestors should make their protests as specific as possible and should identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated.

The written notice of intent to protest the intent to award a contract must be filed with (the head of the procuring agency or designee—to avoid the appearance of a conflict of interest, the designee must be a non-purchasing staff member), (address), (phone), and received in his/her office no later than (date), or five (5) working days after the notice of intent to award is issued, whichever is greater.

The written protest must be received in his/her office no later than (date), or ten (10) working days after the notice of intent to award is issued, whichever is greater.

The decision of the head of the procuring agency may be appealed to the Secretary of the Department of Administration within five (5) working days of issuance, with a copy of such appeal filed with the

procuring agency, provided the appeal alleges a violation of a statute or a provision of a Wisconsin Administrative Code.

L. Include the following minority business stipulation:

> The State of Wisconsin is committed to the promotion of minority business in the state's purchasing program and a goal of placing 5% of its total purchasing dollars with certified minority businesses. Authority for this program is found in ss. 15.107(2), 16.75(4), 16.75(5) and 560.036(2), Wisconsin Statutes. The contracting agency is committed to the promotion of minority business in the state's purchasing program.
>
> The State of Wisconsin policy provides that minority-owned business enterprises certified by the Wisconsin Department of Commerce, Bureau of Minority Business Development should have the maximum opportunity to participate in the performance of its contracts. The supplier/contractor is strongly urged to use due diligence to further this policy by awarding subcontracts to minority-owned business enterprises or by using such enterprises to provide goods and services incidental to this agreement, with a goal of awarding at least 5% of the contract price to such enterprises.

For term contracts (as opposed to bids for one-time purchases), add the following language:

> The supplier/contractor shall furnish appropriate quarterly information about its effort to achieve this goal, including the identities of such enterprises certified by the Wisconsin Department of Commerce and their contract amount.
>
> A listing of certified minority businesses, as well as the services and commodities they provide, is available from the Department of Administration, Office of the Minority Business Program, 608/267-7806. The listing is published on the Internet at: http://doa.wi.gov/mbe/minority_search.asp?locid=0

M. Include the following tax language. See PRO-D-31, Certification for Collection of Sales and Use Tax.

The State of Wisconsin shall not enter into a contract with a vendor, and reserves the right to cancel any existing contract, if the vendor or contractor has not met or complied with the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax.

N. When fax bidding is allowed, provide instructions to bidders. Include the following:

1. That all faxed bid responses will have a facsimile transmission cover letter. This letter will include:

   a. Date

   b. Agency fax number

   c. Agency name

   d. Agency contact person and telephone number

   e. Bidder fax number (if available)

   f. Bidder name

   g. Bidder contact person and telephone number

   h. Number of pages (including cover) being transmitted

2. That faxed replies to bid requests will be signed. Each page will be initialed and numbered "page 1 of 5, page 2 of 5," etc.

3. That faxed bids will be rejected if they do not arrive on time, i.e., the last page of the fax transmission must be completed prior to the bid opening due date and time.

V. Solicitation of bids:

A. The bidding office mails bid packages to all bidders subscribed in the applicable commodity/service area that do not receive automatic notification through VendorNet. Packages remain available to other bidders on request, up until the specified due date and time. When sending a bid via fax, include a transmission cover letter with the information noted in IV. N. 1.

B. Solicitations for official sealed bids will be advertised according to the requirements in PRO-C-6, Legal/Public Notice.

C. Trade, civic, or social publications may provide additional means of attracting small, veteran-owned, minority, or handicapped business bidders.

VI. Delegated authority:

Agencies are delegated the authority to solicit official sealed bids without submitting a Request for Purchasing Approval/Authority to the State Bureau of Procurement.

A. For official sealed bids for commodities, the agencies will send a copy of each bid to the State Bureau of Procurement when the bid packages are mailed to bidders and will include a copy of the bidders list with each bid package. Agencies that post their bids on VendorNet are exempt from this requirement, provided that they send e-mail notifications of their bid including the bid number, scope of the commodity or service, appropriate code(s) from the minority business enterprise (MBE) directory (http://www.doa.state.wi.us/mbe/minority_by_comcode.asp?locid=0) and a list of work centers to be solicited to the Bureau (i.e., to godwin.amegashi@wisconsin.gov and nadine.malm@wisconsin.gov). Agencies will send the bid to all MBEs listed in the directory for the commodity code(s) relevant to the procurement.

B. For official sealed bids for services, the agencies will outline all anticipated bids in their procurement plans and submit the plans to the State Bureau of Procurement for approval. See PRO-A-4, Procurement Plans.

VII. Addendums made by purchasing office to bids:

A. After a solicitation has been made public and the purchasing office determines the need for changes to or clarification on a bid, the purchasing office issues a revision or addendum to the solicitation to all known recipients.

B. A copy of the addendum will be kept in the bid file.

VIII. Withdrawal or modification by bidders to bids:

A. A bidder may withdraw a bid at any time prior to the bid opening. If the bidder requests to withdraw, the purchasing office simply considers that it did not receive that bid and returns it.

B. A bidder may modify a bid at any time prior to the opening. Bidders may request that their bids be returned to them. They may change their bids and resubmit them.

C. Generally, no bidder may withdraw or modify a bid after the opening. However,

1. Bidders may correct minor omissions or miscalculations.

   Example: The bid package does not contain a statement of ownership that is required, as announced. The bidder may be allowed twenty-four (24) hours to deliver that information.

   In this case, the statement of ownership is a requirement that has no effect on the actual results of the bid.

2. Additions in form but not in substance are permitted.

   Example: The purchasing office requested that items be bid in certain sequence. The bidder, however, has submitted them in the wrong sequence. In this case, the bidder may be allowed to change the order of the bid items, but only the order.

3. It is reasonable to permit a bidder to correct errors of addition, multiplication, or arithmetic mistakes.

   Example: A bidder totals the bid prices: "5 x 5 equals 10". The bidder may be allowed to change the total from "10" to "25". Do not permit changes in quantity or in unit prices.

4. The bidder may be allowed to clarify a specific portion of a bid, i.e., upon request from the purchasing agent.

5. In the case of substantial errors, the bidder may be allowed to withdraw the bid after the opening.

   Example: A $1 million contract is erroneously bid for $1,000. In this case, the bidder may be permitted to withdraw.

D. No change is allowed that would impair the interests of the state or would be inequitable to other bidders.

IX. Submission of bids:

A. The bidder submits a written bid, using the forms provided by the state, in a sealed envelope, and carrying the bidder's name and address. Provide instructions to bidders to include the following information on the outside of the bid envelope or package:

1. Request for bid number

2. Date of opening

3. Time of opening

4. Description of commodity or service for which the bid is submitted

B. Bids should be submitted separately from samples.

C. If the bid arrives prior to the due date and time, the purchasing office stamps or writes on the bid envelope the accurate date and time of receipt. The purchasing office keeps all bids secure from access until the time of opening.

D. If the bid arrives after the due date and time, the purchasing office stamps or writes on the bid envelope the date and time of receipt and retains it in the bid file unopened, or returns it unopened to the bidder. It cannot be accepted, but a record is kept in the bid file of its late receipt and its disposition.

E. In fairness to all bidders, submission times will be strictly adhered to, to the minute.

F. Receipt of a bid by the state mail system does not constitute receipt of a bid by the purchasing office.

G. If submitted by telephone, the bid will be received by the purchasing office prior to the due date and time, at the place shown on the request for bid, and then confirmed fully in writing within a specified period of time. In receiving notice of a forthcoming bid by telephone, the purchasing agent will take notes of the key elements of the bid, including price. Written confirmation of telephone bids that vary with the purchasing agent's notes of the telephone bid will be rejected.

H. If submitted by fax machine, the bid will be received by the purchasing office prior to the due date and time, at the place shown on the request for bid. Time of receipt of a fax transmission is when the fax transmission ends. Agencies will provide for security of incoming bid prices. Fax machines used for bidding should be in a secure area, preferably in the purchasing office and should not be in areas commonly open to the public. Prices may be stored in fax machines having mailbox capabilities until the time of the bid opening. In the case of official sealed bids, faxed bids will be sealed in an envelope with the bidder's name, bid number, due date, time received and initials of the receiver noted on the outside of the envelope. Fax transmissions on thermal paper will be photocopied to preserve information for recordkeeping purposes.

X. Public opening and reading of bids:

A. Bid openings are public actions and are open to attendance by interested bidders and the public. No activity on the part of bidders at an opening of a bid, other than attendance and note taking, is permitted. Any attempt to qualify or change any bid by any bidder in attendance may result in the rejection of that bidder's bid.

B. The purchasing agent who invited the submission of bids, or someone designated by that purchasing agent, opens and orally reads the bids immediately after the date and time shown on the request for bid at the place designated. Telephone or facsimile machine bids that have been received are so noted.

C. Reading, only, is required at a public opening and the bid need not be analyzed or indication given as to successful award, unless the purchasing agent deems it appropriate to do so.

D. When the length of a bid makes it impractical to read aloud, the public reading may be bypassed and only the names of bidders announced. The public should be given the opportunity to review a complete abstract at a later date.

E. A summary of information disclosed at the bid opening is made available to the public upon request as soon as practical after the opening.

F. An abstract is prepared which includes who bid, what was bid, and who was the successful bidder and why.

G. For official sealed bids for services, a notice of intent to contract is issued.

H. To provide for analysis and abstracting, official sealed bid records may not be available for public inspection before the notice of intent to award is issued or, in the case of requests for bids for commodities, before the contract is awarded. Bids, and other information pertinent to the bids, are made available to the public after the notice of intent to award has been issued or, in the case of requests for bids for commodities, after the award has been made. See PRO-D-23, Public Records Access.

XI. Procurements that result from the official sealed bid process are executed by means of either a single transaction or through a contract for purchases over a period of time.

XII. Recordkeeping:

A. The following information is retained for each bid:

1. The name of the individual responsible for the transaction

2. The original bid document

3. A copy of any addendum

4. A copy of any notice published to advertise bid solicitation or a specific cross-reference to a legal notice file, <u>or a hard copy of a posting on the Internet</u>

5. A list of bidders with small, veteran-owned, minority businesses and work centers identified

6. Justification for use of any bond or surety

7. An abstract of the bids received

8. Original bids submitted by bidders and evidence, such as a date and time stamp, that bids, including those submitted by fax, were received on time. The original package (e.g., envelope, box) will be kept until after resolution of an appeal or until the end of the appeal period, whichever is later. After such time, a photocopy of the package may be retained in place of any bulky packaging.

9. Unopened late bids or a listing of any late bids returned to bidders

10. Reason(s) for rejection of any bids

11. Justification for any lower bids rejected

12. In the case of tied bids, basis for award

13. An indication of the name(s) of successful bidder(s)

14. A statement of the application of life cycle costing options, reciprocity, minority bidder preference, and "Buy American" preference, where pertinent

15. A copy of the notice of intent for bids for services over $25,000

16. Any complaints or appeals filed

17. Contract

18. <u>For official sealed bids for services, a copy of the notice to the appropriate labor organization(s)</u>

19. Other pertinent records as dictated by the transaction

XIII. See PRO-B-4, State Procurement Operational Questionnaires; PRO-B-6, Specifications; PRO-C-8, Simplified Bidding; PRO-C-15, Basis for Awards; PRO-C-16, Lowest Responsible Bidder; PRO-C-17, Bidders Lists; PRO-C-20, Reciprocity Law; PRO-C-27, Serial Contracting; PRO-C-35, VendorNet; PRO-C-37, World Trade Organization Government Procurement Agreement; PRO-D-1, Minority Business Enterprise Policy; PRO-D-30, Cooperative Purchasing: Wisconsin Municipalities; PRO-I-13, Appeals Process—Contractual Services; and PRO-I-14, Notice of Intent—Contractual Services.

Sample RFB Outline

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(1)(b)
16.75(2m)(b)
16.75(5)
16.75(6)(c)
985.01(1),(2),(3)
985.04
985.07(2)
985.12
Wis. Adm. Code Chapter Adm 10.08(2)

SCOPE:
- to define legal notice and public notice
- to identify policy and procedure for the advertising of official sealed bid and request for proposal transactions over $50,000 and noncompetitive negotiation (sole source) and general waiver transactions over $25,000

DEFINITIONS:

I. "Legal notice" means an advertisement of a procurement in the official state newspaper.

II. "Public notice" means a posting of a procurement on the official designated Website.

CONTENT:

I. Any official sealed bid or request for proposal over $50,000 and noncompetitive negotiation (sole source) or general waiver over $25,000 will be advertised.

II. The agency will post official sealed bids and requests for proposals over $50,000 on VendorNet. From this announcement, the system automatically will generate a public notice on the Internet. This will satisfy the advertising requirement. There will be a minimum of seven days between the posting on VendorNet and the date submissions are due.

III. In addition to the public notice, the agency may advertise in the legal notices column of the official state newspaper. Procedures for placing legal notices in the official state newspaper are published in State Procurement Statewide Contract No. 15-99955-(5L). The contract also contains the name of the newspaper, rates, schedules, examples, and other ordering information and instructions. In addition, these legal notices may be placed in other media selected by the State Bureau of Procurement or authorized agencies.

IV. Legal notices for official sealed bids or requests for proposals appear once each week for a minimum of two weeks in the official state newspaper. There will be a minimum of seven days between publication of the first notice and the last notice and between the last notice and the date submissions are due.

V. For nondelegated transactions, the agency will obtain Request for Purchasing Approval/Authority (RPA) or procurement plan approval from the State Bureau of Procurement prior to advertising the official sealed bid or request for proposal.

VI. Because the agency does not post noncompetitive negotiations (sole source) and general waivers on VendorNet, the agency will need to go directly to the public notices Website to generate the notice. (See Procedures for Using Public Notices Website.) Alternatively, the agency may place a legal notice in the official state newspaper. The notice may be placed prior to obtaining RPA approval from the State Bureau of Procurement. However, the contract may not be awarded or the purchase order issued until approval is obtained from the Bureau. If additional vendors indicate an interest in bidding or proposing as a result of the advertisement, the agency will use a competitive process and issue new legal and/or public notices.

A. Noncompetitive negotiations:

1. Legal notice: There will be a minimum of seven days between publication of the first legal notice and the last notice and between the last notice and the date on which the contract will be awarded or the purchase order will be issued.

2. Public notice: There will be a minimum of seven days between the posting on the Internet and the date on which the contract will be awarded or the purchase order will be issued.

B. General waivers:

1. Legal notice: There will be a minimum of seven days between publication of the first legal notice and the last notice and between the last notice and the date on which the initial contract will be awarded or the purchase order will be issued.

2. Public notice: There will be a minimum of seven days between the posting on the Internet and the date on which the initial contract will be awarded or the purchase order will be issued.

VII. Legal notices may be combined according to their common date.

VIII. Documentation of publication of legal and public notices:

A. Legal notice:

1. The agency will request and pay for affidavits of publication of legal notices as the agency deems appropriate to meet statutory and agency requirements. The fee for an affidavit of publication is one dollar ($1.00).

2. If an affidavit is not requested, the agency will have on file tear sheets from the newspaper or actual notices taken from the newspaper as documentation the legal notice requirements have been met.

B. Public notice:

1. The agency will print and retain a hard copy of the posting on the Internet.

IX. A public notice will remain on the Internet:

A. For an official sealed bid or a request for proposal, until the date submissions are due.

B. For noncompetitive negotiations, until the date on which the contract will be awarded or the purchase order will be issued.

C. For general waivers, until the date on which the initial contract will be awarded or the purchase order will be issued.

X. Intergovernmental procurements are exempt from PRO-C-6. See PRO-C-25, Intergovernmental Procurements.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
THE PROCUREMENT PROCESS	ALL	PRO-C-7
		Effective 10-1-00
		Replaces 4-1-84
Title EQUIPMENT LIST PROCEDURE		Page 1 of 1

Remove and destroy PRO-C-7, Equipment List Procedure. Follow standard purchasing policies and procedures of the *State Procurement Manual*.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(1)(b) & (c)
16.75(2m)(c)
Chapter 35
Wis. Adm. Code Chapter Adm 8.01
Wis. Constitution, Article IV, Section 25

SCOPE:
- to define simplified bidding
- to define the circumstances when simplified bidding is used
- to define authority for the execution of simplified bidding
- to establish policy and procedures for simplified bidding processes

DEFINITION: "Simplified bidding" is a method of procurement used when the estimated cost of a transaction is $50,000 or less.

CONTENT:
>

I. Simplified bidding takes place when three or more qualified suppliers are solicited to submit bids on a procurement. However, "three or more" is a minimum. The definition of "three or more" bidders is not to be used to restrict competition or to prevent qualified bidders from bidding on procurements.

II. Solicitations for simplified bids are conducted through notice to an appropriate list of potential bidders. Agencies may use the VendorNet bidders list for sources. Also, solicitations may be published in selected newspapers, including the classified column of the official state newspaper. These simplified bids may not appear in the legal notice column which is reserved for official sealed bid announcements. When a bidders list is limited to one known source, the bid may be advertised at least once in a publication determined to be most appropriate by the agency.

III. Procedure:

A. The agency first determines the estimated cost of the procurement. To establish whether the simplified bidding process or an official solicitation is necessary, the agency will use the estimated dollar amount applicable to the entire contract duration.

B. For all best judgment and simplified bidding procurements, the agency will make an effort to solicit small businesses, veteran-owned businesses, disabled veteran-owned businesses, minority businesses, and work centers. (Please refer to PRO-K-1, Agency Initiation of a Contract, for work center information.)

C. When the estimated cost is $5,000 or less and the commodity or service is not on a mandatory statewide contract, the agency may award to the vendor judged best able to supply ("best judgment"). Best judgment does not apply to purchases of printing. In choosing a vendor, the following should be considered: location of delivery point, quality of articles to be supplied, price of articles, conformity with specifications, purpose for which articles are required, and date of delivery.

D. When the estimated cost is over $5,000 through $50,000, the agency compares, whenever possible, a minimum of three bids from qualified bidders from any of the current sources below:

1. Price lists,
2. Quotes on file,
3. Phone or verbal quotes, or
4. Written bids.

E-mail quotes from vendors are considered written documentation of a bid. Phone and verbal quotes should be confirmed in writing by the successful vendor. Receipt of an invoice may serve as confirmation. The agency must have a procedure to check the invoice against the purchase order to assure proper pricing. The agency is responsible for ensuring that purchases do not exceed $50,000 or that serial contracting is not used.

>

E. For special consideration prior to determining the lowest qualified bid, refer to PRO-D-1, Minority Business Enterprise Policy, PRO-D-35, Disabled Veteran-owned Business Policy, and PRO-K-3, Fair Market Price.

IV. Recordkeeping:

A. Documentation of all simplified bidding transactions is required.

1. When the estimated cost is $5,000 or less, the agency determines recordkeeping requirements.

2. When the estimated cost is over $5,000 through $50,000, use form DOA-3088, Simplified Bidding Record, or similar format with the same information. This form should be used to document bids and waivers of bidding. Phone and verbal quotes should be confirmed in writing from the successful vendor. Receipt of an invoice may serve as confirmation. The agency must have a procedure in place to check the accuracy of the invoice.

>

3. The agency must establish a process to complete reporting on awards made to disabled veteran-owned businesses and minority businesses. The agency must submit information to the State Bureau of Procurement using form DOA-3240, Disabled Veteran-owned Business Procurement Activity Report, and the electronic template of form DOA-3005, Minority Business Enterprise Procurement Activity Report.

V. Reference material:

A. PRO-C-9, Waiver of Bidding Process

B. PRO-C-27, Serial Contracting

C. PRO-D-1, Minority Business Enterprise Policy

D. PRO-D-9, Small Business Policy

E. PRO-D-12, Veteran-owned Business Policy

F. PRO-D-35, Disabled Veteran-owned Business Policy

G. PRO-G-2, Minority Business Enterprise Procurement Activity Reporting

H. PRO-G-3, Disabled Veteran-owned Business Procurement Activity Reporting

I. PRO-K-1, Agency Initiation of a Contract

J. PRO-K-2, Work Center Solicitation of a Contract

K. PRO-K-3, Fair Market Price

L. Form DOA-3005, Minority Business Enterprise Procurement Activity Report

M. Form DOA-3088, Simplified Bidding Record

N. Form DOA-3240, Disabled Veteran-owned Business Procurement Activity Report

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-9	5-1-97	4-1-87

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 3

Title
WAIVER OF BIDDING PROCESS

AUTHORITY: Wis. Stats. 16.72(4)(a)
16.75(1)(a)(c)
16.75(6)(a)(b)(c)(d)(f)
16.75(7)
Wis. Adm. Code Chapter Adm 8.05

SCOPE:
- to define authority for waiving the bidding process and for developing waiver policy
- to define circumstances where a waiver of bidding may be requested
- to establish the procedure for obtaining approval for waivers of bidding

CONTENT:

I. The State Bureau of Procurement may provide for a waiver of bidding when certain circumstances exist which preclude bidding.

II. One or more of the following circumstances, with adequate justification, may serve as basis for requesting a waiver of the bidding process:

A. **Uniqueness**: When a product or service can be established as one-of-a-kind, not available from more than one supplier. The purchase of used equipment which offers a significant discount.

B. **Patent or Proprietary**: The patented or proprietary features of a product or service gives the state a superior and necessary utility that cannot be obtained from others. The features are available from only one source and not merchandised through competitive outlets.

C. **Intrinsic Value**: When a product procurement is determined by its historic, artistic, or educational value. When viable specifications or standards cannot be determined in the procurement of a professional or technical service.

D. **Emergency**: When the risk of human suffering or substantial damage to state real or personal property exists that requires immediate action.

E. **Bidding is Not Possible**: When award cannot be made strictly on specifications or price.

Authorized:

Director
State Bureau of Procurement

F. **Substantial Time Pressure**: When substantial time pressure exists beyond the agency's control. (This does not include administrative delays or confusions in processing the necessary paperwork for purchasing approval.)

III. For a procurement in excess of its delegated authority, the agency requests a waiver of the bidding process from the State Bureau of Procurement by using form DOA-3046, Request for Purchasing Approval/Authority (RPA), and attaching an explanation why competitive bidding cannot be used and the proposed alternative procedure.

Agencies requesting waiver of bidding bear responsibility for providing justification for the waiver request. Agency purchasing agents or program managers involved in developing the documentation for this justification should remember that approvals will be based on facts submitted. Justifications should be written in clear, nontechnical language that can be understood by persons who may not be directly involved in, or familiar with, the specific program. A waiver will be obtained prior to entering into competitive negotiation (RFP) or noncompetitive (sole source) negotiation.

IV. When an agency's request for waiver is approved by the State Bureau of Procurement, the Bureau issues a procurement bulletin to the agency. The bulletin provides the agency with authorization to proceed with the procurement.

V. When the cost of purchase is expected to be over $25,000, the agency places a legal notice in the legal notices column of the official state newspaper once each week for a minimum of two weeks. See PRO-C-6, Legal Notice.

VI. The State Bureau of Procurement may issue a general waiver for a period not to exceed one year, imposing any conditions deemed appropriate. General waivers may be issued to purchase similar materials or services on a recurring basis. See PRO-C-11, General Waiver.

VII. Bidding policies and procedures may not be waived for procurements of printing and stationery.

Authorized:

Director
State Bureau of Procurement

VIII. Each individual or general waiver will be entered by the agency in a register which is open to public inspection.

IX. See PRO-C-32, Grants and Other Nonprocurement Transactions.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-10
		Effective 10-18-01
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 3-1-00
Title BID WAIVER JUSTIFICATION LETTER		Page 1 of 2

AUTHORITY: Wis. Stats. 16.71
16.72(4)(a)

SCOPE:
- to establish a communication process for the waiver of bidding
- to identify key information included in justification letters

CONTENT:

I. Request for bid waivers require analysis at several steps between the originator and the point of final approval.

II. People who are analyzing a request are seeking certain information. The simpler it is for that information to be found, the more rapidly a request will move along the route of approval.

III. The justification letter provides for a summary of key information to be provided in a way that it can be most readily found, analyzed, and approved.

IV. Requests for Purchasing Approval/Authority (RPAs) that request waiver of bid action must be accompanied by a justification letter that includes:

A. A summary of the description of what the procurement consists of;

B. A clear statement for the need;

> C. In the case of contracts for services, a justification as outlined in PRO-I-4, Justification of Need; (A justification letter will be submitted to the file and maintained internally for procurements of services within the agency's delegated authority over $25,000.)

D. Justification on why the procurement cannot be bid and why the competitive negotiation (request for proposal) process cannot be used, and why the noncompetitive negotiation (sole source) method is being recommended; and

E. Why it is cost effective to use the noncompetitive negotiation process and how the cost reflects market value.

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Director
State Bureau of Procurement

V. In the process of waiving bids, the State Bureau of Procurement uses background information supplied by the agency in making its decisions and documenting any request to the governor for approval of the waiver.

VI. Ideally, the agency's request for waiver should reach the State Bureau of Procurement at least eight weeks before any procurement process is scheduled.

VII. Authorization to proceed with the procurement for which a waiver of bid has been granted is done by issuance of an RPA contract number to the agency by the State Bureau of Procurement. No procurement action is to be taken prior to receipt of an RPA contract number by the agency requesting authority.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-11
		Effective 5-8-02
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 4-1-98
Title GENERAL WAIVER		Page 1 of 3

AUTHORITY: Wis. Stats. 16.75(6)(a)(b)(d)(f)
16.82(4)

SCOPE:
- to define general waiver
- to establish authority and procedure for the issuance of a general waiver
- to define conditions and restrictions governing the general waiver

DEFINITION: "General waiver" is a waiver submitted for approval to the State Bureau of Procurement to purchase similar materials or services on a recurring basis for a period not to exceed one year.

CONTENT:

I. The agency should consolidate like transactions that will be required on a recurring basis, and submit a single Request for Purchasing Approval/Authority (RPA) (form DOA-3046) to the State Bureau of Procurement for review. A justification letter describing the process to be used for selecting contractors will accompany the RPA. For general waiver of bidding requests over $25,000, the RPA will include signatures of the agency head, deputy, chancellor or vice chancellor; appropriate contracting authority/officer; and the staff person who researched and initiated the request.

II. General waivers are issued when such action is justified and deemed to be in the best interests of the state.

III. General waivers are issued for a period of one year. Individual contracts that run for more than one year will require annual approval from the governor.

IV. For recurring general waivers, the agency will include in the justification letter the previous year's total expenditure (with justification for any increase in this year's request) and a breakdown of the total dollar amount by vendor. The agency will include all transactions entered into under the general waiver authority regardless of the dollar amount.

Authorized:

Director
State Bureau of Procurement

V. The State Bureau of Procurement may issue a general waiver on specific materials or services, except:

A. Stationery and printing will be purchased from the lowest responsible bidder without regard to the amount of the purchase, except when the Department of Administration exercises the discretion vested in it by s. 16.82(4), Wis. Stats.

B. Each transaction for temporary help which exceeds delegated authority will have prior approval by the State Bureau of Procurement. See PRO-I-10, Contracts for Temporary Help.

C. Each transaction for legal services will have prior approval by the governor and the State Bureau of Procurement regardless of dollar amount. See PRO-I-8, Legal Services.

D. Each transaction for acquisition of motor vehicles will have prior approval by the State Bureau of Procurement regardless of dollar amount. See PRO-D-16, Procurement of Motor Vehicles.

VI. General waivers may be modified by those conditions or restrictions the governor or State Bureau of Procurement deems appropriate.

VII. Upon approval of a general waiver, the State Bureau of Procurement issues an RPA contract which authorizes the agency involved to enter into individual transactions under the conditions of the contract.

VIII. When the cost of a general waiver is expected to be over $25,000, the agency places a legal notice in the legal notices column of the official state newspaper once each week for a minimum of two weeks. See PRO-C-6, Legal Notice.

IX. Each individual or general waiver will be entered by the agency in a record which is open to public inspection. Also, the agency is responsible for maintaining records to ensure that the dollar amount and time frame of the general waiver are not exceeded.

Authorized:

Director
State Bureau of Procurement

X. General waivers are not renewable.

XI. The policies and procedures of PRO-C-9, Waiver of Bidding Process; PRO-C-10, Bid Waiver Justification Letter; PRO-D-28, Amendments to Requests for Purchasing Approval/Authority (RPAs); PRO-E-7, Standard Terms and Conditions; and PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations; also apply to general waivers.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.72(4)(a)
16.75(1)(a)
16.75(2m)
16.75(7)
19.85(1)(e)
Wis. Adm. Code Chapter Adm 7.04, 7.06, 7.07, 7.09, 8.04, 8.07, 10.08

SCOPE:
- to establish authority and procedure for competitive negotiation
- to define circumstances for competitive negotiation

CONTENT:

I. Competitive negotiation, or the request for proposal (RFP) process, is used for soliciting proposals where an award cannot be made strictly on specifications or price and several firms are qualified to furnish the product or service. However, price is always a major consideration.

II. Agencies are delegated the authority to purchase commodities and services up to any dollar amount when using the request for proposal process. The agency outlines all its anticipated RFPs over $25,000 in its procurement plan and submits it to the State Bureau of Procurement for approval. The plan will identify the appropriate code(s) from the minority business enterprise (MBE) directory (http://www.doa.state.wi.us/mbe/minority_by_comcode.asp?locid=0). The agency will send the RFP to all MBEs listed in the directory for the commodity code(s) relevant to the procurement. See PRO-A-3, Delegation (Formerly Major Delegation) and PRO-A-4, Procurement Plans.

III. Procedure for competitive negotiation:

A. The agency prepares the following documents:

1. A request for proposal (RFP) which is written in clear, concise, and measurable terms and includes, as a minimum, the standard language and required forms for the appropriate attached sample RFP including standard terms and conditions. See PRO-E-7, Standard Terms and Conditions.

Authorized:

Helen McCain, Director
State Bureau of Procurement

2. A score sheet containing a detailed breakdown of the criteria to be used in evaluating the proposals. The score sheet format should reflect the requirements as stated in the RFP and should contain the range of points available to subjectively score each element.

3. A list of potential proposers.

4. A list of evaluation team members and their titles. Identify which member or person advising the committee is trained in the request for proposal process.

B. The agency conducts the RFP process as follows:

1. For an RFP for services over $25,000, the agency will notify the appropriate labor organization(s). See PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations.

2. When the cost of purchase is expected to be over $25,000, the agency will advertise the procurement. See PRO-C-6, Legal/Public Notice.

3. Proposals are opened at the time and date specified. RFP openings may be open to the public. The names of the proposers may be read aloud and a written record is established. Proposals need not be evaluated at this time, nor awards announced. A summary of information disclosed at the RFP opening is made available to the public upon request as soon as practical after the opening unless competitive or bargaining reasons dictate that the information should not be made public at that time. Materials submitted for the RFP process may not be available for public inspection before the notice of intent to award is issued or, in the case of RFPs for commodities and for RFPs $25,000 or less, before the contract is awarded. See PRO-D-23, Public Records Access.

4. The evaluation committee reviews the proposals and scores each according to the criteria established in the RFP. The committee then meets to discuss their individual evaluations of each proposal; and to determine any need for interviews, on-site reviews, etc., of the top group of proposers.

5. The agency will state in writing the reason for the award and place the statement, as well as supporting documentation (RFP, evaluation committee proceedings, results), in the contract file.

6. The specifications listed in the RFP will correspond to the specifications that appear in the resulting contract. Any major deviation from original specifications in the resulting contract is grounds for withdrawal of procurement authorization.

C. The agency purchasing office maintains a register which is open to public inspection; it includes the RFP, identifies the commodity or service, and names the individual drafting the proposal.

D. PRO-C-12 does not apply to the purchase of stationery or printing. See PRO-C-18, Printing Procurements.

IV. Recordkeeping:

A. The following information is retained for each RFP:

1. The name of the individual responsible for the transaction

2. The original RFP document

3. A copy of any addendum

4. A copy of any notice published to advertise the RFP or a specific cross-reference to a legal notice file, <u>or a hard copy of a posting on the Internet</u>

5. A list of proposers with small, veteran-owned, minority businesses and work centers identified

6. An abstract of the proposals received

7. Original RFPs submitted by proposers and evidence, such as a date and time stamp, that RFPs, including those submitted by fax, were received on time

8. Unopened late RFPs or a listing of any late RFPs returned to proposers

9. Reason(s) for rejection of any proposals

10. Justification for any higher scored proposals rejected

11. In the case of tied RFPs, basis for award

12. An indication of the name(s) of successful proposer(s)

13. A statement of the application of life cycle costing options, reciprocity, minority bidder preference, and "Buy American" preference, where pertinent

14. A copy of the notice of intent for RFPs for services over $25,000

15. Any complaints or appeals filed

16. A copy of the notice to the appropriate labor organization(s) for RFPs for services over $25,000

17. Other pertinent records as dictated by the transaction

V. See also PRO-I-13, Appeals Process—Contractual Services, and PRO-C-37, World Trade Organization Government Procurement Agreement.

Authorized:

Helen McCain, Director
State Bureau of Procurement

VI. For applying minority preference to RFPs, see PRO-D-1, Minority Business Enterprise Policy.

Sample RFP
Sample RFP - DP/Hardware Riders

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-13
		Effective 4-1-02
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 2-1-00
Title NONCOMPETITIVE NEGOTIATION (SOLE SOURCE)		Page 1 of 4

AUTHORITY: Wis. Stats. 16.72(4)(a)
16.75(1)(a)
16.75(6)(a)(b)(c)(f)
Wis. Adm. Code Chapter Adm 10.09

SCOPE:
- to define noncompetitive negotiation
- to establish authority and procedure for noncompetitive negotiation
- to define circumstances for noncompetitive negotiation (sole source)

DEFINITION: "Noncompetitive negotiation" is the process that may be used to purchase a product or service that can be obtained only from one source. The agency must demonstrate and the State Bureau of Procurement must concur that only one source exists, that the price is equitable, and/or that noncompetitive negotiation is in the best interests of the state.

CONTENT:

I. One or more of the following circumstances, with adequate justification, may serve as the basis for using noncompetitive negotiation:

A. The service is unique or of a proprietary nature available from only one source.

B. Grant monies are involved, that cannot qualify as an exemption, that require subcontracts and specify the contractor.

C. A public emergency exists where the urgency for the required service will not permit competitive solicitation.

D. Substantial time pressure exists beyond the agency's control. (This does not include administrative delays or confusions in processing the necessary paperwork for purchasing approval.)

II. When only one source is known, the agency may find it in the best interests of the state to issue a request for bid to seek any additional sources and/or to encourage future competition. These solicitations will be advertised. See PRO-C-5, Bidding Policy and Procedure, Official Sealed Bid.

Authorized:

Director
State Bureau of Procurement

III. Procedure for sole source negotiation:

A. The agency prepares and submits the following documents to the State Bureau of Procurement:

1. A Request for Purchasing Approval/Authority (RPA) form that identifies the sole source and includes a proposed contract, when more than a purchase order will be used. For sole source requests, over $25,000, the RPA form will contain the signature of the agency head, deputy, chancellor or vice chancellor.

2. A justification letter, signed by the agency head or designee, that includes:

   a. A description of the product or service and why it is needed;

   b. A demonstration that only one source exists;

   c. A statement showing that the price is reasonable either on a fair market value or on a cost basis; and

   d. A statement indicating that the procurement is in the best interests of the state.

   See PRO-I-4, Justification of Need, for additional information required when contracting for services.

3. Names, telephone numbers, and/or copies of correspondence to verify that current sources were contacted to support the sole source claim.

4. A copy of the price quotation from the sole source vendor.

B. The State Bureau of Procurement receives the RPA package and follows the established review and approval procedure. All incomplete packages will be returned to the agency.

C. If approved, the State Bureau of Procurement issues an RPA contract number that permits the agency to proceed directly with the issuance of the contract, unless otherwise stipulated.

D. Specifications presented to the potential supplier must correspond to the specifications that appear in any resulting contract.

E. When the cost of purchase is expected to be over $25,000, the agency places a legal notice in the legal notices column of the official state newspaper once each week for a minimum of two weeks. This may be done prior to obtaining RPA approval from the State Bureau of Procurement. However, the contract may not be awarded or the purchase order issued until approval is obtained from the Bureau. See PRO-C-6, Legal Notice.

IV. Recordkeeping

A. Documentation of all sole source procurements is required including the following:

1. Justification for waiver of bidding including information to show only one source exists, that the price is reasonable either on a fair market value or cost basis, and the procurement is in the best interests of the state.

2. Names, telephone numbers, and/or copies of correspondence to verify that current sources were contacted to support the sole source claim.

3. A copy of the price quotation from the sole source vendor.

4. A copy of any notice published to advertise the procurement.

5. Authorization of the procurement by the State Bureau of Procurement and/or agency official responsible for the transaction.

6. A copy of the contract and/or purchase order.

V. PRO-C-13 does not apply to the purchase of stationery and printing. See PRO-C-18, Bidding of Printing Procurements.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-14	1-1-86	7-1-82

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 1

Title
UTILITY SERVICES

AUTHORITY: Wis. Stats. 16.75(2)(b)

SCOPE: - to establish policy for the procurement of utility services

CONTENT:

I. When utility services are determined to be available only from a sole source as a result of a regulated or a natural monopoly, these services may be obtained without bidding.

II. Agencies contracting for utility services will document the fact that no bidding was done, when such is the case, due to the existence of a regulated or a natural monopoly.

III. Agencies will forward a copy of the standard terms and conditions to the vendor. See PRO-E-7, Standard Terms and Conditions.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(1)(a)
16.75(3m)

SCOPE:
- to establish policy for determining procurement awards
- to establish authority and procedure for making awards
- to establish policy to govern award based on the receipt of a single bid

CONTENT:

I. The award of a contract for a procurement is made to the lowest responsible bidder, except as stipulated in VI.A. below.

II. When the award is made to other than the lowest bidder, a justification is provided in the bid file.

III. Any and all bids may be rejected for just cause. The reason(s) for rejection is (are) documented and made a part of the bid file.

IV. In determination of award, discounts for early payment will only be considered when all other conditions are equal.

V. Awarding contracts and rejecting bids are public actions and purchasing agents performing these functions are guided by the course of action that best promotes the public interest.

VI. The office making an award:

A. Decides which bidder is the lowest responsible bidder.

1. If a certified minority business enterprise has submitted a qualified responsible bid that is no more than 5% higher than the apparent lowest responsible bid, or a competitive proposal that is no more than 5% lower than the proposal with the apparent high point score, the award may be made to the minority business enterprise.

B. Documents reasons if a low bidder does not receive the award.

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C. Makes notation of the successful bidder in the bid folder.

D. Prepares an abstract or tabulation which becomes a permanent part of the bid file.

E. Retains in the purchasing office the original documents from bidders.

VII. When bids have been solicited, or advertised for, and only one bid is received in response to the solicitation, or advertisement, the office soliciting the bid:

A. Determines if the probability of receiving more than one bid existed at the time of solicitation; if so,

B. Determines whether restrictive specifications or conditions caused the sole response, if not,

C. Determines, based on cost comparisons or analysis, that the price bid is fair; if so,

D. Establishes that resolicitation will probably not elicit further bids, and,

E. Makes the award based on the single bid.

If the office determines that a single bid was the result of restrictive specifications or conditions, the specifications or conditions should be rewritten and the bid resolicited.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number PRO-C-16		
Effective 10-18-01		
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 7-1-94
Title LOWEST RESPONSIBLE BIDDER		Page 1 of 2

AUTHORITY: Wis. Stats. 16.75(1)(a)
16.75(1m)
16.75(2)(a)(b)
16.75(3m)

SCOPE:
- to define the terms lowest responsible bidder and low bid
- to establish criteria for differentiating between the above terms
- to establish policy for selection of the lowest responsible bidder

CONTENT:

I. The award of a contract for a procurement is made to the lowest responsible bidder, except as provided in PRO-C-15, VI. A.

II. Definition of terms:

A. "Low bid" refers to the lowest dollar total submitted in response to a bid solicitation.

B. "Lowest responsible bidder" refers to the supplier who submits the lowest dollar total appearing in combination with other elements of the bid that best meet the requirements of the solicitation.

C. "Qualified bid" is a bid or a proposal submitted by a minority business enterprise that is a responsible bid or proposal and that is no more than 5% higher than the apparent low bid or no more than 5% lower than the proposal with the apparent high point score. A qualified bid may not be considered on a procurement of printing or stationery.

III. Selection of the lowest responsible bidder is an objective decision based on a vendor providing the most economical cost with:

A. The financial ability to provide the services required or complete the contract

B. The skill, judgment, experience and resources to capably provide the services or complete the contract

Authorized:

Director
State Bureau of Procurement

C. The necessary facilities, staff, personnel and equipment to complete the contract

D. The demonstrated ability to satisfactorily perform work in a prompt and conscientious manner

E. The demonstrated ability to comply in situations where the award is contingent on special considerations subject to the nature of the services or contract required

IV. It is the responsibility and authority of the purchasing agent making an award to exercise good judgment and, in the best interests of the state, to honestly and fairly determine the responsibility of the bidders involved, and, of the responsible bidders, to select the lowest responsible bidder.

V. In cases involving capital equipment, or equipment or material with an operating life, life cycle costing may be used to determine lowest responsible bidder.

VI. When the lowest responsible bid price is deemed to be higher than a fair price, a lower price may be negotiated. The last and final offer will be negotiated only with the lowest responsible bidder, and only on price.

VII. Any or all bids may be rejected; but when a low bid is rejected in favor of a higher bid from the lowest responsible bidder, a written record of justification will be prepared and placed in the bid file.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.7015
16.75(1)(a)
16.75(4)(a)
Wis. Adm. Code Chapter Adm 7.05

SCOPE: - to establish responsibility for developing and maintaining the bidders list

CONTENT:

I. The State Bureau of Procurement maintains on VendorNet a statewide bidders list of vendors who are registered to receive notification of requests for bids/proposals over $50,000.

II. Agencies will use the VendorNet statewide bidders list for requests for bids/proposals over $50,000 and are encouraged to use this list for simplified bidding as well.

III. If the agency deems a bidder to be non-responsible, the agency will submit rationale for removal from the bidders list to the State Bureau of Procurement. The Bureau will determine if the bidder should be excluded from bidding, and whether it should only be for that agency specifically or on a statewide basis.

IV. Removal of a bidder from the bidders list

A. The following are reasons for removal from the bidders list:

1. Repeated failure to bid responsively,

2. Failure to meet contract specifications after an award has been made,

3. Failure to render satisfactory performance on a contract that has been awarded, and

4. Furnishing false or erroneous information to obtain listing on a bidders list.

B. The following are procedures that govern removal:

1. The process of removal requires the agency to investigate reasons and evidence that support removal. That information will be forwarded to the Bureau with a request to remove the vendor.

2. When removal is based on vendor contract performance, the agency informs the bidder in writing about the performance issues.

3. The Bureau will keep complete records of all decision items to document the reasons and basis for the decision.

4. When a bidder is removed from the list, that bidder is removed for a specific period of time, e.g., six months, one year, or two years at the most. A "forever-and-ever" situation should not be allowed to exist.

5. A bidder has the right to reinstatement when there is evidence that the problem has been corrected. Where it is warranted, reinstatement may be probationary for a period of time, where past action by the bidder has caused a serious harm to the state.

V. Reference material:

PRO-C-35, VendorNet

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-18	5-26-04	11-1-91

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 1

Title
PRINTING PROCUREMENTS

AUTHORITY: Wis. Stats. 16.75(2)(a)
16.75(7)
16.82(4)

SCOPE: - to establish policy for the procurement of stationery and printing materials

CONTENT:

I. Procurements of stationery and printing must be made from the lowest responsible bidder without regard to the dollar amount of purchase.

II. The following are State Procurement Manual procedures that do not apply to the purchase of stationery and printing:

A. PRO-C-3, Emergency Procurement, (Content VI.)

B. PRO-C-8, Simplified Bidding, (Content III.A.)

C. PRO-C-11, General Waiver, (Content V.A.)

D. PRO-C-12, Competitive Negotiation (Request for Proposal), (Content III.D.)

E. PRO-C-13, Noncompetitive Negotiation (Sole Source) (Content V.)

F. PRO-C-16, Lowest Responsible Bidder, (Content II.C.)

G. PRO-C-25, Intergovernmental Procurements, (Definitions I.)

H. PRO-C-26, American-Made Materials Policy, (Content II.C.)

I. PRO-D-1, Minority Business Enterprise Policy, (Definitions I.C.)

J. PRO-I-1, Contracting for Services, Introduction, (Content IV.)

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(5)
Wis. Adm. Code Chapter Adm 7.08

SCOPE:
- to establish policy on the requirement for sureties and bonds from suppliers
- to authorize use of various types of sureties

CONTENT:

I. The State Bureau of Procurement, or agency offices operating under delegated authority, may require sureties from bidders or contractors when such action is deemed to be in the best interests of the state.

A. A surety is a guarantee that a bidder or contractor will perform some specific act or complete some specific process. Sureties may consist of:

1. Cash on deposit with an agency of the state.

2. A certified or cashier's check.

3. An irrevocable letter of credit.

4. A bond issued by a bonding or insurance company authorized to do business in Wisconsin.

B. Basic types of sureties are:

1. A bid surety required to be submitted with a bid to ensure that a bidder will accept any resulting contract award.

2. A payment surety required in conjunction with the award of a contract that assures that a contractor will pay the valid bills of subcontractors who perform work under the prime contract so as to prevent the state from being subject to a lien action by the subcontractor.

3. A performance surety required to ensure that a contractor will perform to the requirements of a contract.

Authorized:

Jane Pawasarat Director
State Bureau of Procurement

II. Sureties will not be required as a matter of course and will not be used to restrict small or minority businesses from bidding or receiving contracts. Sureties will be used only in those cases where justified. Justification for requiring sureties can include:

A. A past history of nonperformance on specific classes of state bids or contracts.

B. A valid need for bid sureties, such as when failure to sign a contract may result in serious harm or damage to state operations.

C. Past history of nonpayment of subcontractors' valid invoices on specific classes of state contracts.

D. Situations where nonperformance of a contract can result in grievous harm or damages to state operations, such as the nondelivery of food to institutions, or where the need for on-time delivery of a component can negatively affect a broad project.

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III. If sureties are required on a solicitation or award, the requirement will be applied to all bidders and contractors. In exceptional cases, the State Bureau of Procurement may approve the imposition of surety requirements on an individual bidder or contractor when such approval is necessary to permit the bidder or contractor to receive a request for bid/proposal or an award where past history would preclude such action.

IV. Sureties may not be amended as the result of an amendment to a solicitation or contract. New sureties will be called for and provided. Since a surety is a guarantee of performance of a specific act, an amendment that changes the act on which the surety is provided, by nature, voids the original surety.

Authorized:

Jane Pawasarat Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(1)(a) 2
35.012
Wis. Adm. Rule Tax 2.82

SCOPE:
- to define "Wisconsin business"
- to establish policy on the purchasing preference reciprocity law
- to identify a resource for information on in-state preference practices of other states

DEFINITION: "Wisconsin business" means any producer, distributor, supplier, or retailer that has all of the following: one or more employees located in Wisconsin; a physical business presence such as a store, factory, warehouse, or office in Wisconsin; "nexus" in Wisconsin as defined by Wis. Adm. Rule Tax 2.82, and is required to file a tax form; and, when required, is licensed to do business in Wisconsin by the Department of Regulation and Licensing and/or the Secretary of State.

CONTENT:

I. If the apparent low bidder is not a Wisconsin business and the state in which the bidder resides grants an in-state preference in making governmental purchases, the agency will give a preference to a Wisconsin business, if any, by penalizing the non-Wisconsin business when awarding an order or contract.

II. The agency will apply the penalty at the same percentage preference as is applied by the bidder's home state. In the case of printing, contracts will not be awarded to printing firms located in another state if the laws of that state discriminate against Wisconsin printers.

III. The agency will apply the penalty only when the result will benefit a Wisconsin business. The penalty will not be applied if it only changes which non-Wisconsin business receives the award. The penalty could be applied to more than one non-Wisconsin business if the calculation would cause the award to be made to a Wisconsin business.

Authorized:

Jane Pawarasat, Director
State Bureau of Procurement

IV. A certified minority business enterprise, coming from a state with an in-state preference, may receive the minority business preference if the in-state preference from their home state is 5% or less. The percentage preference applied to the Wisconsin transaction is the difference between the 5% and the in-state preference in this situation. When application of the preference results in an out-of-state minority firm obtaining the award over an in-state firm, the agency will notify the State Bureau of Procurement before issuing the notice of intent.

V. Qualified bid formulas

A. On competitive bids

1. To achieve consistency in evaluating a Wisconsin qualified bid against an apparent low bid, the following formula will be used:

(Lowest Responsive Non-Wisconsin Bid x 1. Preference)	= $_____
Minus (Lowest Wisconsin Qualified Bid)	= $_____
(Balance)	= $_____

2. When the balance is a positive number, award is made to the lowest Wisconsin qualified bid. Award is made at the cost actually bid.

3. When the balance is 0, award is made according to PRO-C-24, Tied Bids.

4. When the balance is a negative number, award is made to the lowest responsive non-Wisconsin bidder.

5. For example, the following bids are received:

Bidder	Quote		
Alaska	$100	($100 x 1.05)	= $105
Wisconsin	$104		- $104
			$ 1

The award goes to the Wisconsin bidder.

Bidder	Quote		
Hawaii	$100	($100 x 1.03)	= $103
Wisconsin	$104		- $104
			$ -1

The award goes to the Hawaii bidder.

B. On proposals (competitive negotiations)

1. Use a formula similar to that on page 4 of PRO-D-1, Minority Business Enterprise Policy.

VI. The agency will document basis for award in the bid file.

VII. PRO-C-20 also applies to awards to foreign businesses. The agency will research the preference practices of the entity as the situations arise. When making an award that involves a member country under the Government Procurement Agreement, the agency will show no preference in favor of the United States. See PRO-C-37, World Trade Organization Government Procurement Agreement, for a listing of member countries and additional information. For assistance contact the State Bureau of Procurement.

VIII. The State of Oregon routinely gathers information on in-state preference practices of all states. For details consult the following Web site: http://www.oregon.gov/das/Procurement/Pages/Recippref.aspx

IX. The agency should direct any questions regarding PRO-C-20 to the State Bureau of Procurement.

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Authorized:

Jane Pawarasat, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces	Page
PRO-C-21	1-1-82	NEW	1 of 1

Section	Agencies Affected
THE PROCUREMENT PROCESS	ALL

Title
MAIL JOB ACTION CONTINGENCY PLAN

AUTHORITY: Wis. Stats. 16.75(1)(a)

SCOPE:
- to define policy of the State Bureau of Procurement relative to interruptions of U.S. mail service
- to establish uniform procedures for agency purchasing offices to take during such a contingency

CONTENT:

I. Interruption of mail service is never justification for not soliciting competitive bids.

II. Official sealed bids, sealed bids, and simplified bidding processes will continue to be conducted in the normal way.

III. When mailings to established bidders lists are interrupted, agency purchasing offices are encouraged to use alternate methods of advertising—i.e., news media, trade publications, minority press, etc.

IV. Purchasing agents may telephone local bidders advising them of the pending bid and permit a vendor representative to pick up and return the bid forms in order to submit their bid.

V. For bid openings, we will hold to the "Due Dates". It is the responsibility of the bidder to get bids to the proper place at the proper time.

VI. Telephone and telegram bids may be accepted, but must be confirmed in writing.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
THE PROCUREMENT PROCESS	ALL	PRO-C-22
		Effective 6-19-03
		Replaces 1-1-82
Title REQUEST FOR INFORMATION (FORMERLY ESTIMATE SOLICITATION)		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish the request for information as a communication process used to enable an agency to obtain preliminary information for a potential procurement

CONTENT:

I. An agency may obtain information from potential suppliers to aid in the development of a request for bid/proposal. The document should be clearly marked "Request for Information".

II. A request for information is used to obtain information only. It is not a substitute for the request for bid/proposal process.

III. Bid forms will not be used for the solicitation of cost estimates. These estimates may not be used later as bids.

IV. See sample RFI.

Authorized:

Jane Pawasarat Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-23
		Effective 3-9-12
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 6-1-99
Title NOTICE TO UNSUCCESSFUL BIDDER		Page 1 of 1

AUTHORITY: Wis. Stats. 16.72(4)(a)

SCOPE: - to establish policy for the notification of bidders whose bids were not accepted

CONTENT:

I. When an award is made on a competitive bid $50,000 or less, unsuccessful bidders need not be automatically notified.

II. When an unsuccessful bidder specifically solicits information concerning an award, the awarding agency will provide the bidding results. Copies of abstracts need not be furnished even though requested. However, access to abstracts is made available to any party requesting, within reasonable limits.

III. A summary of information disclosed at the request for bid opening is made available to all interested bidders upon request as soon as practical after the opening. Bidding records are made available to all interested bidders and the public, following the issuance of the notice of intent to award or, in the case of requests for bids for commodities and for requests for bids $50,000 or less, following the contract award.

IV. Notices of intent to contract, in cases of awards resulting from the competitive negotiation process, are covered in separate policies.

V. In cases of award on a noncompetitive negotiation basis, there is no notice to unsuccessful bidders since, by definition, there are no other bidders.

VI. Reference material:

A. PRO-D-23, Public Records Access

B. PRO-I-14, Notice of Intent—Contractual Services

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-24
		Effective 3-27-07
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 2-1-99
Title TIED BIDS		Page 1 of 2

AUTHORITY: Wis. Stats. 16.72(4)(a)
16.75(1)(a)
Wis. Adm. Code Chapter Adm 8.03(3)

SCOPE:
- to establish policy on bidder selection when tied bids are submitted
- to determine the use of the tied bid process
- to establish the duties of purchasing
- to establish procedures to be used for breaking the tie

CONTENT: I. When tied bids exist:

A. Tied bids exist when the total costs of two or more responses to a request for bid are identical. Cost totals can be carried out to two decimal points to break a tie.

B. Tied bids do not apply to requests for proposals. If the final scores of two or more proposals are identical, the best and final offer process must be used to break the tie.

C. If a tied bid occurs, award is made to the bidder whose materials are manufactured to the greatest extent in the United States. See PRO-C-26, American-made Materials Policy. When making an award that involves a member country under the Government Procurement Agreement, the agency will show no preference in favor of the United States. See PRO-C-37, World Trade Organization Government Procurement Agreement, for a listing of member countries and additional information.

D. Award may be made to the bidder offering the best additional economic benefits to the state such as discounts for early payment, volume discounts, supplemental commissions, etc.

Authorized:

Helen McCain, Director
State Bureau of Procurement

II. If an award cannot be made using the provisions of Content I. C. or D., the following process may be used. After requesting and receiving approval from the agency chief purchasing official, the purchasing lead, in the presence of two witnesses (at least one purchasing person and another person), may:

Flip a Coin: If only two vendors are "tied", assign "heads" to the vendor whose company name is alphabetically first and "tails" to the other vendor. Flip the coin allowing the coin to come to rest on the floor. If "heads" is up, the vendor whose company name is alphabetically first wins. If "tails" is up, the other vendor wins.

III. Any process used to break a tied bid must be documented in the Summary Tabulation document. The witnesses must sign the document.

IV. If an indication of price fixing exists in any tied bid situation, agencies must contact the Attorney General's Office for direction or guidance before proceeding with a tied bid process or an award.

V. Reference material:

A. PRO-C-39, Best and Final Offer Process and Procedures

B. PRO-C-26, American-made Materials Policy

C. PRO-C-37, World Trade Organization Government Procurement Agreement

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-C-25	6-1-87	10-1-85

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THE PROCUREMENT PROCESS	ALL	1 of 2

Title
INTERGOVERNMENTAL PROCUREMENTS

AUTHORITY: Wis. Stats. 16.70(3)
16.72(2)(d)
16.75(3t)(b)
16.75(6)(a)(b)
19.82(1)
20.901
66.0301

SCOPE:
- to define intergovernmental procurements and governmental body
- to establish policy on procurements from the federal government
- to establish policy on the waiver of bidding on procurements from another state, county, city, village, town, or other governmental body in this state

DEFINITIONS:

I. "Intergovernmental procurements" are those purchases of supplies, materials, equipment, or contractual services other than printing and stationery, from the federal government, from another state, or from any county, city, village, town, or other governmental body in this state.

II. "Governmental body" means a local agency, board, commission, committee, council, department, or public body created by constitution, statute, ordinance, rule, or order.

CONTENT:

I. When an agency deems a procurement with another governmental body to be favorable, the following procedures are applicable for transactions over the agency's delegated authority.

A. Federal Government: A waiver of the bidding process is not required when contracting with the federal government. No Request for Purchasing Approval/Authority (RPA) is required to be submitted to the State Bureau of Procurement.

B. Payments made pursuant to statute when only one provider is statutorily permissible and the rate of reimbursement is set by statute are not purchases. The process for exempting such payments from procurement polices and procedures should follow the process outlined in PRO-C-32, Grants and Other Nonprocurement Transactions.

Authorized:

Director
State Bureau of Procurement

C. Procurements of commodities or services from a governmental body other than another state agency or the federal government that could be bought from a private sector vendor require use of procurement policies and procedures.

II. Intergovernmental procurements need not be advertised.

III. Compliance with the provisions of PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations, is required.

IV. See PRO-I-8, Legal Services.

V. PRO-C-25 does not apply to the procurement of printing and stationery. See PRO-C-18, Bidding of Printing Procurements.

VI. See PRO-C-32, Grants and Other Nonprocurement Transactions and PRO-C-10, Bid Waiver Justification Letter.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-26	2-1-99	3-1-90

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 4

Title
AMERICAN-MADE MATERIALS POLICY

AUTHORITY: Wis. Stats. 16.754
Wis. Adm. Code Chapter Adm 7.07

SCOPE:
- to establish the state's policy on procurement of American-made materials
- to define American-made materials
- to provide a procedure for statutory compliance in the purchase of materials

DEFINITIONS:

I. Definitions applicable to this policy are:

A. "Manufactured" means mined, produced, manufactured, fabricated or assembled.

B. "Manufactured in the United States" means that materials are manufactured in whole or in substantial part within the United States, or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States.

C. "Materials" means any goods, supplies, equipment or any other tangible products or materials.

D. "Purchase" means acquire by purchase or lease.

E. "State" means the State of Wisconsin, or any agency thereof, a contractor acting pursuant to a contract with the state and any person acting on behalf of the state or any agent thereof.

F. "Substantially equal" means a tied bid or equal proposal score.

II. For procurements subject to the World Trade Organization Government Procurement Agreement, the following rules of origin apply:

A. "Goods": (as established by the U.S. Customs Service) the country of origin of a product is the country in which the product was substantially transformed prior to its importation in that form. (The percentage of content is irrelevant to the rule of origin.)

B. "Services": the country of origin is based on whether a contractor or subcontractor is owned or controlled directly or indirectly by citizens or nationals of a foreign country.

Authorized:

Director
State Bureau of Procurement

CONTENT:

I. Wisconsin statutes provide that the state will purchase materials which are manufactured to the greatest extent in the United States when all other factors are substantially equal. When making an award that involves a member country under the Government Procurement Agreement, the agency will show no preference in favor of the United States. See PRO-C-37, World Trade Organization Government Procurement Agreement, for a listing of member countries and additional information.

II. Certain types of purchases are excluded from this policy, such as:

A. Purchases of materials for commercial resale.

B. Purchases of material for use in the production of goods for commercial resale.

C. Purchases of stationery and printing materials.

D. Purchases of materials in which the Department of Administration, State Bureau of Procurement or its delegated agents determine that:

1) The materials involved are not manufactured in the United States in sufficient or reasonably available quantities; or

2) The quality of the materials is substantially less than the quality of similar available materials manufactured outside the United States.

E. In determining United States origin between materials in the final selection process of a procurement, 51% establishes a majority, and the higher percentage of components, based on cost, establishes substantiality between competing materials.

Authorized:

Director
State Bureau of Procurement

III. Specification writing:

A. In developing specifications for materials, requirements will be written to the extent possible so as to ensure the purchase of materials manufactured in the United States.

B. Indicate in the request for bid or request for proposal package that a preference will be given to materials which are manufactured to the greatest extent in the United States, when bids are tied or proposal scores are equal. Bidders/proposers will attest to the origin of their products on the Request for Bid form or the Request for Proposal form when they feel it may have a bearing on the bid/proposal outcome, or they desire to do so for other reasons. Request for Bid forms or Request for Proposal forms will have a space permitting the bidder to designate that products are American. The Request for Bid form or Request for Proposal form should contain the following or similar language:

"Wis. Stats. s. 16.754 directs the state to purchase materials which are manufactured to the greatest extent in the United States when all other factors are substantially equal. Materials covered in our bid/proposal were manufactured in whole or in substantial part within the United States, or the majority of the component parts thereof were manufactured in whole or in substantial part in the United States.

|__| Yes |__| No |__| Unknown"

IV. General procedure:

A. The following procedure will best assure that full recognition and compliance with statutory intent is achieved:

1) In developing standards and specifications to define materials required, ensure that the broadest possible parameters consistent with performance criteria are used, so as not to exclude American-made materials from consideration.

2) In developing bidders/proposers lists, preference will be given to those bidders/proposers capable of providing American-made materials.

3) In developing bid/proposal packages, ensure that the package indicates that the state will give preference to American-made materials when bids are tied or proposal scores are equal.

4) Any time that a material is purchased that is not American-made, in place of a substantially lower-priced American-made material, a full documentation of the transaction and the decision-making process will be maintained by the agency purchasing office, for audit purposes. Prior approval of such transactions that are in excess of $25,000 overall will be obtained from the State Bureau of Procurement.

5) Preference for American-made materials applies to all state purchases regardless of dollar amount.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

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Section	Agencies Affected	Number
		PRO-C-27
		Effective 9-18-12
THE PROCUREMENT PROCESS	ALL	Replaces 4-1-98
Title SERIAL CONTRACTING		Page 1 of 2

AUTHORITY: Wis. Stats. 16.75(1)(b) & (c)
16.75(6)(c)
16.77

SCOPE:
- to define serial contracting
- to establish a policy related to serial contracting

DEFINITION: "Serial contracting" is the practice of a procuring unit issuing a series of purchase orders, or using the purchasing card for purchases, to the same vendor for the same commodity or service without the benefit of a competitive process or a waiver as required under state purchasing policies and procedures.

POLICY:

I. Serial contracting/purchasing is prohibited.

II. Pursuant to s. 16.77, Wis. Stats., any state employee who contracts for the purchase of materials or services contrary to a statute or to State Bureau of Procurement policies and procedures may be liable for the cost. If such materials or services are paid for out of public funds, the amount may be recovered in action filed by the Attorney General. Any procurement contract that is contrary to state statutes is void.

CONTENT:

I. The agency is responsible for ensuring that serial contracting is not used. By writing several smaller orders, or using the purchasing card, the agency avoids a competitive process or a waiver as required by procurement rules and thus circumvents the law. When multiple purchases are occurring/recurring in a short period of time, it indicates that split purchases and serial purchasing may be taking place.

II. At least annually, each agency with a central purchasing office will review the agency's purchases to include purchasing card transactions to look for opportunities to eliminate serial contracting and to seek cost-saving measures associated with consolidating similar procurements under relevant contracts. The purchasing office will look for purchasing trends and take corrective action. In larger agencies, the review may occur at regional district or other segments or facilities as appropriate. Such efforts will include reporting findings to the central purchasing office.

III. When total transactions in excess of the limits have been identified, the agency procurement staff should determine if these types of purchases are likely to continue and take proper steps to comply with procurement rules. The central purchasing office is responsible for providing training to agency staff.

IV. The State Bureau of Procurement in cooperation with the Department of Administration State Controller's Office will perform periodic reviews to determine compliance with paragraph II. above.

V. Reference material:

A. PRO-C-5, Bidding Policy and Procedure, Official Sealed Bid

B. PRO-C-8, Simplified Bidding

C. PRO-C-12, Competitive Negotiation (Request for Proposal)

D. PRO-C-13, Noncompetitive Negotiation (Sole Source)

E. PRO-E-8, Prior Approval of Purchases/Unauthorized Purchases

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-C-28	12-1-83	PRO-I-6

Section	Agencies Affected	Title	Page
THE PROCUREMENT PROCESS	ALL	DISCLOSURE	1 of 2

AUTHORITY: Wis. Stats. 16.705(5)
16.77(2)
19.45(6)
Wis. Adm. Code Chapter Adm 10.10

SCOPE: - to establish policy and procedure related to disclosure

CONTENT:

I. Any bidder or proposer, other than a political subdivision of the state, includes with the bid or proposal a written statement that discloses and provides relevant information on any of the following conditions should they exist:

A. An officer or an employe of the contracting or procuring agency, or his or her immediate family owns or controls, directly or indirectly, any equity, or is associated with the bidder or proposer;

B. The bidder or proposer currently employs, or has offered or agreed to employ, any person who is or has been an officer or employe of the contracting or procuring agency within the 12 month period preceding the bid or proposal; or

C. The bidder or proposer has a contract for materials, supplies, equipment, or contractual services with the contracting or procuring agency or provides or anticipates providing materials, supplies, equipment, or contractual services during the term of the contract to, a person or organization that is regulated by, or receives state funds from, the contracting or procuring agency.

II. If none of the above conditions exist, the bidder or proposer includes, with any bid or proposal, a written statement to that effect.

III. The contracting or procuring agency reviews the statement and prepares a written determination on whether or not the information disclosed under I. above interferes with fair competition and whether or not, in spite of the information disclosed, the awarding of the contract to the bidder or proposer will be in the best interest of the state.

Authorized:

Director
State Bureau of Procurement

IV. The State Bureau of Procurement will review the determination by the contracting or procuring agency. If the Bureau does not concur in that determination, the Bureau will not approve the contract.

V. All contracts will provide that if the bidder or proposer has failed to disclose any conditions described under I. above, the contract may be declared to be void by the Bureau and any amounts paid under the contract may be recovered as provided in s. 16.77 (2), Wis. Stats.

VI. No disclosure is required if state of federal law prohibits the disclosure, or the relationship does not create a conflict of interest and loss of independence, or the disclosure is improper under standards of professional conduct adopted by, or administrative rules of, the state agency or agency of the judicial branch that is responsible for regulating or licensing the occupational group of which the bidder or proposer is a member.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-29
		Effective 3-27-07
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 4-1-02
Title EVALUATION COMMITTEE (REQUEST FOR PROPOSAL)		Page 1 of 5

AUTHORITY: Wis. Stats. 16.705(2)
Wis. Adm. Code Chapter Adm 10.08(4), (8)
Executive Order 137

SCOPE:
- to establish procedure for evaluation committees
- to determine the membership of the evaluation committee
- to establish the duties of the evaluation committee
- to define conflict of interest as it applies to members of the evaluation committee

CONTENT:

I. Before a request for proposal (RFP) is distributed to prospective contractors, the procuring agency will establish an evaluation committee. If necessary, at any time the purchasing lead may designate alternate evaluation committee members. The purchasing lead will document the reasons for change.

II. Each committee will consist of at least three or more members, depending on the complexity and scope of the commodities or services being procured. Pursuant to Executive Order 137 "the evaluation committee shall exclude any employee of the Office of the Governor, and any unclassified Agency Head, Commissioner, Deputy Agency Head, Executive Assistant or Division Administrator." For UW System Administration and campuses appointees are defined as UW System President and Vice President and Chancellor, Vice Chancellor and Provost positions. Any agency requesting participation by an appointee on an evaluation committee must request permission from the State Bureau of Procurement prior to convening the committee. At least one evaluation committee member will be from outside the agency or campus conducting the procurement. When appropriate or available, one member will be from outside state government. When an agency is unable to secure participation from outside government, the purchasing lead will document the efforts made to secure participation and will include the documentation in the procurement file. Each member of the evaluation committee will possess specific knowledge or skills essential to the RFP evaluation.

Authorized:

Helen McCain, Director
State Bureau of Procurement

III. Each committee will have one member who will provide advice on procurement statutes, rules and processes. This person typically will be from the purchasing/procurement office. This person must be trained in conducting the request for proposal process. This person will:

A. *Not* be an evaluator, nor will he/she score the general/technical portion of the proposals.

B. Have taken the Request for Proposal course offered by the State Bureau of Procurement.

C. Provide guidance and instruction to the evaluation committee on the RFP evaluation process and will provide guidance on any related procurement statutes, rules and policies.

D. Ensure that evaluation committee members understand and sign the Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation (form DOA-3780).

E. Act as committee-leader and will be responsible for coordinating all evaluation activities of the committee.

F. Be the sole contact for vendors for the duration of the procurement process.

G. Relay all pertinent communications to all evaluators.

H. Keep accurate records of all meetings, conferences, oral presentations, evaluations, and decisions. This will include signed copies of members Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation, the evaluation committee report, and copies of e-mails and all other communications related to the procurement process.

I. Prepare the official abstract of the evaluation committee scoring.

J. Prepare the final evaluation committee report for approval and signature by evaluation committee members.

K. Maintain the official procurement file.

IV. Each member of the evaluation committee will:

A. Receive a list of the companies on the bidders list and/or a list of those companies submitting proposals/responses, an estimated time commitment and a projected completion date.

B. Sign the Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation (form DOA-3780) before the evaluation of the proposal responses begins. No person will serve on an evaluation committee where the action of that committee might benefit that person, or a member of that person's immediate family, or any organization or business with which that person is associated.

C. Receive detailed instructions regarding the evaluation process.

D. Make a commitment to complete the evaluation process in accordance with the evaluation timetable.

E. Sign the evaluation committee report which will summarize the evaluation process and recommend an award to the highest scoring proposer at the end of the evaluation process. A summary of evaluator scores will be included in the final report, but scores will not be tied to individual evaluators.

V. Use of subject matter experts in the evaluation process

A. When a request for proposal includes highly technical components, the evaluation committee may convene a subgroup of subject matter or technical experts to evaluate a portion of the responses.

B. These subject matter or technical experts may be convened as needed and upon request of the evaluation committee.

C. Subject matter or technical experts are non scoring ad/hoc groups who serve as technical advisors to the evaluation committee.

D. Subject matter or technical experts will be required to sign the Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation (form DOA-3780) prior to participation.

VI. The duties of the evaluation committee are to:

A. Review all proposals submitted in response to an RFP, consistent with the evaluation criteria included in the RFP.

B. Participate in all formal, scheduled oral conferences and presentations with proposers that affect the evaluation process (to include best and final offer evaluations).

C. Participate in all evaluation committee meetings and discussions.

D. Keep all information obtained from any proposer confidential through the duration of the evaluation process.

E. Review and approve an evaluation committee report which will summarize the evaluation process and recommend an award to the highest scoring proposer at the end of the evaluation process. A summary of the evaluator scores will be included in the final report, but scores will not be tied to individual evaluators. The final report will be signed by each member of the evaluation committee. The report will provide an option for each evaluator to express nonconcurrence with the committee's final recommendation. When such nonconcurrence occurs, the evaluator will be asked to summarize the reason(s) for nonconcurrence. The evaluation committee report will become part of the official public record.

VII. The procurement file will include all materials relevant to the evaluation. The procurement is a public record and will include the following:

A. The original request for proposal and all amendments, responses to vendor questions, clarifications and correspondence related to the procurement.

B. The original response of all vendors who submitted proposals.

C. An abstract summary of all evaluator scores.

D. All best and final offer documents if applicable.

E. Signed copies of members' Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation (form DOA-3780).

F. An evaluation committee report, signed by all members of the evaluation committee, summarizing the evaluation process and recommending an award.

G. All communications (memos, e-mail, minutes of meetings, and scoring documents).

VIII. Reference material:

A. State of Wisconsin Employee Code of Ethics–ER-MRS 24

B. Executive Order 137

C. Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation (form DOA-3780)

D. Evaluation Committee Checklist

E. Evaluation Committee Report

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-C-30	5-1-92	12-1-83

Section	Agencies Affected	Page
THE PROCUREMENT PROCESS	ALL	1 of 2

Title
COMMUNICATIONS WITH PROPOSERS (REQUEST FOR PROPOSAL)

AUTHORITY: Wis. Stats. 16.705(2)
16.75(2m)(d)(e)(f)
Wis. Adm. Code Chapter Adm 10.08(5)

SCOPE:
- to establish authority and procedure for communications with proposers
- to establish procedure for revisions to proposals under negotiation
- to provide procedures to ensure confidentiality of proposal contents and revisions during negotiations

CONTENT:

I. Prior to opening

A. When an agency purchasing office determines the need for clarification on a proposal, the agency may:

1. Issue a revision or addendum to the proposal solicitation to all known recipients, or

2. Invite all potential suppliers to a clarification meeting with the evaluation committee.

B. Proposals may be revised, if the proposer so requests, as a result of actions by the agency to revise or clarify.

II. After opening

A. The agency may determine which proposals are reasonably apt to be considered in a final evaluation for award. Justification is required for those proposals which are eliminated from further evaluation.

B. Further communication with remaining proposers may be conducted, in a fair and equal manner, so as to provide remaining proposers an opportunity to discuss their proposals. The agency may permit revisions to proposal content and to cost by proposers on the condition that the revisions do not alter the scope or content of the original solicitation to a degree that will affect the justification that was used to eliminate other proposers from evaluation.

Authorized:

Director
State Bureau of Procurement

C. Opportunities to make changes, presentations, or submissions will be given equally to all remaining proposers in the evaluation process. The agency may consider the reference checks, oral presentations, demonstrations, etc. of these proposers only.

D. In the evaluation, discussion, negotiation, and selection process, the agency will not disclose any information from one proposer to another.

E. Records of meetings, conferences, presentations, discussions, negotiations, and evaluations are to be kept and retained in the proposal file.

AUTHORITY: Wis. Stats. 16.72(2)(a), (b), (4)(a)
16.75(1)(a), (b), (cm), (1m), (4), (5)
16.75(7)
16.754

SCOPE:
- to define reverse auction
- to outline the standard process for conducting a reverse auction
- to establish policies for conducting a reverse auction

DEFINITIONS:

I. A “reverse auction” is an on-line procurement method used to obtain bids for commodities and services. In a reverse auction, something is *purchased* from the *lowest* bidder (which is the "reverse" of a normal auction, wherein something is *sold* to the *highest* bidder). A reverse auction is typically conducted via the Internet whereby bidders anonymously bid against each other for a lot (an item or group of items) for which an agency has a requirement. Bidding takes place at a specified date and time and continues for a specified amount of time or until no more bids are received.

II. A “minimum bid step”: Typically each successive bid must differ from the previous bid by an amount known as the minimum bid step. The minimum bid step is determined by the state and will be different depending on what is being auctioned. In most cases, the minimum bid step will be an amount less than ("bid decrement") the previous bid (i.e., $90 is a better price than $100). However, in some cases, such as when bids are given as a percent off manufacturer's list price, the minimum bid step will be an amount greater than ("bid increment") the previous bid (i.e., 15% off is a better price than 10% off).

III. A “reverse auction service provider” (RASP) is an outside vendor that conducts a reverse auction on behalf of the state.

IV. An “invitation to qualify” (ITQ) is a solicitation process, similar to a request for bid or request for proposal, through which potential vendors are pre-qualified to participate in a reverse auction. Only vendors that meet the requirements of the ITQ are invited to participate in the reverse auction.

Authorized:

Director
State Bureau of Procurement

V. The "extension activation period" (EAP) is defined as the number of minutes before the end of an auction, during which, if a bid is received, the state may choose to extend the auction by a pre-defined number of additional minutes (the "extension"). For example, if the auction parameters are:

EAP=3 minutes, Extension=5 minutes

then, if a bid is placed within the last 3 minutes of an auction, the auction would be extended an additional 5 minutes. If another bid was received in the last 3 minutes of that extension, the auction would again be extended another 5 minutes. This would continue until no more bids were received.

VI. "Surrogate bidding" is when the state or the RASP accepts bids via phone, fax, or some alternate method on behalf of a bidder that cannot enter its own bids via the Internet for whatever reason.

CONTENT: I. The agency will evaluate its need using the following criteria to determine if a reverse auction is feasible.

A. Compression: This is based on the amount of markup there is on an item relative to the value of the total lot. If there is not a substantial markup, vendors are already selling near or at cost. In this case, a reverse auction may not provide enough additional savings to justify the cost of conducting an auction.

B. Lot size: This is based on how much money is at stake and how attractive the business is to prospective bidders. Presumably, a larger lot would attract a larger number of bidders, and therefore, result in better prices.

C. Definable quality: Items that have defined specifications and/or have small or no differences in quality are best suited to a reverse auction.

D. Competitive market: Items available from many vendors are better suited to a reverse auction than items for which there are only one or two suppliers.

If the criteria are met, the agency will submit form DOA-3000, Reverse Auction Application, to the State Bureau of Procurement.

II. If the Bureau concurs that a reverse auction is appropriate, the Bureau will work with the agency and the RASP (using form DOA-3003, Reverse Auction Checklist) to:

A. Plan the auction

B. Conduct the ITQ process

C. Set up the auction (See form DOA-3004, Reverse Auction Setup.)

D. Train bidders

E. Conduct the auction

F. Award the contract(s)

III. RASP responsibilities (See form DOA-3002, Reverse Auction Service Provider Responsibilities.)

A. The RASP will, at a minimum, train bidders on the following topics:

1. State of Wisconsin reverse auction policies and procedures

2. State of Wisconsin reverse auction terms and conditions

3. Refresh issues (e.g., server clock vs. local clock, unseen bids due to refresh delays, etc.)

4. Browsers that can be used with their site

5. Connectivity (e.g., transmission delays, submit time vs. receive time)

6. Do's and Don'ts (e.g., don't use the “Back” button; don't hit “X” (close the window); do hit “Refresh” if stuck; do have a minimum number of applications running; do disable your screen saver; do disable call waiting if it would interfere with your Internet connection)

7. How to fill in the bid screen and submit a bid

8. Problem procedures/contact information (Contact the Bureau *as soon as* there is a problem or potential problem.)

B. The RASP is not expected to and will not attempt to answer questions about state business practices, state procurement policies or state laws. All questions of this nature should be referred to the state's primary contact listed in the Reverse Auction Setup.

C. The RASP will conduct a practice auction with each bidder on a one-on-one basis. The practice auction will be identical to the actual auction.

IV. There is no mandatory public opening of the ITQ responses. There is no mandatory public viewing of the reverse auction event. However, ITQ responses and reverse auction logs are considered public record. Upon request, they will be made available to the public after the award has been made (for commodities) or after the notice of intent to award has been issued (for services).

V. Clarifications, negotiations, and acceptance of all specifications, requirements, terms and conditions, etc. will occur before the state decides whether to invite a vendor to the reverse auction. After the reverse auction, the state may permit changes only with the limitation that the change(s) do not alter the scope or content of the original solicitation to a degree that will affect the justification that was used to eliminate other vendors from being invited to the reverse auction.

VI. The state will notify responding vendors as to whether they are invited to the reverse auction. The state will not disclose to the public or other vendors, the names of the vendors that have been invited to the reverse auction until after the reverse auction has occurred.

VII. No surrogate bidding is allowed.

VIII. During the auction, the on-line view of the bids presented to the bidders will not have names, aliases, or identifiers of any kind as to who has placed a particular bid.

IX. If a bidder loses the ability to place bids during an auction for any reason, the auction will be suspended as soon as practical and remain suspended until all bidders regain the ability to place bids via the Internet auction site. If no resolution to the problem is imminent, the reverse auction may be terminated and rescheduled by the state for a later date. In addition, the auction may be suspended or terminated for any reason by the state or the RASP. Upon resuming an auction after a suspension, the time remaining will be the time remaining when the auction was suspended or 10 minutes, whichever is greater.

X. A bidder will be contacted by any means available under the following circumstances:

A. Fifteen minutes before the end of the initial period to:

1. Check that everything is technically stable

2. Reconfirm that the bidder understands the rules (especially extension and auction ending rules)

3. Reconfirm the understanding that: "The state is not responsible for honoring any bids submitted, but not received and logged by the server, within the last two minutes of an auction"

B. A bidder is not logged in after 10 minutes from the start of the auction

C. A bidder does not place a bid for 20 minutes

D. The auction needs to be suspended

E. Before the auction resumes from a suspension

XI. Any bidder that wishes to leave the auction before the end must notify the RASP and let them know that they are no longer participating. By leaving the auction, a bidder forfeits any right of protest and/or appeal that may apply to the procurement. Bidders may re-enter an auction by notifying the RASP that they are re-entering the auction.

XII. The state is not responsible for honoring any bids submitted, but not received and logged by the RASP, within the last 2 minutes of an auction.

XIII. The state will determine the auction's extension parameters prior to the beginning of the auction. The EAP may not be less than 3 minutes. The following extension options may apply:

A. None—No extensions to the initial length of the auction will be allowed.

B. Limited number of extensions—A predefined number of extension periods will be allowed.

C. Cut-off time—An unlimited number of extensions will be allowed until a pre-defined time of day.

D. Unlimited—An unlimited number of extensions will be allowed. The auction will end when no further bids are received and time expires.

XIV. Only bidders that have placed at least one correct and accepted bid during the initial period of the auction will be eligible to place bids during any extension period.

XV. All bidders still participating (i.e., all bidders that have not actively indicated that they have left the auction) at the end of an auction must stay connected to the auction site until they are actively notified by the RASP that the auction is officially over. The RASP will:

A. Verify that all logs and other necessary deliverables are intact.

B. Review logs for obvious irregularities.

C. Contact all bidders and confirm that the auction is over with the following message:

"This auction is officially closed. Thank you for your participation. The apparent winning bid is not final until verified by the state. Bids may be adjusted for such items as reciprocity agreements and minority business enterprise preference as provided for by law. No award of any contract is given or implied to any auction participant at this time. The state will make known its decision to award contract(s) through written notification at a later date."

XVI. The state must approve any re-opening of an auction after it has been closed.

XVII. For the procurement of services over $25,000, the intent of Adm 10.15 regarding protesting "a solicitation or a notice of intent to award" will also apply to the state's decision to invite/not invite a vendor to participate in a reverse auction ("invitation to participate"). All parameters and timelines of Adm 10.15 will apply to the invitation to participate (e.g., 5 working days to file a notice of intent to protest, 10 working days to file the protest, etc.).

XVIII. There will be a minimum of 7 days between publication of the last legal notice of the procurement (pursuant to Chapter 985) and the reverse auction event.

AUTHORITY: Wis. Stats. 16.70
16.705
16.71
16.72
16.73

SCOPE:
- to establish policy for grants and other nonprocurement transactions
- to define procurement, purchase, and grant and other nonprocurement transactions
- to establish the procedure to determine whether a transaction is a grant or other nonprocurement transaction, or a purchase of goods or services

DEFINITIONS:

I. "Procurement" means the acquisition of goods or services by purchasing, renting, leasing, contracting or bartering, but not by seizure, condemnation, donation or requisition.

II. "Purchase" means a transaction whose principal purpose is to acquire goods or services for the direct benefit/use of the state and is subject to Chapter 16, Subchapter IV.

III. "Grant" means the transfer of things of value to a recipient to carry out a public purpose of support or stimulation authorized by law.

IV. "Agreement between state agencies" means the acquisition of property or services by one state agency from another state agency.

V. "Payment made pursuant to statute" means only one provider is statutorily permissible and the rate of reimbursement is set by statute.

VI. "Nonprocurement transaction" means a grant, agreement between state agencies, and payment made pursuant to statute.

CONTENT:

I. Grants, agreements between state agencies, and payments made pursuant to statute are not to be identified as purchases and therefore are not subject to the procurement rules and procedures.

II. Interagency agreements or acquisitions of property or services by one state agency from another state agency are not purchases, and they should not be processed as procurements. They do not require additional approval from the State Bureau of Procurement. This does not include a purchase from another agency's contract with a third party provider.

PROCEDURE: I. The process for exempting grants and payments made pursuant to statute from procurement rules and procedures will occur in the following manner:

A. Grants

1. When first applying for a grant, if the agency intends to name the recipients of the funding, the agency must select those recipients through a competitive process.

2. The agency must follow a transparent, fair and equitable selection process for choosing recipients regardless of whether or not the agency is using grant funds.

3. Any agency that wants to exempt a grant program from the procurement rules and procedures must prepare a letter to the director, State Bureau of Procurement. (The Checklist for a Request for Exemption of a Grant or a Payment Made Pursuant to Statute accompanies the letter.) The following information must be included in/with the letter:

   a. The name of the grant program,

   b. A tracking number (assigned by the agency) (Note: Consolidated Agency Purchasing Services (CAPS) agencies will be assigned a tracking number by CAPS.),

   c. An indication that the program named is a grant with the rationale used to arrive at that conclusion,

   d. A concise explanation of the grant program,

   e. A statement of the public purpose of support or stimulation for the grant funds that are to be distributed (excluding the amount of money the agency is allowed for administration of the grant),

   f. The source of funding of the program,

g. A reference and concise description of the applicable state or federal statutes, rules, policies, procedures and/or regulations that govern the selection and distribution of fund recipients. These may be found in, for example, the Federal Acquisition Regulations (FAR), Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circulars, Wisconsin Administrative Codes, or Executive Orders,

,

h. An explanation of how requirements dictated by the CFR or FAR have been met (if applicable),

i. A description of the recipients of the funding,

j. A description of the process used to select recipients,

k. A statement that the funds do not directly benefit or will not be used by the requesting agency, and

l. Any other relevant information.

4. The agency head or his/her designee and the agency purchasing officer who is the Department of Administration's specially designated agent under s. 16.71(1), Wis. Stats., will both sign the letter certifying that the programs identified do not in their judgment constitute purchases as described above.

B. Payments made pursuant to statute

1. Any agency that wants to exempt a payment made pursuant to statute from the procurement rules and procedures must prepare a letter to the director, State Bureau of Procurement. (The Checklist for a Request for Exemption of a Grant or a Payment Made Pursuant to Statute accompanies the letter.) The following information must be included in/with the letter:

a. The name (if applicable) of the payment program,

b. A tracking number (assigned by the agency) (Note: Consolidated Agency Purchasing Services (CAPS) agencies will be assigned a tracking number by CAPS.),

c. An indication that the program named is a payment made pursuant to statute with the rationale used to arrive at that conclusion,

d. A concise explanation of the payment program,

e. The source of funding of the program,

f. A reference and concise description of the applicable state or federal statutes, rules, policies, procedures and/or regulations that dictate only one provider is statutorily permissible and the rate of reimbursement. These may be found in, for example, the Federal Acquisition Regulations (FAR), Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circulars, Wisconsin Administrative Codes, or Executive Orders,

g. An explanation of how requirements dictated by the CFR or FAR have been met (if applicable),

h. A description of the recipients of the funding, and

i. Any other relevant information.

2. The agency head or his/her designee and the agency purchasing officer who is the Department of Administration's specially designated agent under s. 16.71(1), Wis. Stats., will both sign the letter certifying that the programs identified do not in their judgment constitute purchases as described above.

II. Upon receipt of the letter, the State Bureau of Procurement will review the programs identified to determine the appropriateness of exempting them from procurement rules and procedures.

III. All programs that are appropriately exempted from the procurement rules and procedures will be certified back to the state agency by the director, State Bureau of Procurement. The State Bureau of Procurement and the state agency will both keep these certification letters on file for future reference.

IV. Any new or modified programs can be exempted from the procurement rules and procedures by following the same process in the future as a need for exemption is identified by any state agency.

V. An exemption remains in effect for the life of the program as long as funds are available. The exempt program certification has no expiration date and can be used by the agency indefinitely. There is no need for follow-up certification unless substantive changes are made to exempt programs, including changes in funding and eligible recipients. If there are substantive changes, the agency must prepare a letter to the director, State Bureau of Procurement according to the procedures above. The agency will use the tracking number from the original exemption.

VI. State agencies are responsible for establishing appropriate internal procedures for handling grant programs and other nonprocurement transactions.

VII. See PRO-C-25, Intergovernmental Procurements.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(3t)(b)(c)
16.77

SCOPE: - to establish policy on the procurement of commodities and services from the Bureau of Correctional Enterprises (BCE) dba Badger State Industries (BSI)

CONTENT:

I. Wisconsin statutes provide that the Department of Corrections will provide a current list of all materials, supplies, equipment or contractual services that are supplied by BCE/BSI. This list is available at http://www.buybsi.com.

II. PRO-C-33 does not apply to the printing of the following forms:

A. Forms that must be completed by applicants for admission to an institution of the University of Wisconsin System or by students of such an institution who are applying for financial aid, including loans, or for a special course of study or who are adding or dropping courses, registering or withdrawing, establishing their residence or being identified or classified.

B. Forms which are required by federal law.

C. Forms used by teachers to evaluate a student's academic performance.

D. Forms used by hospitals and health care providers to bill or collect from patients and third parties.

E. Forms used by medical personnel in the treatment of patients.

F. Forms used to collect data from research subjects in the course of research projects administered by the board of regents of the University of Wisconsin System.

G. Internal agency forms/forms that are not public contact forms.

III. Procedure:

A. All materials, supplies, equipment or contractual services required by the agency, that are available from BCE/BSI, must be purchased from BCE/BSI if the:

1. Commodities/services conform to the agency’s specifications;

2. Commodities/services can be provided on time; and

3. Price is equal to or lower than one obtained through competitive bidding/proposals.

B. The agency will review the BCE/BSI Web site for the materials, supplies, equipment or contractual services it requires. If BCE/BSI maintains a contract, the agency must contact the designated BCE/BSI sales representative for pricing and to discuss its requirements prior to making purchases or soliciting bids/proposals. The agency may not specify commodities by a single manufacturer but must provide generic specifications that will allow BCE/BSI and other qualified vendors to compete for orders.

If the agency is unable to determine whether the price of BCE/BSI is market price, it may solicit bids/proposals prior to awarding an order or contract.

C. BCE/BSI will review the agency's requirements to determine its ability to provide materials, supplies, equipment or contractual services per the specifications, delivery dates, and price requirements within five (5) working days of receipt of agency requirements. BCE/BSI will provide the agency with written (including e-mail) documentation when BCE/BSI is unable to provide the specified or comparable commodity/service equal to or lower than the required price point.

IV. Agencies must advise employees that the purchasing statutes provide penalties for failure to adhere to statutory requirements or to follow proper procedures. Most significantly, employees who fail to follow such procedures and requirements may be personally liable for the amount of the contract price and the costs related to the voiding of the contract and the resultant cancellation of the order to the non-BCE/BSI vendor.

V. The provisions of this policy do not apply if a separate Memorandum of Understanding (MOU) has been mutually negotiated between BCE/BSI and any state agency. In those cases, the specific terms and conditions agreed upon in the MOU will prevail.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.705(2)
230.80-230.83

SCOPE: - to establish a process for any evaluation committee member, as well as the purchasing lead, for problems/issue resolution

CONTENT: I. Each evaluator has been chosen for his or her expertise related to the commodities or services being procured. As such, evaluation committee members are experts in their respective areas and debate and discussion during evaluation committee meetings is expected and encouraged. However, if during the course of those discussions a committee member has serious concerns with remarks or behavior of another evaluator or any part of the evaluation process, the following procedures must be followed.

II. Protocol for request for proposal evaluation committee communications:

Communication among committee members, including the procuring agency's purchasing lead overseeing the evaluation process, is generally limited to scheduled committee meetings. Selective communication between members, e.g., two members communicating exclusively or the committee communicating without knowledge of the purchasing lead, is prohibited. The integrity of the evaluation and therefore the procurement is based on full disclosure of procurement and evaluation information shared equally among all members. Occasionally, individual committee members may have questions or concerns regarding the procurement that occur outside of scheduled meetings. Evaluation committee member questions or clarifications must be forwarded to the procuring agency's purchasing lead, and the purchasing lead will ensure that all members are informed of the question and any clarification.

III. Evaluation committee member process for problem and issue resolution:

A. Internal resolution process

The preferred method to resolve evaluation committee member issues is to bring the concern to the entire evaluation committee for discussion and resolution either directly by the complainant or through the purchasing lead if the complainant is reluctant to bring it to the group. The specific statement(s) and/or action(s) that caused this individual concern should be clearly presented to the purchasing lead who will conduct the evaluation committee discussion. The purchasing lead must provide notice of the complaint to the agency chief purchasing official. The agency chief purchasing official may serve as a resource to the purchasing lead and may participate in the internal resolution process. The committee discussion will allow other evaluation committee members to share their perspectives and have input on what they heard and/or saw as well. This process also

provides an opportunity for the individual whose behavior is at issue to clarify the intent of the words or actions that are at issue. Each evaluator's integrity is critical to the evaluation process and any threat or breach in the integrity of the evaluation process can jeopardize the validity of the procurement, i.e., may provide justifiable protest or appeal of the procurement. Therefore, a challenge to any evaluator's integrity must be taken seriously by the committee and addressed accordingly. If this method does not resolve the issue, the purchasing lead will advise the complainant to contact the State Compliance Officer or authorized designee as set forth below.

B. Final resolution process

1. If the evaluation committee issue is not resolved through the internal resolution process, either the complainant or the purchasing lead, if the complainant is reluctant, will contact the State Compliance Officer or authorized designee. A written complaint may be mailed to the following address: Department of Administration, Division of Legal Services, P.O. Box 7864, Madison, WI 53707-7864. The complainant may also contact the compliance officer or authorized designee through the following toll free number: 866-203-8989.

2. The written or verbal complaint will clearly describe the issue and the result of the internal resolution process. The compliance officer or authorized designee will log in the complaint, and conduct a follow up investigation to get the details of the complaint, including interviewing the complainant and evaluation committee members as necessary. The procurement process will be suspended while the investigation is in process. The compliance officer or authorized designee will summarize the results of the investigation in writing and will make a recommendation to resolve the issue to the chief purchasing official of the agency conducting the procurement at issue. A copy of the report will go to the director of the State Bureau of Procurement. Upon request, the compliance officer will brief the Interagency Procurement Council (IPC) on all completed investigations. The IPC may recommend changes to current procurement policies and procedures to address any problem areas identified in the investigations.

3. In order for a meaningful investigation to occur, the complainant will need to identify him/herself to the compliance officer or authorized designee.

4. The compliance officer or authorized designee will maintain confidentiality of the complainant's identity throughout the investigation, to the extent allowed by law and dependent upon the circumstances of the investigation.

5. Upon completion of the investigation, the report including the complainant's identity may lose its confidential status.

6. By bringing a formal complaint the complainant may enjoy the protections of the State's Whistleblower law (s. 230.80-230.83).

7. The compliance officer or authorized designee will assist the complainant in obtaining Whistleblower status.

IV. Evaluation committee members will be required to sign an acknowledgement that they have read and understand the complaint process before serving as an evaluator. (Please see form DOA-3780, Assurance of Compliance with Procedures and Ethical Guidelines for Proposal Evaluation.)

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.004
16.701
16.753
19.48(11)
Wis. Adm. Code Chapter Adm 9

SCOPE:
- to define VendorNet
- to establish authority and procedure for use of VendorNet

DEFINITIONS:

I. "VendorNet" (http://vendornet.state.wi.us) is a system which enables vendors, agencies and municipalities to access electronically a variety of purchasing related items; such as, the state bidders list, requests for bids/proposals and contracts.

II. "Bidders list" is a listing of vendors who are registered on VendorNet to receive notification of requests for bids/proposals over $50,000 in their designated commodity/service area(s).

>CONTENT: Vendors must register to be placed on the state bidders list. Vendors (with an e-mail address) will be notified automatically of all agency requests for bids/proposals over $50,000 in their designated commodity/service area(s).

>PROCEDURES:

I. Agencies will post request for bid/request for proposal (RFB/RFP) documents on VendorNet. Consolidated Agency Purchasing Services (CAPS) agencies will work through their Department of Administration CAPS staff to get RFBs/RFPs posted.

>

A. If a vendor listed on the state bidders list does not have an e-mail address, agencies may notify the vendor using one of the following methods:

1. Mailing the vendor a synopsis or a brief description of the solicitation,

2. Faxing the vendor a synopsis or a brief description of the RFB/RFP and inviting a request for the entire RFB/RFP,

3. Mailing the complete RFB/RFP documents, or

4. Calling the contact person listed for the vendor.

>

II. Agencies will include in each RFB/RFP over $50,000 the following language:

VendorNet Registration: Registration on the State of Wisconsin's VendorNet System (http://vendornet.state.wi.us) is available free of charge to all businesses and organizations that want to sell to the state. Registration allows a vendor to:

- Register for a bidders list for commodities/services that the vendor wants to sell to the state.
- Receive an automatic e-mail notification each time a state agency, including the University of Wisconsin System campuses, posts a request for bid (RFB) or a request for proposal (RFP) with an estimated value over $50,000 in their designated commodity/service area(s).
- Receive an e-mail notification of addendums/amendments relative to the RFB or RFP.

Only vendors registered, with a valid e-mail address, at the time the RFB or RFP is posted will receive e-mail notifications of addendums/amendments. Vendors who obtain the RFB or RFP from a third party; through the public notice website; or other means assume responsibility for checking for updates to the RFB or RFP.

>

Agencies are encouraged to review the applicable bidders list prior to posting a solicitation and contact previous contractors and any other potential bidders who have not registered to determine if they are interested in the solicitation and remind them of the VendorNet registration process.

>

III. Agencies will refer vendors who are unfamiliar with VendorNet to the VendorNet Information Center.

IV. If the RFB/RFP is cancelled, the bid author or designee, i.e., the individual who originally posted the RFB/RFP, is the only person with authority to cancel the RFB/RFP from VendorNet. The RFB/RFP will be noted in the archive as "cancelled".

V. For RFBs/RFPs over $50,000, agencies will post award information on VendorNet. (See instructions.) This notification of award will trigger the archive process.

VI. Agencies are encouraged to use VendorNet for simplified bidding for purchases $50,000 or less. Simplified bids are deleted automatically 24 hours after the due date.

VII. Agencies will post and maintain, as needed, current contracts for on-going needs on VendorNet. Contracts for one-time purchases need not be placed on VendorNet. Contracts where the contractor(s) has agreed to extend its terms and conditions per form DOA-3333, Vendor Agreement, will be posted on VendorNet.

VIII. Agencies may request assistance from the VendorNet Information Center by calling 608/264-7897 or 608/264-7898, e-mailing vendrhlp@doa.state.wi.us or by accessing the on-line help screens in VendorNet located at the bottom of each screen.

IX. To obtain access to VendorNet, contact the central purchasing staff at your agency or your assigned CAPS procurement specialist.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
THE PROCUREMENT PROCESS	ALL	PRO-C-36
		Effective 7-29-10
		Replaces 6-1-00
Title: ELECTRONIC FORMS		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish authority, policy and procedures for obtaining electronic forms from the State Bureau of Procurement

DEFINITION: "Electronic forms" are forms available on VendorNet.

POLICY: All procurement forms available electronically to the State Bureau of Procurement will be made available to each agency.

CONTENT:

I. The Department of Administration electronic forms directory is available on VendorNet. It is updated as new/revised forms become available. Forms may be downloaded from this directory.

II. Forms must not be changed. The State Bureau of Procurement Director will approve exceptions in writing.

III. Paper copies of some forms may be available through the Forms Catalog. To order, send a completed form DOA-3330 to: Document Sales and Distribution, 202 S. Thornton Ave., Madison, WI 53703.

IV. Agencies are responsible for ensuring the use of up-to-date forms.

V. Agencies may be notified of form revisions through VendorNet announcements.

VI. Any questions regarding forms should be directed to the Bureau of Procurement Forms Coordinator at 608/261-6359.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish policies and procedures for the implementation of the World Trade Organization Government Procurement Agreement

POLICY: Under the World Trade Organization Government Procurement Agreement (WTOGPA), member states are required to treat countries that are members of the Agreement equally in every respect. This means that preferences in favor of the United States will be eliminated from contracts which have met the three tests mentioned in CONTENT I. below. It also means that the countries themselves must be treated equally; no preference in favor of one of the countries over another can exist.

CONTENT: I. To determine if a procurement is subject to the conditions of the WTOGPA, it must meet three tests.

A. The entity must be one of the following:

1. Canada
2. Chinese Taipei
3. European Communities: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom
4. Hong Kong, China
5. Iceland
6. Israel
7. Japan
8. Korea
9. Liechtenstein
10. The Netherlands with respect to Aruba
11. Norway
12. Singapore

13. Switzerland

14. United States

B. The procurement must be greater than or equal to the following thresholds. (To calculate the contract value, see CONTENT III.) These are 2012-2013 thresholds. The Office of the U.S. Trade Representative calculates the threshold every two years.

1. Goods and services: $552,000

2. Construction: $7,777,000

C. The procurement cannot be exempted in CONTENT II. below.

II. The following procurements are exempt:

A. All transportation services, including launching services and transportation services which are incidental to a goods contract. (Note: transportation construction is covered.)

B. Dredging.

C. All services purchased in support of military forces located overseas.

D. Management and operation contracts of certain government or privately-owned facilities used for government purposes, including federally-funded research and development centers.

E. Public utilities services, including telecommunications and ADP-related telecommunications services except value-added telecommunications services. (Note: telecommunications equipment is covered.)

F. Research and development.

G. Printing services.

H. Programs promoting the development of distressed areas and businesses owned by minorities, disabled veterans, and women, as well as the "Buy American" restriction applied to procurement by state and local governments made with federal grants pursuant to the Federal Transit Act, the Federal Highway Act, and the Airport Improvements Act and the Intermodal Surface Transportation Act.

III. To calculate the contract value:

A. Goods and services

1. Based on total maximum potential value for one year.

2. Includes total remuneration (premiums, fees, commissions, interest).

3. Value must be aggregated for multiple awards.

B. Lease, rental or hire

1. Based on the total maximum potential duration (to a maximum of 48 months).

IV. Procurement procedures:

A. Requires fair and transparent procedures for all covered procurements.

1. Agency determination of a procurement need is made and processed according to current state procedures.

2. The total value of an anticipated contract will be determined by:

a. Agency estimate.

b. Evaluation of prior history on the same or similar procurement.

c. Canvassing of agencies to determine the potential value.

3. Determine if the procurement meets all three tests of the WTOGPA.

4. Advertise. Posting bids/proposals on VendorNet meets this requirement.

5. Provide the detailed solicitation to all vendors who responded to the advertisement.

   a. Agencies may include a statement, such as, "the bid/proposal response is required in English."

   b. Include the bid/proposal opening date (in text form) and time (in 24-hour clock with reference to the time zone).

   c. Provide the criteria for awarding the contract, including all factors other than price that are to be considered in the evaluation of tenders and the cost elements to be included in evaluating tender prices, such as transport, insurance and inspection costs, customs duties and other import charges, taxes and currency of payment.

6. Allow sufficient time for the bid response. (40 days is preferred).

7. Issue the notice of intent. (See PRO-I-14, Notice of Intent—Contractual Services.)

REFERENCES:

I. For further information, refer to the National Association of State Procurement Officials World Trade Organization Government Procurement Agreement, Implementation Guidelines and Directory of Solicitation Advertising, First Edition.

II. See PRO-C-20, Reciprocity Law, and PRO-C-26, American-made Materials Policy.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(1)(a)
16.75(2m)
16.75(6)(c)

SCOPE: - to establish guidelines for use of requests for proposals, official sealed bids and waivers

CONTENT:

I. The request for proposal, official sealed bid and waiver methodologies are essential to the state's procurement process. There are advantages, disadvantages and challenges associated with each of the three procurement methods.

II. Although there is a general practice of using a request for bid (RFB) when purchasing products or commodities and a request for proposal (RFP) for services, there are exceptions. Sometimes, as with new technology, commodities are purchased via an RFP, to identify what is available in the field. This occurs in cases such as the purchase of research equipment, which may be considered a commodity but is purchased by an RFP rather than an RFB. Similarly, sometimes levels of service can be commoditized which allows an RFB to be used rather than an RFP. There are also times when an RFP is used for what appears to be a commodity because an agency may need to evaluate functionality or compatibility with existing infrastructure as part of the selection process.

III. The following are general guidelines related to the use and application of the three procurement methodologies:

A. Request for Proposal

Guidelines for Use of RFPs
• Useful when product specifications, requirements or outcome can not be clearly determined or defined. Vendor proposals are needed to understand potential solutions or product availability or functionality.
• The agency knows the business problem but wants to consider a variety of vendor proposed solutions to get the best solution.
• When looking for a total solution or state of the art solution from a vendor.
• A statewide or enterprise solution needs to incorporate multiple unique requirements from many

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agencies or departments. The evaluation process needs to compare vendor offerings and capabilities to determine the best fit for the majority of needs.
• Procurement requirements are complex and vendors may have different approaches to meet the requirements of the solicitation. The RFP evaluation process allows a variety of evaluation components to be factored into the selection of a vendor. The functional evaluation factors need to be considered in addition to cost to determine the best vendor.
• Quality of the equipment or service provided by the vendor is critical to the selection process.
• Can use "best and final" offer process with multiple vendors to get to the best solution.
• Allows for negotiations with multiple vendors when a number of "qualified" vendors can meet agency needs. This process allows the agency to get the best solution at the best cost.

B. Request for Bid

Guidelines for Use of RFBs
• Specifications and requirements can be clearly defined. Industry or third party standards may be available that can be met by a variety of vendors.
• State can clearly define the service or end product that is needed.
• Criteria for vendor capacity or certification are available.
• Clear life cycle cost factors can be established.
• Deliverables and/or services are easy to define or measure.
• The requirements of the product or service are straightforward/have low complexity.
• The product and/or services have been procured before, a competitive vendor market exists and agency staff is familiar with the marketplace offerings.
• Cost is the only factor once all minimum specifications are met.
• Responses meeting minimum specifications are acceptable.

C. Waiver

Guidelines for Use of Sole Source/General Waivers
Sole Source Waivers
• Vendor is unique in its ability to provide a product or service.
• A public emergency exists which threatens the public safety or welfare and the waiver is necessary to meet the emergency.
• A need exists for integration or compatibility with an existing infrastructure.
• The product is proprietary to a vendor.

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- Substantial time pressure exists due to circumstances outside of an agency's control.

General Waivers

- Used to consolidate like transactions for the purchase of similar materials and services from a variety of vendors for a period not to exceed one year.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.705(2)
Wis. Adm. Code Chapter Adm 10.08(1)(f), (5)

SCOPE:
- to provide guidelines for the use of the best and final offer (BAFO) process
- to determine the procedures for the BAFO process
- to establish the duties of the evaluation committee when the BAFO process is used
- to establish the evaluation committee procedures

CONTENT:

I. The best and final offer (BAFO) process represents an optional step in the selection process in the request for proposal (RFP) process and is not part of the contract negotiation process.

II. The BAFO process may be useful when:

A. No single response addresses all the specifications.

B. The cost submitted by all proposers is too high.

C. The scores of two or more proposers are very close after the evaluation process.

D. All proposers submitted responses that are unclear or deficient in one or more areas.

III. Procedures for the use of the BAFO process

A. The original RFP document must contain language that indicates that the BAFO process *may* be used.

B. The evaluation committee determines if the BAFO process will be conducted and who will receive the solicitation.

C. The evaluation committee may restrict the number of proposers invited to submit a BAFO, or may offer the option to all proposers.

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D. BAFOs may be conducted with only those proposer(s) most likely to be awarded a contract. Any proposer(s) deemed not likely to be awarded may be dropped at this point and noted in the documentation. These proposal(s) will not figure into the scoring thereafter.

E. In order to develop content of the best and final solicitation, the purchasing lead may collect questions about the proposals from the evaluation committee.

F. The content of the best and final solicitation may also be developed as a result of negotiations with the proposer(s) most likely to be awarded a contract.

G. The evaluation committee may request that the proposer(s) readdress important aspects of the proposal such as the implementation schedule, level of support, type or amount of resources proposed, contract terms and conditions and/or cost.

H. The purchasing lead will send out the request for BAFOs in a letter stating the areas to be covered and the date and time in which the BAFO must be returned.

I. All communication to and from proposers regarding the best and final solicitation will be coordinated by the purchasing lead.

J. All responses to a BAFO must be returned to the purchasing lead.

K. BAFOs submitted after the deadline may not be accepted. Only the original and that proposer's most recently submitted response may be used.

IV. Content and structure of best and final solicitations

A. Best and final solicitations must contain specific information on what is being requested. Enhanced core components of the RFP may be solicited; however, the integrity of the scope of the original RFP must be maintained. Proposers may be asked to provide additional clarification to specific sections of their response, and to rework their proposal content or cost proposal.

B. Best and final solicitations must include submission requirements with time lines.

C. Best and final solicitations must contain information on how the offers will be evaluated and the process that will be used to determine the successful proposer(s). The evaluation committee will evaluate the submissions of BAFOs and rescore the original response based entirely on the content of the BAFO submission.

D. Proposers are not required to submit a BAFO and may submit a written response stating that their response remains as originally submitted.

E. The best and final solicitation may not identify either the current rank of any of the proposers or the lowest costs currently proposed.

F. Proposer(s) may be requested to make an oral presentation regarding their BAFO. The evaluation committee will have full discretion to accept or reject any information submitted in a BAFO.

G. The purchasing lead may elect to issue a best and final solicitation for cost only to the proposer(s) selected for award by the evaluation committee.

V. Scoring of BAFOs

A. Evaluation committee members score or rescore the technical portion of the BAFO.

B. Evaluation score sheets for the BAFOs will be developed and provided to the evaluation committee members by the purchasing lead. All scoring worksheets (original evaluation scores, oral presentation scores, best and final scores) must be retained for inclusion in the procurement file. Scores for the BAFOs are entered into a new score sheet/summary worksheet by the purchasing lead.

C. Cost proposals (if requested) are rescored by the purchasing lead or designee. Only the revised cost proposals from the proposer(s) asked to participate in the BAFO process will be used to calculate the cost proposal score.

AUTHORITY: Wis. Stats. 16.705(2)

SCOPE:
- to establish the content of evaluation committee reports
- to assign responsibility for drafting the report
- to assign responsibility for approving the report

CONTENT:

I. The purpose of the evaluation committee report is to concisely summarize the activity and recommendations of the evaluation committee process.

A. Each evaluation committee report must:

1. Identify evaluation committee members,

2. Detail the dates that the committee met,

3. Describe the process used to determine if oral presentations would be done and who would be invited,

a. Describe/summarize the oral presentation process and any committee discussions following the oral presentations

b. Describe the scoring methodology for oral presentations

4. Describe the process used to determine if the best and final offer process would be done, which vendors would receive them and what would be included in the best and final solicitation.

B. A description of the point methodology and categories that were evaluated must be included. The description must be written in clear nontechnical terms so that a layperson can understand the importance of each category.

C. Any benchmarks for scoring that evaluators used must be described.

D. The purpose and summary of all subcommittee and full committee meetings must be described.

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Helen McCain, Director
State Bureau of Procurement

E. A concise summary of each component of the evaluation process (evaluation of the written proposals, oral demonstrations, best and final solicitations) must be included in the report.

F. Any anomaly in scores must be identified and explained.

G. An abstract of the final technical evaluation and cost scores must be attached to the report.

H. The results of reference checks on the recommended proposer must be attached to the report.

I. The report must include a recommendation for award including a description of how the recommended proposer met the functional components evaluated in the request for proposal.

J. The report must include an option for any evaluator to express disagreement with the content of the report.

K. The evaluation committee report will be made part of the official procurement file and will be available to vendors and the public upon request.

L. The report will be forwarded to the procuring agency head prior to issuing an intent to award.

II. Responsibilities

A. The purchasing lead or committee designee will draft the report on behalf of the evaluation committee.

B. Evaluation committee members will review the report and recommend any changes.

C. Evaluation committee members must sign the evaluation committee report to confirm their agreement with its content and the award recommendation.

D. Any evaluator who disagrees with the content of the report or the award recommendation must provide a written explanation for his/her objection.

III. Reference material:

Evaluation Committee Report

General Policies

Number	Title	Effective Date
PRO-D-1	Minority Business Enterprise Policy	07-01-94
PRO-D-2	Honorarium	05-01-97
PRO-D-3	Contract Compliance Policies and Procedures	04-24-13
PRO-D-4	Material Safety Data Sheet (MSDS) Requirement	05-26-09
PRO-D-5	Graphic Reproduction Equipment	11-05-13
PRO-D-6	Federal Property Program	11-15-04
PRO-D-7	Telecommunications Procurements	05-01-97
PRO-D-8	Unlawful Benefits to State Employees and Public Officials	12-01-86
PRO-D-9	Small Business Policy	06-01-91
PRO-D-10	Council on Small business, Veteran-owned Business and Minority Business Opportunities	04-01-93
PRO-D-11	Use of Private Facilities	01-01-82
PRO-D-12	Veteran-owned Business Policy	04-01-93
PRO-D-13	Insurance and Bonds	07-01-93
PRO-D-14	Use of Products Containing Phosphorus	12-01-84
PRO-D-15	Contracts for Household Moves	12-01-83
PRO-D-16	Motor Vehicles, Procurement of	10-01-88
PRO-D-17	Limited Trades Contracts	02-01-99
PRO-D-18	Contracts With Carriers For Transortation of Merchandise (Except Household Goods)	12-01-83
PRO-D-19	Recycling Procurement	05-01-01
PRO-D-20	Letters of Endorsements and-or Testimonials	01-01-82
PRO-D-21	Construction Projects	02-01-99
PRO-D-22	Procurement of Space	04-14-10
PRO-D-23	Public Records Access	07-01-02
PRO-D-24	Cutoff Days for Encumbering Funds	03-31-14
PRO-D-25	Collective Purchasing with Other States or the Federal Government	01-12-12
PRO-D-26	Antitrust Laws	10-01-00
PRO-D-27	Contract Award - Competitive Negotiation	06-01-83
PRO-D-28	Amendments to Requests for Purchasing Approval/Authority (RPAs)	10-11-12
PRO-D-29	Piggybacking (Formerly Identical Requirement Contracts)	10-14-14
PRO-D-30	Cooperative Purchasing: Wisconsin Municipalities	10-18-01
PRO-D-31	Certification for Collection of Sales and Use Tax	09-10-04
PRO-D-32	Procurement of Transportation: Individual and Small Group Travel	02-01-06
PRO-D-33	Conference, Meeting, Seminar and Group Travel Planning	12-01-05
PRO-D-34	Certificates of Insurance	04-14-10
PRO-D-35	Disabled Veteran-owned Business Policy	10-14-14

AUTHORITY: Wis. Stats. 16.75(3m)
560.036

SCOPE:
- to define minority business enterprise (MBE)
- to establish state policy with respect to procurement from minority business enterprises
- to establish policy for the application of qualified bids
- to define the state's minority business enterprise goal
- to establish reporting requirements for minority business enterprise activity

DEFINITIONS: I. For the purpose of this policy, the following terms are defined:

A. "Minority business enterprise" is a business certified by the Department of Commerce under s. 560.036(2).

B. "Minority group member" means any of the following: Black American, Hispanic American, American Indian, Eskimo, Aleut, native Hawaiian, American Asian-Indian, and an American of Asian-Pacific origin.

C. "Qualified bid" is a bid or a proposal submitted by a minority business enterprise that is a responsible bid or proposal and that is no more than 5% higher than the apparent low bid or no more than 5% lower than the proposal with the apparent high point score. A qualified bid may not be considered on a procurement of printing or stationery.

D. "Second tier provider" is a supplier that invoices the prime contractor for commodities and/or services provided under the prime contractor's state contract. A subcontractor is an example of a second tier provider.

CONTENT: I. Policy

The State of Wisconsin is committed to the involvement of minority business enterprises in the state's procurement program. Minority business enterprises will be encouraged to respond to the state's procurement needs. All efforts will be made to identify and eliminate any procedural or technical impediments to full participation of minority business enterprises in state procurement.

II. Goal

State agencies will attempt to ensure that 5% of the total amount expended in the state's purchasing program in each fiscal year is paid to minority business enterprises.

III. Verification of eligibility

A. An award of a state contract based on a minority business enterprise qualified bid may only be made after the Department of Commerce certifies that the business meets the definition of a minority business enterprise in s. 560.036. The business must be certified at the time of the bid/proposal opening. The State Bureau of Procurement provides a directory of certified minority business enterprises.

B. State agencies may refer applicants for certification as minority business enterprises to the Bureau of Minority Business Development, Department of Commerce.

C. Minority business enterprises should be referred to the Bureau of Minority Business Development, Department of Commerce, as far in advance of a potential award as possible.

IV. Application of qualified bids

State agencies may make awards to the certified minority business enterprise submitting the lowest qualified bid when that qualified bid is not more than 5% higher than the apparent low bid or the proposal is no more than 5% lower than the apparent high point score. Awards will be made to the certified minority business enterprise submitting the lowest qualified bid or highest point score proposal. The Department of Administration, Minority Business Enterprise Program, will review and approve in writing any decision not to award to the lowest qualified bid.

V. Qualified bid formula

A. On competitive bids

1. To achieve consistency in evaluating an MBE qualified bid against an apparent low bid, the following formula will be used:

	(Apparent low bid x 1.05)	=	$_____
Minus	(Lowest MBE qualified bid)	=	$_____
	(Balance)	=	$_____

2. When the balance is a positive number, or 0, award may be made to the lowest MBE qualified bid. Award is made at the cost actually bid.

B. On bids for percentages off list price

1. To achieve consistency in evaluating bids for percentages off list price, the discounts will be converted to the amounts to be paid. For example, the following bids are received:

   Apparent low bid = 40% discount off list price
   Lowest MBE qualified bid = 38% discount off list price

   Conversion to the amount to be paid:

   Apparent low bid = 60% of list price
   Lowest MBE qualified bid = 62% of list price

   Application of MBE formula:

	(Apparent low bid (60%) x 1.05)	= 63%
Minus	(Lowest MBE qualified bid)	= 62%
	(Balance)	= 1%

   Result:

   Since the balance is a positive number, award may be made to the lowest MBE qualified bid.

2. Therefore, the formula to be used when calculating preferences for bids for percentages off list price is:

	(Apparent low bid % of list price x 1.05)	= ___%
Minus	(Lowest MBE qualified bid % of list price)	= ___%
	(Balance)	= ___%

   When the balance is a positive number, or 0, award may be made to the lowest MBE qualified bid.

C. On proposals (competitive negotiations)

1. To achieve consistency in evaluating a qualified response against an apparent high point score, the following formula will be used:

	(Apparent high minority proposer point total x 1.05)	=_____
Minus	(High response point total)	=_____
	(Balance)	=_____

2. When the balance is a positive number, or 0, award may be made to the minority proposer response.

VI. Reporting

Each central procuring office will record and report to the State Bureau of Procurement monthly using form DOA-3005, Minority Business Enterprise Procurement Activity Report. See PRO-G-2, Minority Business Enterprise Procurement Activity Reporting.

VII. Subcontractual reporting

On any procurement that involves a contractor (first tier provider) to the state employing subcontractors (second tier provider) as a result of the state contract, any amount of the contract that was subcontracted to a certified minority business enterprise will be reported by the prime contractor to the procuring office. This amount will be included in reports to the State Bureau of Procurement.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-2	5-1-97	7-1-94

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
HONORARIUM

AUTHORITY: Wis. Stats. 16.70(1)
16.705
16.71
16.72(4)
16.75(1)(c)

SCOPE:
- to define honorarium
- to establish procedures for honorarium

DEFINITION: "Honorarium" is a gift or gratuitous payment to an individual or group of individuals for performing services on an occasional basis for which fees are not required, legally or traditionally. The agency, not the individual or group, determines the size of the honorarium. The honorarium includes the allowance for expenses incurred in providing the service such as meals, travel, and lodging.

If the individual or group prescribes the fee, an honorarium situation does not exist; rather, a contract for service situation exists. Honorarium does ***not*** include payment of a fee to an individual or group of individuals providing services where they are available regularly to provide that service or where a substantial portion of the person's income is derived from providing that service.

CONTENT:

I. Each agency will establish an approval process to document honoraria through $10,000.

II. Since an honorarium is a payment of a gratuitous nature, bidding is not required and no purchase order or contract should exist.

III. An agency will submit a Request for Purchasing Approval/Authority (form DOA-3046) for any honorarium over $10,000 as a transaction of this nature and level normally are considered contracts for professional services.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.765
Wis. Adm. Code Chapter Adm 50

SCOPE:
- to establish definitions related to contract compliance
- to establish policies and procedures for the administration of Wisconsin's Contract Compliance Law
- to establish sample letters to contractors, a sample affirmative action policy statement, and forms to be used in the administration of Wisconsin's Contract Compliance Law

DEFINITIONS: I. The following definitions apply to contract compliance:

A. "Affirmative action plan (AAP)" is a written document committing the contractor to a program designed to achieve a balanced work force within a reasonable period of time. It contains, at a minimum, a policy statement, work force analysis, program goals, internal monitoring system, and dissemination of the plan. An acceptable plan is one which satisfies s. 16.765, Wis. Stats., and Adm 50, Wisconsin Administrative Code.

B. "Balanced work force" means an equitable representation of persons with disabilities, minorities and women available for jobs at any particular level from the relevant labor market.

C. "Contract Compliance Program" (CCP) means the organization within the State of Wisconsin responsible for overall administration of Wisconsin's Contract Compliance Law (s. 16.765, Wis. Stats.). The CCP is a part of the Wisconsin Department of Administration.

D. "Contracting state agency" means any department, commission, board, or other agency of Wisconsin State Government with authority to purchase or contract for contractual services (defined in s. 16.70(3), Wis. Stats.), equipment, construction work, materials or supplies.

E. "Contractor" means any person or entity providing equipment, construction work, materials, supplies, contractual services, or leasing real property to a contracting agency of the state.

F. "Developmental disability", Wis. Stats. s. 51.01 (5)(a), means a disability attributable to brain injury, cerebral palsy, epilepsy, autism, Prader-Willi syndrome, intellectual disability, or another neurological condition closely related to an intellectual disability or requiring treatment similar to that required for individuals with an intellectual disability, which has continued or can be expected to continue indefinitely and constitutes a substantial handicap to the afflicted individual. "Developmental disability" does not include dementia that is primarily caused by degenerative brain disorder.

G. "Employee" means anyone who has received any wages for work performed by the contractor.

H. "Federal Employer Identification Number (FEIN)" is the number assigned by the IRS to employers for tax reporting purposes or the Social Security Number (SSN) if the contractor is a sole proprietorship with no FEIN.

I. "Foreign entity" means an organization which is headquartered in a country other than the United States.

J. "Individual with a disability" means a person who:

1. Has a physical or mental impairment that substantially limits one or more major life activities;

2. Has a record of such an impairment; or

3. Is regarded as having such an impairment.

a. "Has a record of such impairment" means has a history of, or has been classified as having, a mental or physical impairment which substantially limits one or more life activity. A “record” refers to any form of documentation of a past or current disability.

b. "Major life activities" include, but are not limited to, caring for oneself, performing manual tasks, walking, standing, seeing, hearing, eating, sleeping, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating and working.

c. "Is regarded as having such an impairment" means:

(1) Has a physical or mental impairment that does not substantially limit major life activities, but that is treated by a recipient as constituting such a limitation;

(2) Has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others towards such impairment; or

(3) Has none of the impairments defined in this section but is treated by a recipient as having such an impairment.

K. "Job category" means a broad-based group of employees with comparable job responsibilities who are located at comparable levels of responsibility within an organization. Job categories are located on the U.S. Equal Employment Opportunity Commission Web site: http://www.eeoc.gov/employers/eeo1survey/jobclassguide.cfm.

L. "Labor market" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence.

M. "Minorities" means persons whose race or ethnic group is either:

1. American Indian or Alaskan Native: persons with origins in any of the original peoples of North America who maintain cultural identifications through tribal affiliation or community recognition;

2. Asian or Pacific Islander: persons having origins in the Far East, Southeast Asia, the India Subcontinent or the Pacific Islands;

3. Black: persons not of Hispanic culture having origins in any of the Black racial groups of Africa; or

4. Hispanic: individuals of Mexican, Puerto Rican, Caribbean, Central or South American or other Spanish culture or origin, regardless of race.

N. "Municipality" means a Wisconsin county, city, village, town, school district, board of school directors, sewer district, drainage district, vocational, technical and adult education district or any other public or quasi-public corporation officer, board or other body having the authority to award public contracts.

O. "Reasonable accommodation" means changes and modifications that could be made in the structure of a job or employment and training program which are done to make possible the employment of a person with a disability, unless such changes would impose undue hardship on the operation of the contractor's business. Such a change is made to employ or to continue employment of a person with a disability. Note: reasonable accommodation may include making facilities used by the employees, including hallways, restrooms, cafeterias and lounges, accessible to persons with disabilities. It also may include job restructuring, part-time or modified work schedules, acquisition or modification of equipment or devices, the provision of readers or interpreters or other similar actions.

P. "Sexual orientation" means having preference for heterosexuality, homosexuality or bisexuality, having a history of such a preference or being identified with such a preference.

Q. "Subcontractor" means a person or company that assumes by secondary contract some or all of the obligations of an original contractor.

R. "Total number of employees" means 1) for purposes of determining whether the contractor needs to submit an Affirmative Action Plan, the number of employees on the contractor's payroll as of the date that the contractor receives a State of Wisconsin contract; and 2) for purposes of submitting a work force analysis, the number of employees on the contractor's payroll as of any date within one year of receiving its State of Wisconsin contract.

S. "Underrepresentation" means the contractor's work force does not approximate the percentage of women, minorities or persons with disabilities available for jobs in any particular job category from the relevant labor market in which the contractor recruits.

T. "Work force" means the composite number of employees without regard to job categories of the contractor. The contractor may designate its work force, for the purposes of satisfying the Wisconsin Contract Compliance Law, either as that part of the entity (division, company, subsidiary) primarily responsible for satisfying the State of Wisconsin contract or as the work force of the entire entity, with the concurrence of the CCP.

CONTENT:

I. Agencies with authority to purchase have responsibility to administer Wisconsin's contract compliance program as it relates to any of their contracts, including grants and leases in accordance with policies and procedures established by the Department of Administration. If the State Bureau of Procurement assists a state agency in developing a bid or request for proposal and the state agency is responsible for completing the bid or proposal process, the state agency is also responsible for obtaining the contractor compliance, as it is the contracting state agency. Contracting state agency staff may direct questions regarding the administration of the Wisconsin contract compliance program via e-mail to: Contract Compliance Program.

II. General equal opportunity/affirmative action requirements

A. Every contractor who receives a state contract over $50,000 must:

1. Agree to equal employment and affirmative action policies and practices in its employment programs; and

2. Post a notice concerning "Wisconsin's Contract Compliance Law" in a conspicuous place for employees and applicants for employment to read. The contracting state agency will provide the contractor with this notice to post. The notice (form DOA-3031P, Wisconsin's Contract Compliance Law poster) for posting can be sent electronically to the contractor.

3. Submit an affirmative action plan (form DOA-3021P, Instructions for Contractors Affirmative Action Requirements Booklet) if the contractor has a work force of fifty (50) or more employees as of the award date, unless the contractor is exempt by criteria listed below. The plan is due to the contracting state agency within fifteen (15) working days of the award date of the state contract. The plan must have been prepared or revised not more than one year prior to the award date of the contract.

Universities, other states, and local governments, except those of the State of Wisconsin, who receive state contracts over $50,000 must submit affirmative action plans in the same manner as other contractors.

Note: The recipient of a grant or lease, while exempt from public purchasing requirements, is not exempt from contract compliance requirements because a contractual agreement results.

B. A contractor is exempt from submitting an affirmative action plan when:

1. A contractor receives a state contract for $50,000 or less.

2. The contractor has less than fifty (50) employees.

3. The contractor is a foreign company with a work force of less than fifty (50) employees in the United States.

4. The contractor is a federal government agency or a Wisconsin municipality.

5. The contractor has a balanced work force. (See definition.)

6. A rare situation exists for an emergency or to meet special contracting requirements. The Coordinator of the Contract Compliance Program, on the recommendation of the contracting state agency, may exempt a contractor from affirmative action plan requirements. If the contractor believes that such a situation exists, the contractor should discuss it with the contracting state agency.

   When a contractor is exempt from submitting an affirmative action plan based on criteria 2. through 4. above, the contractor still must submit:

   a. Contractor Request for Exemption from Submitting Affirmative Action Plan (form DOA-3024); and

   b. Contractor's Subcontractor List (form DOA-3023).

   If the contractor is exempt from submitting an affirmative action plan because it has a balanced work force (criteria 5. above), the contractor must submit:

   a. Contractor Request for Exemption from Submitting Affirmative Action Plan (form DOA-3024);

   b. Contractor Work Force Analysis (form DOA-3022);

   c. Contractor's Subcontractor List (form DOA-3023);

d. Supporting labor market information; and

- Its affirmative action policy statement or a letter to confirm they comply with s. 16.765, Wis. Stats.; and
- Its Contractor's Subcontractor List (form DOA-3023).

7. The U.S. Office of Federal Contract Compliance (OFCC) has audited the contractor's affirmative action program within the last year. To obtain an exemption on this basis the contractor must send the contracting state agency:

a. A copy of OFCC's Acceptance/Compliance Letter;

b. The contractor's equal opportunity/affirmative action policy statement or a letter to confirm they comply with s. 16.765, Wis. Stats. The contractor's policy statement must satisfy s. 16.765, Wis. Stats., and Adm 50, Wisconsin Administrative Code (Wis. Adm. Code); and

c. Contractor's Subcontractor List (form DOA-3023).

III. Submittal of an affirmative action plan

A. After awarding a contract, the contracting state agency should review the Contractor Directory to determine whether the contractor has compliance eligibility. The Contractor Directory is available on the Bureau of Procurement Web site: http://vendornet.state.wi.us. The contracting agency must login to view the ineligible and eligible vendor directories.

B. If the Contractor Directory notes that a contractor has compliance eligibility, the contracting state agency need not require anything of the contractor but should update the contractor file with the date of eligibility expiration. If eligibility expires during the contract period, the contracting state agency will send a letter to the contractor via postal mail or attached to an e-mail which requires the contractor to respond whether or not they are still in compliance with s. 16.765, Wis. Stats.

C. If the contractor does not have current compliance eligibility, the contracting state agency follows the time table below for obtaining an affirmative action plan.

Timetable for **Obtaining** an Affirmative Action Plan	
	Activity
On the contract award date the contracting state agency must:	Send an e-mail requesting an affirmative action plan/exemption statement within fifteen (15) working days of commencement date. The agency should direct the e-mail to the name and title for affirmative action indicated on the Vendor Information form (DOA-3477, if available) in the bid/proposal response. Otherwise a letter should be mailed to the postal address listed on the Request for Bid form (DOA-3070) or Request for Proposal form (DOA-3261) to the President/CEO of the company if no other appropriate individual within the contractor's organization is known.
If the contracting state agency has not received any response within 15 days, the state agency must:	Send a letter to the President/CEO of the company, referencing the first request or the standard terms and conditions, as is appropriate, and request an affirmative action plan/exemption statement within five (5) working days and noting the ability to identify the contractor as "ineligible" and to withhold payment on the unpaid balance of the contract or to terminate the contract.

If after 30 days of first notification, the contracting state agency has not received proper documentation, the state agency should:	Recommend identifying the contractor as "ineligible" and consider withholding payment if an acceptable affirmative action plan/exemption statement is not received. Send:
	• A Contractor Directory Recommendation (form DOA-3001); and
	• Copies of:
	  ○ Correspondence with the contractor;
	  ○ The purchase order; and
	  ○ The unacceptable affirmative action plan and the review guide, if a plan was submitted, to the Contract Compliance Program.

At any step in the above timetable that the contractor submits an affirmative action plan, the contracting state agency proceeds to “Review of the Affirmative Action Plan”.

IV. Review of the affirmative action plan

A. The following timetable applies for the contracting state agency's reviewing the plan and obtaining additional information if necessary.

Timetable for **Review** of an Affirmative Action Plan	
	Activity
Within ten (10) working days of an affirmative action plan being received, the contracting state agency must:	Review the affirmative action plan using the Affirmative Action Plan Review Guide (form DOA-3724). If the state agency is unable to review within ten working days, the state agency must send notification within five (5) working days (from the date the plan is received) to the contractor indicating the plan has been received and will be reviewed within 10 working days from date of notification.
After reviewing the affirmative action plan the contracting state agency will determine:	If the plan **is acceptable**, then: Notify CCP with the Contractor Directory Recommendation (form DOA-3001) and send an acceptance letter to the contractor.
	If the plan **is not acceptable**, then: Send an e-mail or first letter to the person responsible for submitting the affirmative action plan specifying the information necessary for an acceptable plan and a due date within fifteen (15) working days of date of notification.
If the contracting state agency has not received requested information within fifteen (15) working days:	Send a letter to the President or CEO of the organization with a copy of the first e-mail or letter which specifies missing information. Also indicate the ability to identify the contractor as "ineligible" and to withhold payment or to terminate the contract, if the requested information is not received within five (5) working days.
If the contracting state agency has not received the requested information within the requested five (5) working days, the state agency will:	Contact the company via telephone and speak to the President or CEO to request the needed information and indicate the previous dates the information was requested. Also inform the President or CEO, they will have five (5) working days to comply or a recommendation will be made to designate as an ineligible vendor. Document the date of the conversation for reference.
If five (5) working days have passed after speaking with the President or CEO of the company, and the contracting state agency has not received the requested information:	Recommend designating the contractor as "ineligible" (form DOA-3001) and send copies to the Contract Compliance Program of the following: • Contractor Directory Recommendation (DOA-3001); • All correspondence; • The affirmative action plan; and • The review guide (DOA-3724).

B. All affirmative action plans submitted must have been prepared or revised within one year of the contract award date and must comply with the affirmative action requirements of the state as listed on the Affirmative Action Plan Review Guide (form DOA-3724) which include:

1. Policy statement;

2. Work force analysis;

3. Program goals;

4. Plan dissemination; and

5. Internal monitoring method.

For further information regarding the five sections, please review the Instructions for Contractors Affirmative Action Requirements Booklet (form DOA-3021P).

C. Public record access/confidentiality

1. A contractor's affirmative action plan is available for public review in accordance with Wisconsin Statutes Subchapter II, Public Records and Property, and Wis. Adm. Code Chapter 50.07.

2. When a contractor alleges that part or all of its affirmative action plan is confidential, the contractor must identify clearly to the contracting state agency those pages or sections which it believes contain confidential information. This identification of any confidential information must be given both:

   a. In a letter to the contracting state agency; and

   b. On each page that the contractor affirms contains confidential information.

3. If a contractor asserts that all or part of its affirmative action plan is confidential, the contractor is responsible for defending its confidentiality under Wisconsin Statutes (s. 19.31 and s. 19.81). The contractor must agree in advance in writing to hold the State of Wisconsin harmless and to provide for any necessary defense of the confidentiality of the contractor's records, if a challenge occurs.

4. Generally, the State of Wisconsin's open records and meeting law (s. 19.31 and s. 19.81, Wis. Stats.) permits confidentiality to a very

limited number of documents, for example, records which constitute a trade secret. Usually affirmative action plans required by the State of Wisconsin are not considered confidential documents.

V. Use of subcontractors

A. The contracting state agency reviews any subcontractors identified on the Contractor's Subcontractor List for a subcontract over $50,000 with the current CCP Contractors Directory:

1. If a subcontractor has compliance eligibility, the contracting state agency notifies the contractor that no further information is necessary.

2. If a subcontractor is designated as "ineligible", the contracting state agency notifies the contractor that it must terminate its subcontractor.

3. If a subcontractor is not on either list, the contracting state agency notifies the contractor that it must request the subcontractor to submit an affirmative action plan or exemption statement to the contractor by completing the appropriate sections in the Instructions for Contractors Affirmative Action Requirements Booklet (form DOA-3021P).

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B. Subcontractors are subject to the same contract provisions as the prime contractor and are required to comply with Wisconsin State Statutes regarding contract compliance. The prime contractor is responsible for collecting affirmative action plans/exemption statements from subcontractors who hold subcontracts for more than $50,000 and forwarding those plans/statements to the contracting agency within 15 days after award of each subcontract.

VI. Contractor compliance directory listings

A. Eligible contractor directory

The Contract Compliance Program updates this Directory weekly based on form DOA-3001 (Contractor Directory Recommendation) received from state agencies. This form must be forwarded to the CCP.

1. An eligible contractor remains in the Contractor Directory, i.e., has compliance eligibility, for three (3) years from the contract effective date.

2. If questions develop concerning a contractor's compliance, the inquirer should contact the Contract Compliance Program.

B. Ineligible contractor directory

The Contract Compliance Program updates this Directory based on form DOA-3001 (Contractor Directory Recommendation) received from state agencies.

1. The coordinator of the Contract Compliance Program makes an additional contact with the contractor to attempt to obtain an acceptable plan. The coordinator reviews the information, determines the status of the contractor, and notifies both the contractor and the contracting state agency of the determination. Designation as an "ineligible contractor" in the Contractor Directory means that:

   a. The contracting state agency may terminate the contract at any time without liability and, may withhold payment of any unpaid balance for failure to satisfy significant requirements of the contract. The contracting state agency may not extend a contract with an ineligible contractor.

   b. All agencies will remove the contractor from their agency bidder lists. Ineligible contractors are not inactivated in VendorNet. It would be the contracting state agency's responsibility to review the bid/proposal responses received for any ineligible contractors.

   c. The contractor may not participate in any State of Wisconsin bidding. The State of Wisconsin may not purchase any goods, services, or capital equipment from an ineligible contractor, either directly or through a supplier or other means.

2. An ineligible contractor may become eligible after submitting an affirmative action plan to the coordinator of the Contract Compliance Program which satisfies s. 16.765, Wis. Stats., and Adm 50, Wis. Adm. Code. Otherwise, an ineligible contractor remains so designated indefinitely.

VII. Investigation of complaints

A. The contracting state agency may receive complaints concerning alleged employment discrimination. These generally fall into one of two categories: individual employee complaints; or general contract compliance complaints.

1. Employee complaints:

a. An employee of a contractor doing business with the State of Wisconsin may allege discrimination in employment decisions based on age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin.

b. Since the contracting state agency has no legal basis for resolving such allegations under the Wisconsin Contract Compliance Law, it should refer the employee of a Wisconsin contractor directly to the Wisconsin Department of Workforce Development, Equal Rights Division, 201 East Washington Avenue, Room A300, P.O. Box 8928, Madison, Wisconsin 53708-8928, telephone 608/266-6860. This agency does have the legal responsibility for investigating allegations of employees and applicants for employment concerning discrimination in employment in Wisconsin.

c. An employee of a non-Wisconsin contractor should contact the comparable agency within their state.

2. General compliance complaints:

a. The contracting state agency should refer any written complaint concerning allegations of violations of Wisconsin's Contract Compliance Law to the coordinator of the Contract Compliance Program with the Wisconsin Department of Administration.

b. The Contract Compliance Program:

(1) Investigates the complaint provided the complainant identifies the issues and themselves.

(2) Keeps the complainant and the contractor informed of the status of the matter.

(3) Prepares an investigative report or letter to the contractor containing a narrative of the facts and a listing of the actions, if necessary, to bring the contractor into compliance. The contractor, if not in compliance, has thirty (30) working days to obtain compliance.

(4) Provides a copy of the investigative report and notice of final disposition to the complainant, the contractor, and the purchasing director of the state contracting agency.

(5) During the investigation the identity and statement of any person interviewed shall be confidential unless the individual authorizes in writing releasing his/her name.

VIII. Management reviews of state agency

The State Bureau of Procurement will conduct periodic management reviews of contract compliance procedures to assure that the contracting state agency satisfies the policies and procedures specified in this Manual. See PRO-A-6, Management Reviews.

IX. Sample correspondence and forms (All documents are available in electronic format.)

- Booklet—Instructions for Contractors Affirmative Action Requirements (form DOA-3021P) which includes these forms:
  - Wis. Affirmative Action Plan Contractor Data (form DOA-3784)
  - Contractor Work Force Analysis (form DOA-3022)
  - Contractor's Subcontractor List (form DOA-3023)

- Contractor Request for Exemption from Submitting Affirmative Action Plan (form DOA-3024)
- Sample Affirmative Action Policy Statement

- Wisconsin's Contract Compliance Law poster (form DOA-3031P)
- First e-mail notification/letter for contracts over $50,000 noting need for affirmative action information
- Second letter requesting affirmative action plan
- First e-mail notification/letter to contractor requesting additional information for an affirmative action plan
- Second letter requesting additional information for an affirmative action plan
- E-mail/Letter notification accepting affirmative action plan
- Affirmative Action Plan Review Guide (form DOA-3724)
- Contractor Directory Recommendation (form DOA-3001)
- Compliance letter for contractors whose plan expires prior to the contract end date

Other forms and the sample letters for administering this program may be adapted for agencies' use.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 101.58
101.581
101.583
101.585
101.586
101.587
101.589
101.59
101.592
101.595
101.597
101.598
101.599

> 166.20 (created by 1987 Act 342)

SCOPE: - to establish authority, procedure, and delegation to expedite compliance with state laws as they pertain to the procurement of infectious agents and hazardous chemicals

DEFINITIONS:

I. "Infectious agent" means a bacterial, mycoplasmal, fungal, parasitic or viral agent identified in §101.58(2)(f), Wis. Stats., as causing illness in humans or human fetuses or both, which is introduced by an employer to be used, studied or produced in the workplace. "Infectious agent" does not include such an agent in or on the body of a person who is present in the workplace for diagnosis or treatment.

II. "Hazardous chemical" as defined under the United States Department of Labor, Occupational Safety and Health Administration (OSHA), 29 CFR 1910.1200(c), means any chemical that is a physical hazard or a health hazard.

III. "Health hazard" as defined under OSHA, 29 CFR 1910.1200(c), means a chemical for which there is statistically significant evidence based on at least one study conducted in accordance with established scientific principles that acute or chronic health effects may occur in exposed employees. The term includes chemicals which are carcinogens, toxic or highly toxic agents,

reproductive toxins, irritants, corrosives, sensitizers, hepatotoxins, nephrotoxins, neurotoxins, agents which act on the hematopoietic system, and agents which damage the lungs, skin, eyes, or mucous membranes. (For further information see Appendices A and B of 29 CFR 1910.1200.)

IV. "Material Safety Data Sheet" as defined under OSHA, 29 CFR 1910.1200(c), means written or printed material concerning a hazardous chemical which is prepared in accordance with 29 CFR 1910.1200(g).

V. "Physical hazard" as defined under 29 CFR 1910.1200(c) means a chemical for which there is scientifically valid evidence that it is a combustible liquid, a compressed gas, explosive, flammable, an organic peroxide, an oxidizer, pyrophoric, unstable (reactive) or water reactive.

VI. "Toxic substances" are referenced by the Wisconsin Employees' Right to Know Law. Since they are encompassed as a subset within the broader definition of hazardous chemicals, they are not specifically defined here.

CONTENT:

I. As an employer, as defined under the Employees' Right to Know Law, §101.58(2)(a) and (e), Wis. Stats., each state agency is responsible for responding to employee requests for information on toxic substances, infectious agents, and pesticides in the workplace under §§101.583, 101.585, and 101.586, Wis. Stats. Each state agency must retain and maintain Material Safety Data Sheets (MSDS) for hazardous chemicals present at the agency.

II. Whenever a hazardous chemical or infectious agent is obtained, regardless of dollar amount or procurement method, the vendor is required to submit copies of the appropriate Material Safety Data Sheet(s) with the initial shipment and with the first shipment after a Material Safety Data Sheet is updated. The vendor must send the initial or updated Material Safety Data Sheet(s) with a complete container, partial container or single product. The vendor, distributor or manufacturer may make access to Material Safety Data Sheets available online via their website, however, Material Safety Data Sheets must be provided as stated herein, regardless of online availability, to meet state and OSHA requirements.

III. Consistent with these requirements, the State Bureau of Procurement, Division of Enterprise Operations has developed a procedure for acquiring Material Safety Data Sheets from manufacturers and suppliers of hazardous chemicals and infectious agents purchased by state agencies.

PROCEDURES:

I. All procurements, acquisitions or purchase orders, regardless of dollar amount, must contain the following (or similar) request:

> "If any item(s) on this order is a hazardous chemical, as defined under OSHA 29 CFR 1910.1200, or an infectious agent, as defined by §. 101.58, Wis. Stats., the vendor shall include the appropriate Material Safety Data Sheet(s) with the initial shipment and with the first shipment after a Material Safety Data Sheet is updated. The vendor shall send the initial or updated Material Safety Data Sheet(s) with a complete container, partial container or single product. The vendor, distributor or manufacturer may make access to Material Safety Data Sheets available online via their website, however, Material Safety Data Sheets must be provided as stated herein, regardless of online availability, to meet State of Wisconsin and United States Department of Labor, Occupational Safety and Health Administration (OSHA) requirements."

II. The agency's office designated to be responsible for MSDS management is also responsible for responding to employee requests for information.

III. If it is brought to the attention of the agency purchasing office that an MSDS has not been supplied according to the request on the procurement, acquisition or purchase order, that purchasing office and the office designated to be responsible for MSDS management will work together to contact the vendor to acquire the MSDS.

IV. Questions or problems arising from attempts to get information from manufacturers or suppliers should be addressed to the director, State Bureau of Procurement and the director, Bureau of State Risk Management.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
GENERAL POLICIES	ALL	PRO-D-5
		Effective 11-5-13
		Replaces 9-27-05
Title GRAPHIC REPRODUCTION EQUIPMENT		Page 1 of 2

AUTHORITY: Wis. Stats. 16.001
16.71
16.72(2)(4)
16.75
16.82(4)
35.015(3)
Wis. Constitution, Article IV, Section 25

SCOPE:
- to define graphic reproduction equipment
- to establish policy for acquisition of graphic reproduction equipment
- to establish information needed to notify the State Bureau of Procurement for the purpose of acquiring graphic reproduction equipment, with an estimated cost over $50,000, that is not currently on a statewide contract

DEFINITION: "Graphic reproduction equipment" means equipment used for printing or graphic reproduction by an agency or campus providing these services for the convenience of its agency or campus or other agency or campus. This includes, but is not limited to: photocopiers, laser printers, proofing equipment, prepress equipment, and CTP (computer to plate) equipment.

CONTENT:

I. An agency, including the University of Wisconsin System campuses, will notify the State Bureau of Procurement of a proposed acquisition of graphic reproduction equipment, with an estimated cost over $50,000. A purchase/lease from a current statewide contract is excluded from this requirement. Equipment used for instructional printing for students at the UW-Stout is exempt from PRO-D-5.

II. An agency will complete a Graphic Reproduction Equipment Notification of Purchase or Lease (form DOA-3006). This notification must be signed by the appropriate personnel. Prior to issuing a solicitation, the agency will submit the completed DOA-3006 along with all required documentation to the State Bureau of Procurement. (Consolidated Agency Purchasing Services (CAPS) agencies will work through their Department of Administration CAPS staff.)

III. The Bureau will acknowledge receipt of form DOA-3006 in writing. If there is a question or concern or additional information is necessary, the Bureau will advise the agency within 14 calendar days of receipt. Otherwise, the agency may proceed with the procurement.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-D-6	11-15-04	10-1-88

Section	Agencies Affected	Title	Page
GENERAL POLICIES	ALL	FEDERAL PROPERTY PROGRAM	1 of 2

AUTHORITY: Wis. Stats. 16.98

SCOPE: - to establish policy for use of the Federal Property Program

CONTENT:

I. The Federal Property Program is administered in the State of Wisconsin by the Wisconsin Technical College System Foundation, Wisconsin Division of Federal Property under contract with the Department of Administration, Division of State Agency Services, Bureau of Procurement.

II. The Federal Property Program solicits and obtains equipment and supplies that are surplus to the needs of federal government agencies and makes the equipment and supplies available to Wisconsin state agencies and municipalities for a service fee. Significant savings generally can be realized by purchasing equipment and supplies through the Federal Property Program.

III. State agencies are encouraged to contact the Federal Property Program prior to making purchases to determine the availability of equipment and supplies that can fill the agency's current or potential needs. A "needs list" can be submitted so that an agency can be notified when desired equipment becomes available. Agencies also are encouraged to provide flexibility in the development of equipment and supplies specifications to permit the purchase of items from the Federal Property Program when practical.

IV. Since purchases made through the Federal Property Program are transactions between agencies of government, the bidding process is not required.

V. Contact the Federal Property Program located at One Foundation Circle, Waunakee, WI 53597-8914, 608/849-2449, to establish an account. To receive Equipment Update E-mail notices, send an e-mail from the address for which you wish to be subscribed (with any subject or body) to: Surplus_Equipment_Update-on@wtcsf.listserve.us

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

VI. The Federal Property Program has a warehouse/distribution center at:

One Foundation Circle
Waunakee, WI 53597-8914
608/849-2449

VII. A listing of available equipment is provided via the Federal Property Program's Website: www.wtcsf.tec.wi.us/federal

VIII. Arrangements can be made to direct ship equipment to reduce handling charges.

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.979(2)

SCOPE:
- to define the scope of telecommunications services and facilities
- to establish authority and policy for telecommunications systems acquisitions and use

DEFINITION: "Telecommunications" refers to all services and facilities capable of transmitting, switching or receiving information in any form, by wire, radio or other electronic means. Voice and data communications services and voice and data telecommunications equipment and services include, but are not limited to, voice processing, video conferencing, wireless paging, wireless/cell phone technology, TDM or VoIP PBX (Private Branch Exchange) and key systems, hosted telephony services, ACD (Automatic Call Distribution), non-statewide contracted local and long distance services, ISDN (Integrated Services Digital Network), IVR (Interactive Voice Response), and LAN (Local Area Network) interconnection (WAN, i.e., Wide Area Network) services.

CONTENT:

I. The Bureau of Business Services (BBS), Division of Enterprise Technology, Department of Administration, develops policy and procedure to ensure a coordinated cost-effective approach to telecommunications system acquisition and use, and reviews telecommunications activities to ensure operational efficiency and consistency with goals and objectives.

II. When the estimated annual amount for a purchase or change in service results in new costs over $10,000, the agency must complete a Telecommunications System Study Report (TSSR) (form DOA-6497) returning it to the address on the form. Upon approval, BBS will send a signed copy of the TSSR to the submitter; and, the agency will proceed with the acquisition using the appropriate procurement process, i.e., a statewide contract, simplified bid, or request for bid/proposal. The agency will retain in its procurement file a signed copy of the TSSR.

Note: Excluded from the TSSR requirement is LAN equipment or existing WAN data communication systems which will simply add drops to the state's BadgerNet Converged Network.

III. The State Bureau of Procurement reviews Requests for Purchasing Approval/Authority (form DOA-3046) and Procurement Plans (form DOA-3720) for telecommunications services and equipment if the amount exceeds the agency's delegated purchasing authority.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-8	12-1-86	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
UNLAWFUL BENEFITS TO STATE EMPLOYES AND PUBLIC OFFICIALS

AUTHORITY: Wis. Stats. 19.45(2)
Chapter ER-Pers 24

SCOPE:
- to define "anything of value"
- to establish state policy with respect to unlawful benefits to state employes and public officials

DEFINITION: I. "Anything of value" means any money or property, favor, service, payment, advance, forbearance, loan, or promise of future employment, but does not include compensation and expenses paid by the state, fees, honorariums and expenses which are permitted and reported under s. 19.56, political contributions which are reported under ch. 11, or hospitality extended for a purpose unrelated to state business by a person other than an organization.

CONTENT: I. No state employe or public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-9	6-1-91	1-1-82

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
SMALL BUSINESS POLICY

AUTHORITY: Wis. Stats. 16.75(4)

SCOPE:
- to define small business
- to establish policy and procedures for the state's relationship with small businesses

DEFINITION:

I. "Small business" means a business which has had less than $1.5 million in gross annual sales in the most recent calendar or fiscal year. In general, minority businesses are considered to be small businesses.

CONTENT:

I. The State Bureau of Procurement encourages the participation of small businesses in the statewide purchasing program by inviting small businesses to actively solicit public purchasing business and by reducing undue impediments to such participation. The Bureau:

A. Maintains a bidder list of state small businesses which have shown the capacity to provide materials or services to the state and notifies these businesses of purchasing requests for which they may wish to submit bids or proposals.

B. Eliminates or reduces, where possible, administrative burdens on small businesses which submit bids and proposals to the state and assists these businesses in complying with the state's competitive bidding and competitive negotiation procedures.

C. Submits an annual report (October 1) to the Council on Small and Minority Business Opportunities which:

1. Evaluates the performance of small Wisconsin businesses;

2. Makes recommendations for increased involvement of small businesses in submitting competitive bids and proposals; and

3. Develops actions through a small and minority business "outreach" program to communicate with small and minority businesses.

D. Seeks the cooperation and assistance of the Department of Development in promoting the participation of small businesses in state purchasing act

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 15.107(2)
16.75(4)(c)(d)
16.755

SCOPE: - to identify authority and functions of the Council on Small Business, Veteran-owned Business and Minority Business Opportunities in state procurements

CONTENT:

I. The Council on Small Business, Veteran-owned Business and Minority Business Opportunities assists the State Bureau of Procurement in promoting the participation of small, veteran-owned and minority businesses in state purchasing activities. The Council:

A. Reviews the extent of small, veteran-owned and minority businesses participating in state purchasing;

B. Advises the State Bureau of Procurement regarding methods of increasing small, veteran-owned and minority business participation and reducing undue impediments to that participation;

C. Advises the State Bureau of Procurement regarding simplification or easing compliance with the state's forms and procedures used by small, veteran-owned and minority businesses for obtaining procurement contracts; and,

D. Reports annually to the governor and the legislature on the extent of small, veteran-owned and minority business participation in state purchasing, and proposes methods for increasing that participation.

II. Council membership

A. Council membership consists of thirteen members appointed for three-year terms. No member may serve more than two consecutive terms. Representatives are assigned as follows (at least):

1. Two owners or employees of small businesses at least 51% owned by one or more members of a racial minority group(s);

2. One owner or employee of a small business at least 51% owned by one or more handicapped persons;

3. One owner or employee of a small business operated on a nonprofit basis for the rehabilitation of disabled persons;

4. Two owners or employees of veteran-owned businesses, as defined in s. 16.75(4)(d), Wis. Stats.;

5. One representative of the Department of Commerce; and,

6. One consumer representative.

B. In addition, the designee of the secretary of the Department of Administration serves as the Council's nonvoting secretary.

C. In making appointments, the secretary seeks geographic representation within the state, as well as male and female members of various minority groups. For purposes of appointments to the Council, a small business is defined as one with less than $1.5 million in gross annual sales as defined in s. 16.75(4)(c), Wis. Stats.

D. Recommendations for member appointments are accepted at any time. Send the resume of a nominee to the administrator, Division of Enterprise Operations, 101 East Wilson Street, Sixth Floor, Madison, WI 53703, or call (608) 266-0779.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-11	1-1-82	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
USE OF PRIVATE FACILITIES

AUTHORITY: Wis. Stats. 16.72(3)
16.845

SCOPE: - to establish policy for use of state-owned facilities by agencies in lieu of renting private facilities

CONTENT:

I. State facilities will be used for any program where availability and accommodations can support the program.

II. Any facility owned by the state may be used for discussion of public questions, or for civic, social, recreational or athletic activities, providing the managing authority would not be unduly burdened, prime use of the facility would not suffer interference, and such use is not expressly prohibited.

III. Any applicant for use of a state facility is liable to the state for injury to state property and must pay any expenses incurred by its use. The managing authority of a state facility may establish a sum for its use, to be paid into the general fund and credited to the appropriation for the facility's operation.

IV. Certain state facilities have established procedures for obtaining a permit for use. Non-compliance with these procedures may result in a penalty.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-12	4-1-93	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 2

Title
VETERAN-OWNED BUSINESS POLICY

AUTHORITY: Wis. Stats. 15.107(2)
16.75(4)(a), (c), (d)
16.755
45.35(5)

SCOPE:
- to define veteran-owned business
- to establish policy and procedures for the state's relationship with veteran-owned businesses

DEFINITION:

I. "Veteran-owned business" means a small business, as defined in 16.75(4)(c), that is certified by the Department of Veterans Affairs as being at least 51% owned by one or more veterans, as defined in s. 45.35(5).

CONTENT:

I. The State Bureau of Procurement encourages the participation of veteran-owned businesses in the statewide purchasing program by inviting veteran-owned businesses to actively solicit public purchasing business and by reducing undue impediments to such participation. The Bureau:

A. Maintains a bidder list of veteran-owned businesses located in this state which have indicated a willingness to provide materials or services to the state and notifies these businesses of purchasing requests for which they may wish to submit bids or proposals.

B. Eliminates or reduces, where possible, administrative burdens on veteran-owned businesses located in this state which submit bids and proposals to the state and assists these businesses in complying with the state's competitive bidding and competitive negotiation procedures.

C. Submits an annual report (October 1) to the Council on Small Business, Veteran-owned Business and Minority Business Opportunities which:

1. Evaluates the performance of small businesses located in this state;

2. Makes recommendations for increased involvement of small businesses in submitting competitive bids and proposals; and

Authorized:

Director
State Bureau of Procurement

3. Develops actions through a small business, veteran-owned business and minority business "outreach" program to communicate with small, veteran-owned and minority businesses.

D. Seeks the cooperation and assistance of the Department of Veterans Affairs in promoting the participation of veteran-owned businesses in state purchasing activities.

II. The State Bureau of Procurement, and agencies with delegated purchasing authority, will refer applicants for certification as a veteran-owned business to the purchasing director of the Department of Veterans Affairs.

A. Applicants will complete a Veteran-owned Business Request for Certification (Form WDVA 1037). (See page 1A.) Agencies that maintain bidders lists will reproduce copies from this form (or request a camera copy from the Department of Veterans Affairs) and provide them to applicants with a bidder list application form. Agencies that do not maintain bidder lists will instruct applicants to contact the Department directly.

B. Agencies may request a copy of the completed form from the Department of Veterans Affairs by making a notation in the "state agency copies" box in the lower right-hand corner of the form before sending it to the potential veteran-owned business.

C. Agencies receiving forms inadvertently without Department of Veterans Affairs review will forward them to the Department.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-13	7-1-93	PIM 90-012

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GENERAL POLICIES	ALL	1 of 1

Title
INSURANCE AND BONDS

AUTHORITY: Wis. Stats. 16.865(5)

SCOPE: - to establish authority and policy regarding insurance and bonds purchases

CONTENT:

I. The Department of Administration, State Risk Management, will approve all purchases of insurance, including bonds, regardless of the dollar amount.

II. Prior to purchasing insurance, including bonds, the agency will obtain approval from State Risk Management [(608) 266-0168]. Also, the agency will consult with State Risk Management on any change, deletion or addition of coverage. The State Bureau of Procurement will fulfill this requirement on the agency's behalf for nondelegated (i.e., transactions handled by the Bureau) insurance/bonds procurements.

III. Insurance and bonds are commodity procurements.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-14	12-1-84	5-1-84

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
USE OF PRODUCTS CONTAINING PHOSPHORUS

AUTHORITY: Wis. Stats. 100.28

SCOPE: - to establish policy regarding the use of products containing phosphorus

CONTENT:

I. State agencies will not purchase or use products that contain more than 0.5 (one-half of one) percent phosphorus by weight which cannot be sold to the public at the retail level.

A. Exceptions to the above are:

1) More than 8.7 percent for machine dishwashing or cleansing of medical equipment.

2) More than 20 percent for water conditioners.

B. The following two areas are exempt from PRO-D-14:

1) Cleaning agents used for industrial processes. (State agency use will not be interpreted as industrial use.)

2) Cleansing of dairy equipment.

II. The State Bureau of Procurement may waive the application of this policy in any case where health, safety, or public welfare would be negatively affected.

III. State agencies will submit each case with documentation to the State Bureau of Procurement on an individual basis.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-15	12-1-83	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
CONTRACTS FOR HOUSEHOLD MOVES

AUTHORITY: Wis. Stats. 20.916(1)
20.917(2)
Pers. Rules Chap. 760

SCOPE: - to establish authority and policy for contracts moving household goods

CONTENT:

1. Household moves are not subject to laws or rules covering procurement of contractual services (PRO-I or ADM 10).

2. Intrastate carriers are no longer regulated by the Wisconsin Transportation Commission. Interstate carriers are in the process of being deregulated by the Interstate Commerce Commission.

3. Household moves are covered by Pers. Rules Chap. 760. Any household moves to be reimbursed by the State of Wisconsin should be accomplished following these rules.

4. See PRO-E-4, Invoices and Vouchers.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-16	10-1-88	2-1-87

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 3

Title
PROCUREMENT OF MOTOR VEHICLES

AUTHORITY: Wis. Stats. 16.003(1)
16.04
16.72(2)
20.915(1)

SCOPE:
- to define motor vehicles and state standardized vehicle classifications
- to establish statewide standardization processes for motor vehicles
- to define procurement processes for approvals and acquisition of motor vehicles

DEFINITIONS:

I. Motor Vehicle Definition:

A. "Motor Vehicle" means any automobile, truck, motor bus, or any self-propelled or motor-driven vehicle operated on a public highway [MVD 194.01(01)], and aircraft and inboard motor powered boats.

B. "Public Highway" means every public street, alley, road, highway or thoroughfare of any kind, except waterways, in this state while open to public travel and use [MVD 194.01(02)].

C. "General Purpose Vehicle" means an automobile, fuel efficient sedan, used for general travel and passenger transportation.

II. State Standard Vehicle Classifications:

A. "Pool Vehicle" is a general purpose vehicle assigned to a pool fleet to be used on a request basis as needed.

B. "Personally Assigned Vehicle" is a general purpose vehicle assigned to an individual state officer or employe for business use.

C. "Work Vehicle" is any type motor vehicle used to perform a special function, including automobile with special carrying capacity, law enforcement vehicles, trucks, buses, etc.

Authorized:

Director
State Bureau of Procurement

CONTENT:

I. Statewide Motor Vehicle Standardization Process:

A. Standard specifications have been developed and are updated each model year from current information received from manufacturers and are reviewed with standards committees for advice on possible revisions.

B. Standards committees, serving in an advisory capacity to the State Bureau of Procurement, are comprised of state agency representatives who are knowledgeable in the area of motor vehicle specifications and state fleet operations. These committees meet periodically to evaluate current conditions in the industry and make recommendations affecting the acquisition and use of motor vehicles by the state.

C. Standard specifications for general purpose vehicles must meet fuel economy standards required of automobile manufacturers by the federal government at the time of procurement. Law enforcement vehicles and work vehicles are exempt from the mileage requirement.

D. After development of the standard specifications, the State Bureau of Procurement will issue requisitioning instructions to the state agencies for acquisition of automobiles and trucks.

II. Motor Vehicle Procurement Processes:

A. Upon receipt of requisitioning instructions and standard specifications, agencies will prepare the following documents for transmittal to the State Bureau of Procurement:

1) A Request for Purchasing Approval/Authority (RPA) (form DOA-3046);

2) A Motor Vehicle Request Explanation (form DOA-3016); and

3) A justification letter with the initials or signature of the agency head, deputy, chancellor or vice chancellor. The following certification must appear at the bottom of the letter:

"The undersigned certifies that the (attached) (this) request for Governor's approval meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request."

This should be signed by the appropriate contracting authority/officer and by the staff person who researched and initiated the request.

RPA revised 5/88 contains the required signature blocks and certification language. By completing this RPA, agencies will meet the above requirements. Appropriate signatures and certification language must appear on the same document.

B. Each state agency, upon written approval of the State Bureau of Procurement, may purchase necessary motor vehicles for its general use. The State Bureau of Procurement will review all request for vehicle approval documents prior to transmittal to the governor.

C. Federal Property Vehicle Acquisitions (Used Vehicles):

1) Acquisitions for used automobiles, trucks or aircraft through the Federal Property Program will be subject to governor's approval under ss. 20.915(1). Such vehicle request will be processed in the same manner as procurements of new vehicles.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-17	2-1-99	11-1-88

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 4

Title
LIMITED TRADES CONTRACTS

AUTHORITY: Wis. Stats. 16.70(7)
16.85(11)
16.87(1)(2)
103.49

SCOPE:
- to define limited trades work activities
- to establish authority for contracting for limited trades work
- to provide guidelines for differentiation between limited trades work and construction work

DEFINITIONS:

I. "Limited trades work" means maintenance work consisting of the repair or replacement of existing equipment or building components with equipment or components of the same kind, if the work is not dependent upon the design services of an architect or engineer, and does not alter or affect the performance of any building system, structure, exterior walls, roof or exits, or the fire protection or sanitation of the building. Limited trades work includes decorative and surface material changes within a building and minor preventive maintenance to ancillary facilities such as exterior lighting, drives, parking lots, sidewalks and fences.

II. "Maintenance work" means work on equipment and facilities routinely accomplished to preclude breakdown or deterioration.

III. "Construction work" means all labor and materials used in the framing or assembling of component parts in the erection, installation, enlargement, alteration, repair, moving, conversion, razing, demolition or removal of any appliance, device, equipment, building, structure or facility. All construction work projects; i.e., projects having project numbers assigned by the Division of Facilities Development (DFD), require the services of an architect or engineer, and are subject to "prevailing wage rate" and apprenticeship regulations of the Department of Workforce Development (DWD), Division of Equal Rights. Any questions concerning the applicability of these construction regulations should be directed to the DWD at (608) 266-6860.

Authorized:

Director
State Bureau of Procurement

IV. "Moveable equipment" means furnishings, machinery, tools and other property which is to be used in conjunction with programs in the new building or facility. It is not incorporated into the construction. Although it may be fastened to the structure and may be connected to utility service, it is readily separable. It is generally funded with construction project funds, but is not part of the construction contract.

CONTENT:

I. Limited trades contracts less than $20,000 are considered to be procurement contracts under the State Bureau of Procurement rules and procedures and are processed as such.

II. Limited trades contracts $20,000 and over are contracts that are processed under the rules and procedures of the DFD.

III. Projects that are delegated by the DFD to an agency normally are required to adhere to the construction contract procedures unless waived by special instructions or guidelines in conformance with s. 16.85(11), Wis. Stats. Moveable equipment, services which meet the limited trades work definition, and commodities that may be purchased in the execution of those limited trades, under such projects, come under the jurisdiction of procurement rules and procedures only when identified by the DFD.

IV. Limited trades procurements that are less than $20,000 are not subject to prevailing wage rate requirements due to the nonapplicability provision in s. 103.49(3g).

V. Limited trades contracts that are not solely for maintenance work will be subject to the prevailing wage rate requirements of s. 103.49, Wis. Stats. If any construction work is required, the contract cannot be designated as maintenance work. Workers employed on a limited trade contract involving construction work must receive the prevailing wage rate for the work they perform, if the following conditions are met:

A. The contract will exceed $32,000 and a single trade accounts for 85% or more of the total labor cost of the project.

B. The contract will exceed $160,000 and no single trade (as follows) accounts for 85% or more of the total labor cost of the projects.

1. Acoustic ceiling tile installer
2. Boilermaker
3. Bricklayer, blocklayer or stonemason
4. Cabinet maker or installer

Authorized:

Director
State Bureau of Procurement

5. Carpenter
6. Carpet layer or soft floor coverer
7. Cement finisher or mason
8. Drywall taper or finisher
9. Electrician
10. Elevator constructor
11. Fence erector
12. Fire sprinkler fitter
13. Glazier
14. Heat and frost insulator
15. Insulator (batt or blown)
16. Ironworker (all types)
17. Lather
18. Marble finisher
19. Marble mason
20. Metal building erector
21. Millwright
22. Overhead door installer
23. Painter (all types)
24. Pavement marking operator
25. Piledriver
26. Plasterer
27. Plumber
28. Pump installer
29. Refrigeration mechanic
30. Roofer
31. Sheet metal worker
32. Steamfitter
33. Teledata installer or wirepuller
34. Teledata technician
35. Temperature control technician
36. Terrazzo finisher
37. Terrazzo mechanic

38. Tile finisher
39. Tile setter
40. Tuckpointer, caulker or cleaner
41. Underwater diver
42. Waterproofer

(Note: The $32,000 and $160,000 amounts referenced in this section are adjusted to reflect inflation on an annual basis by the Department of Workforce Development. The next scheduled adjustment will occur on December 1, 1999.)

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Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-18	12-1-83	1-1-82

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
CONTRACTS WITH CARRIERS FOR TRANSPORTATION OF MERCHANDISE (EXCEPT HOUSEHOLD GOODS)

AUTHORITY: Wis. Stats. 16.70(1)
16.705
16.71
16.75

SCOPE: - to establish authority and policy for contracts with common carriers

DEFINITION: I. Carriers refer to any individual or corporation who undertakes to transport merchandise on a contract or common carrier basis. This includes moving office furniture, equipment or inventory either on a one time or continuing basis. It also includes services such as pick up and delivery. This does not include household goods (see PRO-D-15, Contacts for Household Moves).

CONTENT: I. Intrastate carriers are no longer regulated by the Wisconsin Transportation Commission as to entry, price, or levels of service. Interstate carriers are in the process of being deregulated by the Interstate Commerce Commission. As a result, their services are now biddable.

II. All state procurement policies pertaining to contracting for services now apply to transportation of merchandise. All established delegation limits apply.

III. Accurate weight volume and/or distance estimates are necessary to establish a basis for bidding this service. These should be obtained in advance of the procurement process.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats.	16.70(1), (2)	agency definitions
	16.70(11), (11m), (12), (13)	recycled definitions
	16.71, 16.72(4), 16.75(1)(a)	authority to set policy
	16.72(2), (a), (b)	definitions of standard, non-standard specifications
	16.72(2)(e)	specification revision for recycled products
>	16.72(2)(f)	specification revision
	16.73(4)(a), (b)	cooperative purchasing
	16.75(1m)	life cycle cost
	16.75(8)(a), (9)	purchasing selections (including paper purchase)
	66.0131(1)(a)	local governmental purchasing
	287.05(12)	solid waste priorities
Wis. Adm. Code Chapter Adm 7.03		definitions

SCOPE:

- to establish policy on recycling-related procurement in accordance with 1989 Wisconsin Act 335, including:

  the purchase of recycled products;
  the purchase of products with reduced waste;
  the purchase of products that can be recycled;
  the choice of durable, multiple-use products; and
  the use of life cycle costing.

- to define the procedures that agencies will follow in purchasing products with recycled content

- to establish procedures to monitor and evaluate compliance with program requirements

Authorized:

Director
State Bureau of Procurement

DEFINITIONS (STATUTORY):

I. "Agency" means an office, department, agency, institution of higher education, association, society or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority.

II. "Local governmental unit" is a political subdivision of this state, a special purpose district in this state, an agency or corporation of a political subdivision or special purpose district, or a combination or subunit of any of the foregoing. Local governmental unit includes counties, cities, villages, towns, school districts and Vocational, Technical and Adult Education districts.

III. "Recovered material" is a product which is recovered from solid waste in a form identical to the original form for a use that is the same as or similar to the original use. The recycling of old glass containers into new glass containers is an example of using recovered material.

IV. "Recycled material" is a product which is manufactured from solid waste or paper mill sludge. Plastic lumber that is manufactured from old milk jugs is an example of a recycled material.

V. "Recyclable material" is material in waste for which there exists a commercially demonstrated processing or manufacturing technology which uses the material as a raw material. Glass containers and plastic milk jugs used as examples in items III. and IV. are also types of recycled materials.

POLICY:

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The Bureau of Procurement and state agencies will achieve the goals of recycling and waste reduction procurement by revising specifications, bidding effectively, and purchasing recycled products. The Bureau's role is to assist state agencies in complying with current state law. The majority of the following specific material requirements, timetables, deadlines, and compliance requirements come directly from 1989 Wisconsin Act 335, as amended by later legislation.

CONTENT: I. Specification revision

A. State agencies will write product specifications which incorporate requirements for recycled materials and recovered materials when technically and economically feasible.

1. Specifications for the following priority categories were reviewed and revised by January 1, 1991.

a. Paper and paper products;

b. Plastic and plastic products;

c. Glass and glass products;

d. Motor oil and lubricants;

e. Construction materials, including insulating materials;

f. Furnishings, including rugs, carpet, and furniture; and

g. Highway equipment, including signs, signposts, reflectors, guardrails, lane dividers, and barricades.

2. Specification revision for all other products was completed by May 1992.

B. Specifications should include requirements that:

1. Minimize solid waste in accordance with the state solid waste management priorities, which are:

a. The reduction of the amount of solid waste generated (such as reduced packaging);

b. The reuse of solid waste;

c. The recycling of solid waste;

d. The composting of solid waste;

e. The recovery of energy from solid waste; and

f. The burning of solid waste.

2. Favor durable, multiple-use items over single-use disposable products.

3. Acknowledge ultimate disposal and recyclability of products.

C. Specifications should use life cycle costing if appropriate.

1. Specifications should use life cycle costing when it is appropriate to include the costs of waste disposal or to evaluate durability or reusability.

2. Life cycle cost formulas may include, but are not limited to the applicable costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance and disposition or resale.

3. Bid specifications should state whether or not life cycle costs will be used in the bid evaluation. If life cycle costing is used for bid evaluation but the details are not included in the bid specifications, then the terms, conditions, and evaluation criteria will be available upon request at the time of the bid opening.

D. In the case of paper, specifications will use the Environmental Protection Agency (EPA) definitions of the terms recovered material and postconsumer recovered material.

1. Based on the following general recycled content criteria, paper specifications will achieve the maximum postconsumer content that is reasonable available from at least two manufacturers and that satisfies

performance standards. The criteria for determining realistic recycled content specifications are:

a. Adequate supply;

b. Competitive market with at least two manufacturers producing the specified content; and

c. Reasonable price.

>

E. Specifications should not contain unnecessary prohibitions to products made from recycled materials or recovered materials.

>

II. Bidding procedures for recycled products

A. Agencies will determine the suitability of recycled products for their use by determining appropriate performance and/or quality requirements.

B. Price and availability of recycled products will influence an agency's choice of one of the following bid structures.

1. The recycled product is specified and bid independently.

2. The recycled product and its nonrecycled counterpart are combined into a single low bid category only when both products are definitely comparable in price.

3. The recycled product and nonrecycled counterpart are included on one bid but are in different lots for which separate awards can be made.

4. Bidding the recycled product is encouraged as an option or an alternative.

5. Information on recycled products is requested but does not form an integral part of the specification.

C. Agencies are expected to award to vendors of recycled products if possible.

III. Purchasing recycled products through contracts

A. Statewide purchasing contracts will include standard commodity recycled products when:

1. Quality and performance have been demonstrated;

2. Consistent and adequate supplies have been proven;

3. A competitive market exists; and

4. The product has a reasonable price (often within 10% of the nonrecycled counterpart).

B. Statewide Bureau of Procurement mandatory contracts will often show recycled products as options until the criteria in A. definitely have been satisfied. Optional recycled products often will have a higher price than the non-recycled counterpart, and apparently similar items may not, in fact, be equivalent. An agency may choose not to purchase optional recycled products, but will document the reason in its agency file.

C. The Bureau will issue optional contracts for recycled products which are more experimental in nature.

D. Where equivalent recycled products are available at the same price as nonrecycled items, agencies will purchase the recycled product.

IV. Recycled paper purchase requirement for each agency

A. The average recycled content of all paper purchased, measured as a proportion by weight of the fiber content, must be at least 40% of all purchased paper.

>

B. Definitions

1. "Paper purchases" include procurement of paper and paper products, as well as paper purchased through services where paper is a substantial portion of the overall cost of the service, such as printing, quick-copy, and computer print-out.

2. "Calculating the recycled fiber content by weight" means multiplying the percentage recycled by the weight of the paper purchased.

3. "Mill certification" is a letter from a paper mill that confirms the recycled content of contracted paper using the EPA definitions of the words recovered material and postconsumer recovered material.

4. Paper purchases should be claimed by the end-user of the product.

   a. If a printing service is provided by a state agency, paper purchases should be applied to the customer agency. If doubt exists as to which agency should count the purchase, consider whether or not the customer agency has a choice about which printer or copy center to go to.

   b. Paper purchases for materials that are printed by one agency but used or distributed by other agencies should be applied to the agency that has contract administration responsibility.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-20	1-1-82	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
LETTERS OF ENDORSEMENTS AND/OR TESTIMONIALS

AUTHORITY: Wis. Stats.

SCOPE: - to establish statewide procurement policy regarding letters of endorsement and/or testimonials

CONTENT:

I. The State Bureau of Procurement will not issue letters of endorsement and/or testimonials for any materials, supplies, equipment, or contractual services which are purchased and used by any state agency.

II. State agency purchasing officers with delegated authority shall adhere to this policy.

III. Letters will not be issued accepting prices, terms or conditions from vendors; all prices terms and conditions that are accepted by the state will be presented in contract and bulletin documents.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-21	2-1-99	11-1-88

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 2

Title
CONSTRUCTION PROJECTS

AUTHORITY: Wis. Stats. 16.75(6)(c)
16.855
16.87
16.88

SCOPE:
- to establish authority for contracting for minor construction projects
- to provide guidelines for differentiation between limited trades work and construction projects

DEFINITIONS:

I. "Construction projects" means all labor and materials used in the completion of construction work under the direction of an engineer or architect as identified by a specific Department of Administration project number assigned by the Division of Facilities Development.

II. "Limited trades work" includes both maintenance work and construction work as defined in Chapter DWD 292, Wisconsin Administrative Code. If a bid or proposal and resulting contract is for construction work which has been defined as being the erection, construction, remodeling, repairing, altering, painting or decorating of any public building, or any other project of public works, the payment of prevailing wage rates in conformance with s. 103.49, Wis. Stats., is required. If prevailing wage rates are required to be paid, the applicable wage determination for the project must be identified in the bid or proposal documents attached. If the bid is for maintenance work, the prevailing wage rate requirement does not apply. See PRO-D-17, Limited Trades Contracts.

>

CONTENT:

I. For procurement purposes:

A. Limited trades contracts less than $20,000 are considered contracts under the State Bureau of Procurement rules and procedures and are processed as such.

Authorized:

Director
State Bureau of Procurement

B. Construction projects are considered contracts under the Division of Facilities Development rules and procedures and are processed as such.

C. Purchase orders should not be issued for construction projects. If a purchase order is issued, purchasing policies and procedures will be followed.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-22	4-14-10	7-1-94

Section	Agencies Affected	Title	Page
GENERAL POLICIES	ALL	PROCUREMENT OF SPACE	1 of 1

AUTHORITY: Wis. Stats. 16.84(5)

SCOPE: - to establish policy for the leasing of all real property including, but not limited to, the following types of space: office, storage, warehouse, laboratory, communication towers and airplane hangers

POLICY:

I. The Department of Administration, Division of State Facilities, Bureau of Portfolio Management, is responsible for all functions relating to the leasing of all real property by the state. This includes locating, negotiating and developing leases.

II. The Department of Administration, Division of State Facilities, is responsible for new construction, purchase, and remodeling of state-owned facilities.

CONTENT:

I. The review and evaluation of agency space requests is the responsibility of the Department of Administration, Division of State Facilities, Bureau of Portfolio Management. This Bureau reviews and approves agency requests, regardless of the dollar amount, for all types of space expected to be leased or to be occupied in a state office building. Review and approval of requests for remodeling of leased space and requests for additional leased space also are handled by this Bureau.

II. The Division of State Facilities, Bureau of Portfolio Management, is available to answer questions regarding the leasing process and can assist agencies in estimating space costs and space needs. The Space Management and Leasing Manual is available to agencies upon request.

PROCEDURE:

I. The procurement of leased land and building space is not subject to purchasing rules and regulations and, therefore, agencies should work directly with the Division of State Facilities for approval. Agencies should call 608/266-8183.

II. PRO-D-22 does not apply to the rental of rooms for short-term activities, e.g., a one-day conference.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-D-23
		Effective 7-1-02
Section GENERAL POLICIES	Agencies Affected ALL	Replaces 6-1-99
Title PUBLIC RECORDS ACCESS		Page 1 of 3

AUTHORITY: Wis. Stats. 16.75(1)(a)
19.31
19.32
19.33
19.34
19.35
19.36
19.37
19.39
19.85(1)(e)
134.90(1)(c)
943.205(2)(e)
Wis. Adm. Code Chapter Adm 8.04

SCOPE: - to establish policy regarding public availability of procurement records

DEFINITIONS:

I. "Record" means any material on which written, drawn, printed, spoken, visual, or electromagnetic information is recorded or preserved, regardless of physical form or characteristics which has been created or is being kept by an agency. Record does not include drafts, notes, preliminary computations, and like materials prepared for the originator's personal use or prepared in the name of the person for whom the originator is working.

II. "Requester" means any person who requests inspection or copies of a record.

III. "Confidential information" or a "trade secret" is information which is intended by the owner not to be available to anyone other than the owner, or persons having access thereto with the owner's consent, and is so stated by the owner, which accords or may accord the owner a competitive advantage over other persons.

CONTENT:

I. All persons are entitled to information regarding state procurement activities. It is the intention of the state to maintain an open and public process in the solicitation, submission, review, and approval of procurement contracts.

Authorized:

Director
State Bureau of Procurement

II. At the agency's discretion, bidders/proposers lists may be kept closed until the notice of intent to award is issued or, in the case of requests for bids/proposals for commodities and for requests for bids/proposals $25,000 or less, before the contract is awarded. However, in some instances, the agency may choose to divulge the bidders/proposers list before the request for bid/proposal due date to increase competition and/or encourage partnerships among vendors.

III. Request for bid (RFB) openings are open to the public. Bids need not be evaluated at this time, nor awards announced. A summary of information disclosed at the RFB opening is made available to the public upon request as soon as practical after the opening. To provide for analysis and abstracting, RFB records may not be available for public inspection before the notice of intent to award is issued or, in the case of RFBs for commodities and for RFBs $25,000 or less, before the contract is awarded. The public may inspect RFB records and may copy them after the notice of intent to award is issued or, in the case of RFBs for commodities and for RFBs $25,000 or less, after the contract is awarded.

IV. Request for proposal (RFP) openings may be open to the public. The names of the proposers may be read aloud and a written record is established. Proposals need not be evaluated at this time, nor awards announced. A summary of information disclosed at the RFP opening is made available to the public upon request as soon as practical after the opening unless competitive or bargaining reasons dictate that the information should not be made public at that time. Materials submitted for the RFP process (competitive negotiation) may not be available for public inspection before the notice of intent to award is issued or, in the case of RFPs for commodities and for RFPs $25,000 or less, before the contract is awarded. All materials submitted for the RFP process are available for public inspection after the notice of intent to award is issued or, in the case of RFPs for commodities and for RFPs $25,000 or less, after the contract is awarded except as noted in V. below.

V. Any record or portion of a record that contains confidential information, or a trade secret, or wage information on printing procurements may be withheld. Such information must be identified as confidential or a trade secret by the bidder at the time the bid is submitted.

VI. Each agency will make available for inspection and copying any record produced or collected by a vendor under a contract to the same extent as if the record were maintained by the agency.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
GENERAL POLICIES	ALL	PRO-D-24
		Effective 3-31-14
		Replaces 4-1-00
Title: CUTOFF DAYS FOR ENCUMBERING FUNDS		Page 1 of 3

AUTHORITY: Wis. Stats. 16.52(6)

SCOPE: - to establish cutoff days for materials submitted to the State Bureau of Procurement, the Document Sales and Distribution Section of the Bureau of Enterprise Fleet, and the Bureau of Publishing and Distribution

CONTENT: I. The following are cutoff days for the processing of Requests for Purchasing Approval/Authority (RPAs) and purchase orders by the State Bureau of Procurement.

A.	All Requests for Purchasing Approval/ Authority (RPAs), complete with all required information, will be received at the State Bureau of Procurement by this day to allow sufficient processing time if an order is to be issued chargeable to the current fiscal year appropriations. The Consolidated Agency Purchasing Services (CAPS) agencies' deadline for submittal of RPAs, complete with all required information, is April 2. (For exceptions, note paragraph D., Emergency Situations.)	April 10 of the Current Fiscal Year
B.	Orders encumbered by purchasing officers in delegated subunits will reach the respective central purchasing office by 4:00 p.m. this day.	Last Working Day of May
C.	All purchase orders issued will be encumbered ($100 and larger) by 4:00 p.m. this day to use current fiscal year funds. Purchase orders will be dated the day they are written. In June, purchase orders may be issued if necessary to communicate a need but funds cannot be encumbered for the current fiscal year. After services are provided and invoiced, agencies may issue direct pays. An agency having an encumbrance system that requires approval to post to WiSMART after the last working day of May will contact the State Controller's Office.	Last Working Day of May

D. All emergency or last minute situations that occur after these deadline cutoff days are to be referred to the State Bureau of Procurement by contacting the chief of the section that is responsible for that commodity or contractual service. — Emergency Situations

E. RPAs for the following fiscal year may be submitted at any time, but will be coded and numbered for the new fiscal year. — New Fiscal Year Appropriations

II. The following are cutoff days for encumbering funds for printing, materials, and services ordered from the Document Sales and Distribution Section of the Bureau of Enterprise Fleet and the Bureau of Publishing and Distribution.

> In June, orders may be issued to communicate a need; however, the funds cannot be encumbered for the current fiscal year. After services are provided and invoiced, agencies may issue direct pays. An agency having a system that requires encumbrance will contact the State Controller's Office for assistance.

A. Bureau of Enterprise Fleet

1. Forms Center (standard statewide forms) — Last Working Day of May

   (Forms Order, Form DOA-3331)

2. Document Sales and Distribution — Last Working Day of May

   (Document Sales Order, Form DOA-3330)

B. Bureau of Publishing and Distribution

1. Inserting and Labeling — Last Working Day of May

   (Mail Services Order, Form DOA-3357)

2. Publishing Services — Last Working Day of May

   (Publishing Services Order, Form DOA-3055)

NOTE: Requisitions and orders should have the financial data block completed to allow encumbering of current year funds if desired. Requisitions and orders for the following fiscal year may be submitted in June, but will be clearly coded and tagged for that year.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.73(4)
16.75(1)(a)

SCOPE: - to establish policy for collective purchasing with other states or the federal government

CONTENT:

I. When it is in the best interests of the state and consistent with competitive purchasing practices, state agencies may enter into agreements with purchasing agents of any other state or the federal government under which any of the parties may agree to participate in, administer, sponsor or conduct purchasing of materials, supplies, equipment, permanent personal property, miscellaneous capital or contractual services. The state may purchase from any vendor selected as a result of such purchasing agreements. This does not apply to construction contracts that are subject to 16.855 or 66.0901, Wis. Stats.

II. State agencies may cooperate with purchasing agents and other interested parties of any other state or the federal government to develop uniform purchasing specifications under s. 16.72(2), Wis. Stats., on a regional or national level to facilitate cooperative interstate purchasing transactions.

PROCEDURES:

I. All requests for collective purchasing with other states or the federal government for commodities and services covered under a statewide mandatory contract regardless of the dollar amount of the transaction must be approved by the State Bureau of Procurement. All requests for collective purchasing for commodities and services not covered under a statewide mandatory contract must be approved by the State Bureau of Procurement if the value of the procurement exceeds $50,000. Collective purchasing for services does not eliminate the need for the procuring agency to submit a Request for Purchasing Approval/Authority (RPA) (form DOA-3046). State agencies must conduct a cost benefit analysis if the value of those services exceeds $25,000. (See PRO-I-15, Cost Benefit Analysis.)

II. When the agency wishes to use a contract established by another state or the federal government, the agency researches the original contract and determines that the following conditions are met.

A. The contract must be an open contract, that is, the contract must be open for the use of other states and the contract term has not expired. The agency must verify that prices have remained competitive since the time of award.

B. The originating procurement must have been competitive, that is, several bidders, generic specifications, etc. Sole source contracts cannot be used.

C. Any protests or appeals to the procurement were addressed and resolved.

D. The commodities or services to be purchased are the same as on the original contract. The prices must be the same or better than those the agency could expect to obtain if a request for bid or request for proposal was conducted and the terms and conditions acceptable to the agency and consistent with the state's standard terms and conditions.

III. All delegated agencies and agencies not consolidated under Consolidated Agency Purchasing Services (CAPS) will submit the following to the Bureau for approval:

A. A completed RPA (form DOA-3046)

B. A completed RPA Checklist (form DOA-3046A)

C. A completed Collective Purchasing with Other States or the Federal Government Data Request

CAPS agencies will submit their materials to CAPS staff who will in turn submit them to the Bureau.

IV. Authorization for the procurement is done by issuing an RPA contract number to the agency by the Bureau. The director, State Bureau of Procurement, will sign the RPA.

V. When the agency wishes to participate in the development of the request for bid/proposal with another state or the federal government, the agency must submit an RPA prior to participation regardless of the dollar amount of the transaction. Approval, if granted, would be contingent upon meeting the conditions in III.

VI. When the agency wishes to lead a request for bid/proposal for a contract developed with another state or the federal government, the agency requests Bureau approval regardless of the dollar amount of the transaction.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-D-26
		Effective 10-1-00
Section GENERAL POLICIES	Agencies Affected ALL	Replaces 10-1-88
Title ANTITRUST LAWS		Page 1 of 1

Remove and destroy PRO-D-26, Antitrust Laws.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-27	6-1-83	NEW

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 1

Title
CONTRACT AWARD--COMPETITIVE NEGOTIATION

AUTHORITY: Wis. Stats. 16.705(2)

SCOPE:
- to establish procedure for basis of award
- to establish circumstances under which changes in award may be made

CONTENT:

I. The award shall be based on the evaluation committee recommendation unless, after review by the State Bureau of Procurement of the award or of a protest by a bidder or proposer, a change in an award is approved because:

A. Mathematical errors were made in scoring proposals;

B. An award is recommended to a proposer who should have been disqualified as not responsive to all mandatory requirements of the request for proposal (RFP);

C. Evidence of collusion or fraud involving either the proposer or an evaluation committee member is found; or

D. The evaluation committee fails to follow the evaluation criteria as set forth in the RFP.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
GENERAL POLICIES	ALL	PRO-D-28
		Effective 10-11-12
		Replaces 4-1-00
Title: AMENDMENTS TO REQUESTS FOR PURCHASING APPROVAL/AUTHORITY (RPAs)		Page 1 of 2

AUTHORITY: Wis. Stats. 16.705(2)
16.71
16.72(4)(a)

SCOPE: - to establish procedure for requesting an amendment to an existing Request for Purchasing Approval/Authority (RPA)

CONTENT:

I. If an agency wishes to request an amendment to an existing RPA in dollar amount or contract period, the agency will submit to the State Bureau of Procurement for approval an RPA with a justification letter requesting the amendment. (Consolidated Agency Purchasing Services (CAPS) agencies will work through their Department of Administration CAPS staff.) The RPA will include the appropriate signatures and the original RPA number followed by "amendment" and the number of the amendment (e.g., ADJ0001 Amendment No. 1).

II. The letter should identify clearly the part of the original RPA to be amended, the need, and the justification for the amendment.

III. The agency does not need Bureau approval for increases in yearly cost estimates, providing the original total amount is not significantly exceeded.

IV. The agency will initiate an RPA and follow the procedures outlined in I. above to increase by any sum the total dollar amount for the following transactions.

A. Sole source requests, over $25,000

B. General waiver of bidding requests, over $25,000

C. Legal service requests, regardless of dollar amount

D. Motor vehicle requests, regardless of dollar amount

V. Exercising contract renewal options, approved under an RPA, does not require additional approval from the Bureau. A contract may be renewed only if there are provisions for renewal in the original contract. To extend the contract length of time originally approved, the agency will initiate an RPA and follow the procedures outlined in I. above.

VI. An amendment will not be approved for substantial change in scope or intent of the original RPA. For changes of this type, a new procurement with an appropriate RPA will be initiated.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-D-29	10-14-14	3-25-10

Section	Agencies Affected	Page
GENERAL POLICIES	ALL	1 of 2

Title
PIGGYBACKING (FORMERLY IDENTICAL REQUIREMENT CONTRACTS)

AUTHORITY: Wis. Stats. 16.71

SCOPE:
- to define piggybacking and open contract
- to establish policy for piggybacking

DEFINITIONS:

I. "Piggybacking" is when an agency uses an existing open contract established by another agency. Piggybacks will not exist beyond the final contract date of the originating agency contract. The agency piggybacking will contact the originating agency to determine whether renewal options have been exercised prior to attempting to renew its contract with the vendor.

II. "Open contract" is a continuing contract for a specific period of time which is current, that is, operating within the designated contract period including renewal options.

CONTENT:

An agency may use a contract established by another state agency, if agreeable to both the contracting agency and the vendor, to obtain the benefits of volume purchases and/or reduction in administrative expenses. It is the responsibility of the agency piggybacking on another agency's contract to complete Procedures I. A.-C. and submit the Piggybacking Data Plan (DOA-3831) to the State Bureau of Procurement. Consolidated Agency Purchasing Services (CAPS) agencies will work through their Department of Administration CAPS staff.

PROCEDURES:

I. The agency requesting to piggyback researches the original contract and determines that the following conditions are met.

A. The contract must be an open contract and must be current. Current contracts are contracts established with prices which have remained competitive since award.

B. The originating procurement must have been competitive, that is, several bidders, generic specifications, etc. Sole source contracts cannot be used to establish piggybacks.

C. The commodities or services to be purchased are the same as on the original contract. The prices must be the same or better and the terms and conditions acceptable to the agency.

II. Piggybacks are identified in the reference section of the purchase order as PRO-D-29. The agency that is piggybacking is responsible for meeting the requirements of Procedures I. A.-C. In addition, the agency will validate that the vendor is not listed in the Certification for Collection of Sales and Use Tax Ineligible Vendor Directory or Wisconsin Office of Contract Compliance Ineligible Vendor Directory. The agency will have the Piggybacking Data Plan or documentation showing all required information on file with the transaction. The agency will e-mail the Piggybacking Data Plan to the State Bureau of Procurement at: doadlprocplan@wisconsin.gov. CAPS agencies will electronically submit the form to the assigned CAPS procurement specialist who will in turn submit it to the Bureau.

> III. The agency that is piggybacking is responsible for completing a cost benefit analysis and continued appropriateness of contracting for services over $50,000. (See PRO-I-15, Cost Benefit Analysis.)

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-D-30
		Effective 10-18-01
Section GENERAL POLICIES	Agencies Affected ALL	Replaces 5-1-00
Title COOPERATIVE PURCHASING: WISCONSIN MUNICIPALITIES		Page 1 of 2

AUTHORITY: Wis. Stats. 16.70(8)
16.73
16.855
66.0131
66.0301 (1), (2)
66.0901

SCOPE:
- to define municipality
- to establish policy for cooperative purchasing

DEFINITION: "Municipality", as defined in s. 16.70(8), Wis. Stats., means a county, city, village, town, school district, board of school directors, sewer district, drainage district, technical college district or any other public or quasi-public corporation, officer, board or other body having the authority to award public contracts.

CONTENT:

I. The agency may enter into an agreement with a municipality or group of municipalities, and municipalities may enter into agreements with each other, under which any of the parties may agree to participate in, administer, sponsor or conduct purchasing transactions under a joint contract for the purchase of materials, supplies, equipment, permanent personal property, miscellaneous capital or contractual services. Cooperative purchasing does not apply to construction contracts that are subject to s. 16.855 or s. 66.0901, Wis. Stats.

II. Federally recognized Indian tribes and bands in this state may participate in cooperative purchasing with the state or any municipality under ss. 66.0301 (1) and (2), Wis. Stats.

III. The agency may purchase and store in warehouses, articles that may be needed by state departments and municipalities. The agency may transport and may sell stored articles to municipalities at cost.

IV. The agency will include in each request for bid (RFB) or request for proposal (RFP) over $25,000 a Vendor Agreement (DOA-3333). (This form is available on VendorNet.) EXCEPTION: When the agency solicits a RFB/RFP for a one-time purchase, the agency need not include the Vendor Agreement.

Authorized:

Director
State Bureau of Procurement

V. VendorNet, the State of Wisconsin's purchasing information and bidder subscription service, is available to Wisconsin municipalities via the Internet. This service gives Wisconsin municipalities access to State of Wisconsin contracts, when the contractor(s) has agreed to extend its terms and conditions to Wisconsin municipalities. This service also permits municipalities to post their bids and to use the state bidders list, as well as access other useful professional and technical purchasing information such as requests for bids/proposals, the *State Procurement Manual*, a directory of state purchasing/printing professionals, and standard state forms. Municipalities may subscribe (free of charge) to this service on line at http://vendornet.state.wi.us.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces	Page
PRO-D-31	9-10-04	NEW	1 of 2

Section	Agencies Affected	Title
GENERAL POLICIES	ALL	CERTIFICATION FOR COLLECTION OF SALES AND USE TAX

AUTHORITY: Wis. Stats. 16.70 (1b) (1e) (3e)
16.75 (10m)
77.51 (10)
77.66

SCOPE: - to establish policies and procedures for administration of Wisconsin's law regarding collection of sales and use tax by vendors doing business with the state

DEFINITIONS:

I. "Control" means to own, directly or indirectly, more than 10% of the interest in or voting securities of a business.

II. "Affiliate" means a person, as defined in s. 77.51(10), that controls, is controlled by, or is under common control with another person, as defined in s. 77.51 (10).

III. "Person" includes any natural person, firm, partnership, limited liability company, joint venture, joint stock company, association, public or private corporation, the United States, the state, including any unit or division of the state, any county, city, village, town, municipal utility, municipal power district or other governmental unit, cooperative, estate, trust, receiver, personal representative, any other fiduciary, and any representative appointed by order of any court or otherwise acting on behalf of others. "Person" also includes the owner of a single-owner entity that is disregarded as a separate entity under Chapter 71.

POLICY: Regardless of dollar amount, the agency will not enter into any contract or order for the purchase of materials, supplies, equipment or contractual services with vendors or their affiliates who are not registered, collecting and remitting Wisconsin sales or use tax on sales of tangible personal property or taxable services in Wisconsin.

CONTENT:

I. The Department of Revenue (DOR) is responsible for verifying that vendors and their affiliates are in compliance with the tax law. DOR will certify a list of vendors that are not in compliance to the Department of Administration. These ineligible vendors will be listed in the Certification for Collection of Sales and Use Tax Vendor Directory. Before doing business with a vendor, the agency will ensure that the vendor's taxpayer identification number (TIN) does not appear in this directory.

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

II. If the agency determines that it has an existing contract with an ineligible contractor, the agency should either explain the law to the contractor and encourage registration to become an eligible contractor or else contact DOR (608/266-3969) to request assistance in obtaining the registration. If the contractor's status remains unchanged, the agency must terminate the contract. The agency may not withhold payment pending a change in the contractor's eligibility status.

III. For a pending contract award with a vendor that is listed in the directory, the agency may advise the vendor to contact DOR to request a rush registration.

IV. For questions, contact DOR Nexus Unit at 608/266-3969 or witaxlink@dor.state.wi.us. For additional information, see DOR and DOA Websites.

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.001
16.003(1)
16.70(1) and (3)
16.705
16.71

SCOPE: - purchasing individual employee travel and travel for seven or fewer employees when state funds or funds processed through state/university accounts totaling $5,000 or less per traveler are used

DEFINITIONS:

I. "Travel" means air, bus, rail, boat, lodging and rental cars.

II. "State agency" means an executive branch agency or the University of Wisconsin.

III. "Commercial carrier" means a passenger airline other than charter or private aircraft.

IV. "Travel agency" means a traditional or Internet-based travel company licensed to sell commercial airline tickets.

CONTENT:

I. Transportation

A. Employees will use best judgment in selecting a travel agency to provide air transportation.

B. When the state implements the Internet-based travel agency contract, employees will use this contract for air transportation Internet reservations.

C. Employees have the opportunity to compare the air transportation pricing by obtaining one quote for commercial carrier air transportation from an implemented contract travel agency.

D. Employees may also obtain quote(s) for commercial carrier air transportation from a non-contract travel agency or commercial

carrier. Employees are encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies when obtaining travel quotes.

E. When obtaining and comparing quotes, employees will use consistent requirements for destination and departure date and time requirements.

F. Employees will utilize the lowest total cost provider from quotes provided through paragraphs C. and D. above. Employees will include service fees in comparisons to determine the lowest total cost provider.

G. Employees are required to document all quotes whenever non-contract travel agencies or commercial carriers are used. Documentation may be submitted at the time of purchase via e-mail to travel.quotes@doa.state.wi.us. Or, if an agency so chooses, it may coordinate the required documentation for the entire state agency and send documented quotes on a draft Department of Administration form template to travel.quotes@doa.state.wi.us at the time it reviews the purchasing card report. In such case, the agency traveler or arranger will attach other quote(s) to their purchasing card report. One of these two processes will be followed.

H. When employees are traveling via bus, rail and/or boat, the employee will contact the transportation provider(s) directly. The contracted travel agencies will not be used.

II. In-State Hotels

A. Whenever contracts exist for in-state hotels, employees will use such properties whenever possible provided the property meets the business needs of the traveling employee (per 5.08 of the Uniform Travel Schedule Amounts).

B. When employees are traveling within the state, the hotel will be contacted directly. The contracted travel agencies will not be used to reserve in-state hotels.

Authorized:

Helen McCain, Director
State Bureau of Procurement

C. The state's lodging allowance may never be exceeded unless the provisions for exceeding maximums in the Uniform Travel Schedule Amounts are met.

III. Out-of-State Hotels

A. Employees may book out-of-state hotel rooms through a contracted travel agency, a non-contract travel agency or directly with a hotel property. When using a non-contract travel agency, employees are encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies.

B. Employees will adhere to the nightly rate allowance as established in the Maximum Reimbursement for Lodging in High-Cost Out-of-State Cities Bulletin.

C. The state's lodging allowance may never be exceeded unless the provisions for exceeding maximums in the Uniform Travel Schedule Amounts are met.

IV. Car Rentals

A. State-owned fleet vehicles will be used before the in-state rental car contract(s) whenever possible.

B. When contract(s) exist for car rentals originating in-state or out-of-state, employees will use such contracts whenever possible. In-state rentals may not exceed 29 consecutive days.

C. When employees are traveling in-state, the contracted car rental company will be contacted directly. Contracted travel agencies will not be used to reserve car rentals originating in-state. When it is not possible to utilize state-owned fleet vehicles or in-state car rental contract(s), employees may utilize an off-contract rental car company.

D. When using the state's in-state car rental contract(s), employees will decline insurance at the time of rental agreement completion. Collision damage waiver/loss damage waiver, liability and comprehensive insurance are included in the state's contract(s). However, employees will accept liability and collision insurance when not using the state's contract(s).

E. Whenever a contract exists for car rentals originating out-of-state, employees will use such contracts whenever possible. Employees may contact the contracted car rental company or utilize the travel agency that issued the airline ticket and/or hotel for each trip. When using the state's out-of-state car rental contract(s) within the United States and Canada, insurance will be declined by employees at the time of rental agreement completion. Loss damage waiver and liability insurance are included in the state's contract(s). Employees will accept all insurance coverages when traveling outside of the United States and Canada. When it is not possible to utilize out-of-state car rental contract(s), employees may utilize an off-contract rental car company. However, the employees will accept liability and collision insurance when not using the state's contract(s).

F. Employees will sign a car rental agreement prior to driving any rented vehicle whenever required by the vendor.

V. Purchasing and Travel Cards

A. The state's purchasing card will be used for all commercial carrier fares, travel agency service fees, hotel room rates and car rentals.

B. The purchasing card may be used for other travel expenses as established in the State Procurement Manual PRO-E-23, Purchasing Card, and the State Accounting Manual, Section V, Subsection 13.

C. Employees are responsible for following all purchasing card policies and procedures as established in the State Procurement Manual and the State Accounting Manual.

D. If they so choose, employees may use the state's travel card in place of or in addition to the state's purchasing card. The state's travel card will be optional to employees. The state's travel card may be used for all travel expenses incidental to a trip while employees are in official travel status.

E. Employees are responsible for following all travel card policies and procedures as established in the State of Wisconsin Travel Card Policies and Procedures Manual.

VI. Compliance

A. Employees will follow all more stringent policies and procedures in place at his/her agency.

B. State agencies are responsible for contract compliance and audit.

C. Vehicle leasing is exempt from PRO-D-32. Refer to PRO-E-12, Lease and Rental Agreements, and PRO-E-22, Leasing/Rental, Passenger Sedans; Vans and Station Wagons; Work Vans, Trucks and Buses; Airplanes; and Motorcycles.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.705
16.71

SCOPE: - planning and purchasing of meeting rooms, air transportation, lodging, food, beverages and related services, ground transportation, audio visual equipment and other requirements for in-state and out-of-state group travel when state funds or funds processed through state/university accounts are used excluding student-funded athletic travel and student-funded recreational travel

DEFINITIONS:

I. "Athletic team travel" means university-sponsored Division I, II or III sports teams traveling when state funds or funds processed through state/university accounts are used, excluding official NCAA travel.

II. "Commercial carrier" means a passenger airline other than charter or private aircraft.

III. "Group travel" means the planning or purchasing of air transportation, lodging, ground transportation, food, beverages and related services, audio visual equipment and/or any other requirements purchased for athletic team, student studies or conferences, meetings, seminars or any other activity when eight or more people are traveling at or around the same time to the same destination to conduct official state business and when state funds or funds processed through state/university accounts are used.

IV. "Meeting room" means a room(s) with a door(s) and/or a floor-to-ceiling and wall-to-wall divider(s) utilized by group travel participants for business meetings, breakout sessions and/or meals.

V. "Public facility" means a facility owned, leased or operated by the state which includes the University of Wisconsin System and properties owned, leased or operated by municipalities which includes tribal properties.

VI. "State agency" means an executive branch agency or the University of Wisconsin System.

Authorized:

Helen McCain, Director
State Bureau of Procurement

VII. "Student studies travel" means university-sponsored student study travel abroad for course credit when state funds or funds processed through state/university accounts are used. Travel may or may not include a university faculty and/or staff member.

VIII "Travel agency" means a traditional or Internet-based travel company licensed to sell commercial carrier tickets.

IX. "Travel planner" means a state employee(s) planning the group travel and/or the purchasing staff responsible for following purchasing rules for group travel.

CONTENT: I. Procedure:

A. The travel planner will define the specifications for group travel including requirements for air transportation, meeting room(s), exhibit and/or reception space; lodging, food, beverages and related services, ground transportation, audio visual equipment and any other requirements. Only authorized state agency purchasing agents will conduct official sealed procurements.

B. When bundling components for athletic team and student studies travel arrangements, the travel planner will first contact a contracted travel agency for a total cost quotation. The travel planner may also obtain a quote(s) for bundled travel arrangements from a non-contract travel agency. The travel planner is then encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies when obtaining additional quotes. The travel planner will then utilize the lowest total cost provider.

C. The travel planner may bid each component of the group-travel travel arrangements separately only when the total cost of the components is estimated to be $25,000 or less.

D. The **athletic team** travel planner will first contact a contract travel agency for air transportation whenever a contract exists for athletic team travel.

1. The athletic team travel planner may also obtain a quote(s) for commercial carrier air transportation from a non-contract travel agency or commercial carrier. Employees are encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies when obtaining travel quotes.

2. When obtaining and comparing quotes, the athletic team travel planner will use consistent requirements for destination and departure date and time requirements.

3. The athletic team travel planner will utilize the lowest total cost provider from quotes provided through paragraphs D.1. and D.2. above. The athletic team travel planner will include service fees in comparisons to determine the lowest total cost provider.

4. The athletic team travel planner is required to document all quotes whenever non-contract travel agencies or commercial carriers are used. Documentation may be submitted at the time of purchase via e-mail to travel.quotes@Wisconsin.gov. Or, if an agency so chooses, it may coordinate the required documentation for the entire agency and send documented quotes on a Department of Administration form template to travel.quotes@Wisconsin.gov at the time it reviews the purchasing card report. In such case, the athletic team travel planner will attach another quote(s) to the agency's purchasing card report. One of these two processes will be followed.

E. The **student studies** travel planner will first contact a contract travel agency for air transportation whenever a contract exists for student studies travel.

1. The student studies travel planner may also obtain a quote(s) for commercial carrier air transportation from a non-contract travel agency or commercial carrier. Employees are encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies when obtaining travel quotes.

2. When obtaining and comparing quotes, the student studies travel planner will use consistent requirements for destination and departure date and time requirements.

3. The student studies travel planner will utilize the lowest total cost provider from quotes provided through paragraphs E.1. and E.2. above. The student studies travel planner will include service fees in comparisons to determine the lowest total cost provider.

4. The student studies travel planner is required to document all quotes whenever non-contract travel agencies or commercial carriers are used. Documentation may be submitted at the time of purchase via e-mail to travel.quotes@Wisconsin.gov. Or, if an agency so chooses, it may coordinate the required documentation for the entire agency and send documented quotes on a Department of Administration form template to travel.quotes@Wisconsin.gov at the time it reviews the purchasing card report. In such case, the student studies travel planner will attach another quote(s) to the agency's purchasing card report. One of these two processes will be followed.

F. The **group-travel** travel planner, other than for athletic team and student studies travel, will work with any vendor(s), following state purchasing rules when planning day or overnight group travel in-state or out-of-state unless utilizing a state contracted hotel. The travel planner is encouraged to contact minority-owned, women-owned, veteran-owned and/or small travel agencies when obtaining travel quotes. DOA-3130 and DOA-3131 may be used to obtain quotes.

1. When the total cost of group travel is estimated to be $5,000 or less, the travel planner will follow best judgment purchasing rules as defined in PRO-C-8, Simplified Bidding, of the *State Procurement Manual*.

2. When the total cost of group travel is estimated to be over $5,000 through $25,000, the travel planner will follow simplified bidding rules as defined in PRO-C-8.

   A. When simplified bidding will be used, the following procedures will apply:

      Obtain three or more quotes and document the bids using the Simplified Bidding Record, DOA-3088. Telephone and verbal quotes may be provided, but the state agency must receive written confirmation from the selected vendor.

3. When the total cost of group travel is estimated to be over $25,000, the travel planner will release an official sealed bid or request for proposal. All procurement rules as defined in the *State Procurement Manual* will be followed.

G. The travel planner may include air transportation quotes from Wisconsin Air Services for group travel.

H. When charter air transportation is required for group travel, the travel planner will follow all state purchasing rules for best judgment, simplified bidding and sealed bids/proposals.

I. When air transportation is not required, the travel planner will follow purchasing rules and may work directly with lodging properties, ground transportation companies and other companies as required for each component of the group travel planning.

J. No additional bidding is required for group travel when using public facilities or any of the State Bureau of Procurement contracted hotels.

K. The state's purchasing card will be used to charge the cost of any group travel commercial carrier tickets, travel agency service fees, lodging and car rental rates. Policy stated in PRO-E-23, Purchasing Card, the Model Cardholder Instructions and the State Accounting Manual will be followed.

L. The state's travel card may be used in place of or in addition to the state's purchasing card. The state's travel card is optional to the employee. Policy stated in the State of Wisconsin Travel Card Policies and Procedures Manual will be followed.

II. Location:

A. Athletic team travel sponsored by the university will be conducted where appropriate for the team activity.

B. Student studies travel sponsored by the university will be conducted where appropriate for the course of study.

C. All other group travel sponsored by state agencies primarily for the participation of government employees will be conducted at state contracted hotels or public facilities whenever possible, provided the property meets the business needs of the agency and at locations which will: minimize fuel consumption for transportation; provide the necessary services at the most economical cost to the state; and facilitate public attendance and/or press coverage as necessary.

III. Maximum charges:

The maximum charges for lodging and meals are established by the current employee bargaining agreements and by travel schedule amounts authorized by the Joint Committee on Employee Relations. Questions first should be addressed to the agency chief financial officer. Further financial information is available from the State Controller's Office State Accounting Manual or, at 608/266-5411.

IV. Compliance:

A. Employees will follow all more stringent policies and procedures in place at his/her agency.

B. State agencies are responsible for contract compliance and audit.

V. Non-discrimination:

An agency will meet only in facilities with expressed policies for use and membership which prohibit discrimination based on one's age, race, religion, color, sex, sexual orientation, national origin, or handicapped condition. If an agency's only alternative for a facility is one which does not meet these conditions, the agency will document the reason(s) for use of the facility.

VI. Accessibility:

An agency is responsible for ensuring that, to the maximum extent possible, any group travel will be held in facilities that at least meet minimum accessibility features. Exception: A meeting of ten (10) persons or fewer if all participants are known to have no disability and no members of the public are expected to attend the meeting.

Note: The selected conference, meeting or seminar facility must be in compliance with ADA standards.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
GENERAL POLICIES	ALL	PRO-D-34
		Effective 4-14-10
		Replaces 3-1-97
Title CERTIFICATES OF INSURANCE		Page 1 of 6

AUTHORITY: Wis. Stats. 16.705(2)
16.72(2)
16.865(5)

SCOPE: - to establish policy and procedures for certificates of insurance

DEFINITIONS:

I. "Certificate of insurance" means a document issued by an insurer which evidences that an insurance policy is in place with the vendor providing information such as: insurer, insurance agency, insured, type(s) of insurance, policy number(s), effective date(s), expiration date(s), limits, certificate holder, cancellation procedure, and the name of the representative who authorized the policy.

II. "Commodity or standard service procurement" means a contract, procurement or purchase which is not a high risk service procurement" as defined in Appendix A, Insurance Coverage Limits Requirements.

III. "High risk service procurement", as defined in Appendix A, Insurance Coverage Limits Requirements, means a contract, procurement or purchase that significantly increases the possibility of loss or exposure to loss to the State of Wisconsin, its agencies, employees, agents or officers from a third party.

IV. "Risk" means the potential for property loss, for physical harm, or legal liability.

CONTENT:

I. Need for certificate of insurance: When the state contracts with a vendor, that vendor's services necessarily include an inherent liability risk, or cost of defense, to the State of Wisconsin. By obtaining an appropriate certificate of insurance and maintaining a current certificate of insurance on file, for a high risk procurement, the state has evidence that insurance has been obtained that transfers risks associated with the business relationship with the vendor from the state to the insurer.

II. Commodity or standard service procurement: The agency will require that the vendor have insurance coverage of at least the "minimum standard insurance limits", but the agency need not obtain a copy of the vendor's "certificate of insurance."

III. High risk service procurement: The agency will require that the vendor have insurance coverage in accordance with the "insurance limits for high risk services" and will obtain a certificate of insurance from the vendor, prior to the start of the contract.

PROCEDURES: I. Commodity and standard service procurement

A. The agency specifies the "standard insurance limits", as stated in Appendix A, in the request for bid/proposal or other procurement/purchasing document, and resulting contracts regardless of the value of the contract or the type of procurement. Including the Standard Terms and Conditions (form DOA-3054, Revised 10/2005 or later) described in PRO-E-7 will satisfy this requirement.

In the absence of a request for bid/proposal, as in the case of a waiver of bidding, the agency must specify the insurance requirements with the purchase order or in the contract.

B. The "standard insurance limits" are minimum limits of coverage; however, an agency may request lower limits for unique, individual agency procurements/purchases providing pre-approval is secured from that agency's risk manager, when one exists, and then final approval is secured from the State Property and Liability Manager, Bureau of State Risk Management, 608/266-0168. The agency may require higher coverage limits for an individual procurement or for all procurements, if the agency's risk manager approves.

C. The request for bid/proposal, or other procurement/purchasing document, will require issuance of the vendor's insurance policy with a minimum thirty (30) day cancellation notice, by an insurance company licensed to do business in the State of Wisconsin, with a minimum AM Best rating of A-, and the signature of an authorized agent.

D. Workers compensation insurance coverage is required by statute for commodity and standard service procurements. The state may require such coverage even when the number of employees is fewer than that for which the statutes require workers compensation insurance.

E. If a commodity purchase requires installation of heavy equipment, the agency's risk manager will review the procurement prior to requesting bids/proposals or other procurement documents to establish any insurance limits.

F. The agency need not obtain a copy of the vendor's certificate of insurance. However, as needed, the agency may request proof of insurance.

II. High risk service procurement

A. The agency specifies the "insurance limits", for the type of service that the agency is purchasing as a part of the request for bid/proposal or other procurement process regardless of the value of the contract or the method of procurement.

1. If the service is one of those identified below, then the agency specifies the "insurance limits" as stated in Appendix A:

   Air Charter
   Ambulance Service
   Asbestos Abatement
   Building Remodeling and Construction
   Custodial Services
   Daycare
   Elevator Maintenance
   Food Service
   High Risk Entertainment/Speakers
   Medical Services, including Optical and Laboratory
   Recreational Services
   Refuse Transportation and Disposal
   Security
   Tower Inspection and Maintenance Services
   Transportation Services

2. The agency may specify higher limits for a particular procurement for one of the services listed above, if such limits are approved by the agency's risk manager.

3. If an agency identifies other high risk services, not listed above, the agency may specify higher insurance limits as approved by the agency's risk manager or, when no agency risk manager exists, the Bureau of State Risk Management.

B. The requirement for workers compensation insurance applies to every contract, even if the vendor has fewer than three (3) employees. The state may require such coverage even when the number of employees is fewer than that for which the statutes require workers compensation insurance.

C. The agency must obtain a certificate of insurance from the vendor prior to the commencement of the contract for services and prior to any extension of a contract.

1. In its request for bid/proposal, or other procurement/purchasing document, the agency identifies the:

a. Agency's name and the name, title, and complete mailing address (P.O. Box, office building or floor for delivery, ZIP code, etc.) of the individual to whom the vendor must send the certificate of insurance; and

b. Time period during which the agency must receive the certificate of insurance.

2. If the vendor fails to provide the agency with a certificate of insurance, consistent with the contract requirements, the agency may cancel the contract or award and make another award.

III. Requirements of a completed certificate of insurance, when one is required

A. Submittal of certificate of insurance: The vendor must provide a copy of the certificate of insurance prior to the commencement of the contract to the individual designated in the request for bid/proposal or other procurement or purchasing document. A fax copy is acceptable. (See sample certificate of insurance.)

B. Review of certificate of insurance. (See sample certificate of insurance.) The agency reviews the certificate to ensure that the following information is provided:

1. Identifying information: Specifies the name of the insured, the name and the address of the insurance agency, the type(s) of insurance, the policy number(s), the effective date(s), the expiration date(s), name and address of the certificate holder, and the signature of the representative authorizing the policy.

2. Additional insured: Names the State of Wisconsin, its officers, employees, and agents, as an additional insured.

3. Coverage: Specifies at least the limits of insurance coverage required for the procurement.

4. Cancellation notice: Provides for a minimum of a thirty (30) day cancellation notice to the agency for whom the vendor is providing the service.

C. Verification of other information: The agency must also verify the following additional information:

1. Business in Wisconsin: Ensures that the insurance provider is authorized to do business in the State of Wisconsin by the Wisconsin Office of the Commissioner of Insurance by calling the Commissioner's Bureau of Financial Examinations, 608/267-9456.

2. A.M. Best Rating: Ensures that the insurance provider has an A.M. Best rating of A- or better by calling the Wisconsin Office of the Commissioner of Insurance, Bureau of Financial Examinations, 608/267-9456.

D. Self-insured: If the vendor is self-insured, the vendor must provide financial records that demonstrate financial ability to cover losses up to the limits of the required insurance that are acceptable to the agency's risk manager. The state will notify the vendor of the specific financial records that must be provided.

IV. Miscellaneous: Some procurements have varying insurance requirements. An agency having insurance questions about procurement situations noted below should contact its agency risk manager or the State Property and Liability Manager, State Bureau of Risk Management, 608/266-0168.

A. Temporary help services: Liability for property and personal injury insurance normally remains with the vendor. However, the state may accept the risk, if the agency's risk manager approves.

B. State Procurement statewide contract: When an agency makes a purchase through a State Procurement statewide contract issued by the State Bureau of Procurement, the Bureau will have obtained any required certificate of insurance.

C. Piggyback contract: When an agency makes a purchase through a contract established by another agency, as described in PRO-D-29, Piggybacking, the agency that originally developed and established the contract is responsible for obtaining any required certificate of insurance. The agency that is piggybacking may request copies of the certificate of insurance from the original contracting agency. The piggybacking agency is responsible for obtaining any certificate of insurance to meet its own special insurance needs as identified in sections II. A. 2. and 3. above.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.283(1)(b),(3)
16.75(3m)(a)1,(b)2,3,(c)

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SCOPE:
- to define disabled veteran-owned business (DVB)
- to establish state policy with respect to procurement from disabled veteran-owned businesses
- to establish policy for the application of qualified bids
- to define the state's disabled veteran-owned business goal
- to define the state's disabled veteran-owned business policy, cost preference
- to establish reporting requirements for disabled veteran-owned business activity

DEFINITIONS: I. For the purpose of this policy, the following terms are defined:

A. "Disabled veteran-owned business" is a business certified by the Department of Administration, Wisconsin Supplier Diversity Program under s. 16.283(3).

B. "Disabled veteran" means a person who is verified by the Department of Veterans Affairs as being all of the following at the time the person applies for certification under s. 16.283(3):

1. A veteran as defined in s. 45.01(12),

2. A resident of this state, and

3. A person who is in receipt of an award from the U.S. Department of Veterans Affairs of a service–connected disability rating under 38 USC 1114 or 1134 of at least 20%.

C. "Qualified bid" is a bid or a proposal submitted by a disabled veteran-owned business that is a responsible and responsive competitive bid or proposal and that is not more than 5% higher than the apparent low bid or no more than 5% lower than the proposal with the apparent high point score. A qualified bid may not be considered on a procurement of printing or stationery.

D. "Second tier" supplier is a supplier that invoices the prime contractor for commodities and/or services provided under the prime contractor's state contract. A sub-contractor is an example of a second tier supplier.

CONTENT: I. Policy

The State of Wisconsin is committed to the involvement of disabled veteran-owned businesses in the state's procurement program. Disabled veteran-owned businesses will be encouraged to respond to the state's procurement needs. All efforts will be made to identify and eliminate any procedural or technical impediments to full participation of disabled veteran-owned businesses in state procurement.

II. Goal

State agencies will attempt to ensure that at least 1% of the total amount expended in the state's purchasing program in each fiscal year is paid to disabled veteran-owned businesses.

III. Verification of eligibility

A. An award of a state contract based on a disabled veteran-owned business's qualified bid may only be made after the Department of Administration, Wisconsin Supplier Diversity Program certifies that the business meets the definition of a disabled veteran-owned business in s. 16.283(3). The business must be certified at the time of the bid/proposal opening. The Department of Administration provides a listing of certified disabled veteran-owned businesses.

B. The State Bureau of Procurement and all agencies will refer applicants for certification as disabled veteran-owned businesses to the Department of Administration, Wisconsin Supplier Diversity Program.

C. Disabled veteran-owned businesses should be referred to the Department of Administration, Wisconsin Supplier Diversity Program for certification as far in advance of the bid/proposal opening as possible.

IV. Application of qualified bids

A. The State Bureau of Procurement and all agencies may make awards to the certified disabled veteran-owned business submitting the lowest qualified bid when that qualified bid is not more than 5% higher than the apparent low bid or the proposal is no more than 5% lower than the apparent high point score.

B. Awards will be made to the certified disabled veteran-owned business submitting the lowest qualified bid or highest point score proposal. For any exceptions, prior to making an award, the agency must consult the Wisconsin Supplier Diversity Program manager and receive approval in writing of any decision not to award to the lowest qualified bid.

V. Qualified bid formula

A. On competitive bids

1. To achieve consistency in evaluating a DVB qualified bid against an apparent low bid, the following formula will be used:

	(Apparent low bid x 1.05)	=	$_____
Minus	(Lowest DVB qualified bid)	=	$_____
	(Balance)	=	$_____

2. When the balance is a positive number, or 0, award may be made to the lowest DVB qualified bid. Award is made at the cost actually bid.

B. On bids for percentages off list price

1. To achieve consistency in evaluating bids for percentages off list price, the discounts will be converted to the amounts to be paid. For example, the following bids are received:

Apparent low bid = 40% discount off list price
Lowest DVB qualified bid = 38% discount off list price

Conversion to the amount to be paid:

Apparent low bid = 60% of list price
Lowest DVB qualified bid = 62% of list price

Application of DVB formula:

	(Apparent low bid (60%) x 1.05)	= 63%
Minus	(Lowest DVB qualified bid)	= 62%
	(Balance)	= 1%

Result:

Since the balance is a positive number, award may be made to the lowest DVB qualified bid.

2. Therefore, the formula to be used when calculating preferences for bids for percentages off list price is:

	(Apparent low bid % of list price x 1.05)	= __%
Minus	(Lowest DVB qualified bid % of list price)	= __%
	(Balance)	= __%

When the balance is a positive number, or 0, award may be made to the lowest DVB qualified bid.

C. On proposals (competitive negotiations)

1. To achieve consistency in evaluating a qualified response against an apparent high point score, the following formula will be used:

	(Apparent high DVB proposer point total x 1.05)	=__
Minus	(High response point total)	=__
	(Balance)	=__

2. When the balance is a positive number, or 0, award may be made to the DVB proposer response.

VI. Reporting

Each central procuring office will record and report to the Department of Administration's Wisconsin Supplier Diversity Program quarterly using form DOA-3240, Disabled Veteran-owned Business Procurement Activity Report. See PRO-G-3, Disabled Veteran-owned Business Procurement Activity Reporting.

VII. Subcontractual reporting

On any procurement that involves a contractor (first tier provider) to the state employing subcontractors (second tier provider) as a result of the state contract, any amount of the contract that was subcontracted to a certified disabled veteran-owned business will be reported by the prime contractor to the agency procurement office and included in the Minority & Targeted Business Participation Quarterly Report (form DOA-3234).

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

Contracting, Ordering, Receiving and Payment

Number	Title	Effective Date
PRO-E-1	Purchase Order	01-01-00
PRO-E-2	Purchase Requisition	04-01-00
PRO-E-3	Receiving, Inspection and Claims Procedures on Purchased Materials	06-01-89
PRO-E-4	Direct Charges, Invoices and Vouchers	01-01-00
PRO-E-5	Receipt of Damaged Goods (Formerly Rejection Documentation)	04-01-00
PRO-E-6	Prompt Payment Policy	08-01-93
PRO-E-7	Standard Terms and Conditions	06-01-99
PRO-E-8	Prior Approval of Purchases/Unauthorized Purchases	06-01-83
PRO-E-9	Noncontract Blanket Orders	10-10-14
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State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	PRO-E-1
		Effective 1-1-00
		Replaces 2-1-98
Title PURCHASE ORDER		Page 1 of 14

AUTHORITY: Wis. Stats. 16.72(4)
16.76(1)

SCOPE: - to provide authority, policy and procedures for using a purchase order

CONTENT:

I. A purchase order is required for all purchases except as noted in II. of PRO-E-4, Direct Charges, Invoices and Vouchers. Purchase orders are issued by agencies with delegated authority to place orders, change previous orders, or to cancel previous orders. The State of Wisconsin Purchase Order, form DOA-3272 (WiSMART), is available from the Printing and Publications Section/Forms Unit. See attached pages 1A through 7A for samples of completed purchase orders. There are additional requirements for purchase orders for printing which are explained in PRO-J-2, Printing Purchase Orders.

II. The purchase order is a contract. A separate contract may be attached to the purchase order which provides further detail and additional terms and conditions.

III. All purchasing agents with delegated authority to issue purchase orders are required to use purchase order form DOA-3272 established by the State Bureau of Procurement.

IV. Agencies may use their own purchase order form by making changes to form DOA-3272 only with the written approval from the Bureau.

V. The plies of the purchase order set are numbered and color-coded for distribution to the vendor and interagency offices. A new purchasing system is being developed; therefore, it is temporarily unnecessary to send purchase order information for fiscal year 0 to the Bureau. Reporting requirements will be reinstated when the system is complete.

VI. If the agency issues multiple purchase orders against a statewide contract with more than one vendor, a unique purchase order number will be used for each vendor/purchase order.

Authorized:

Jan Hamik Director
State Bureau of Procurement

VII. The following information is required to complete a purchase order:

A. Order type

1. An order type number should be typed on each purchase order.

2. The order types are:

a. [1] Regular (see pages 1A and 2A). An original order (not change, cancel, interagency, blanket—noncontract, or blanket—contract, pass-thru grant, master lease, or project).

b. [2] Change previous (see page 3A (non-WiSMART); 4A (WiSMART)). Use the purchase order number identical to the one on the original order. Show only the amount of the increase or decrease (for each commodity code) in the total column of the purchase order. Show net total of increase and decrease amounts only. Do not show the new total of the purchase order in the total column.

Type (-) for decrease or (+) for increase before the amount of each code and before the total amount in the total column.

Type (-) for decrease or (+) for increase before the quantity in the quantity column.

Do not use order type 2 to decrease the entire amount of the purchase order. Use order type 3.

Do not use order type 2 to change a vendor. Use order type 3 and issue a new purchase order with a new purchase order number.

c. [3] Cancel previous. Use only if the entire purchase order is cancelled. Use the purchase order number identical to the one on the original order.

d. [4] Interagency. Copies of orders for interagency purchases are not forwarded to the State Bureau of Procurement.

e. [5] Blanket—noncontract. Do not cite a State Procurement statewide contract or agency bid number. Estimate the dollar amount for each commodity code. See PRO-E-9, Noncontract Blanket Orders.

f. [8] Blanket—contract. Require a State Procurement statewide contract or agency bid number. Show the estimated dollar amount for each commodity code. See PRO-E-16, Contract Blanket Orders.

g. [G] Grant (Pass-thru). Copies of orders for pass-thru grants are not forwarded to the State Bureau of Procurement. Use only for pass-through grant money where the agency does not spend the money but merely passes it on to a municipality or other such entity. See PRO-C-32, Grants and Other Non-procurement Transactions.

h. [L] Master Lease Program. Copies of orders for master lease purchases are not forwarded to the State Bureau of Procurement.

i. [P] Project (Construction). Copies of orders for construction projects are not forwarded to the State Bureau of Procurement. See PRO-D-17, Limited Trade Contracts, and PRO-D-21, Construction Projects.

B. Purchase order number

Purchase orders are numbered and assigned prefixes. The prefixes are coded according to agency and fiscal year. The sequence and number of characters (maximum of nine characters) following the prefix are determined by the administrative needs of the office issuing the order. Any continuation sheets will contain the same purchase order number as shown on the original purchase order. Purchase order numbers that have been cancelled cannot be reused. WiSMART users should use the automatic document numbering prefixes with the # sign when creating PD

documents. (Printing: See PRO-J-2, Printing Purchase Orders, for additional instructions.)

1. An assigned two-character alpha code is used as the prefix to each purchase order number (see pages 10-14 of this section).

2. The fiscal year code follows the prefix. Fiscal year codes are:

FY 1 = A	FY 6 = F
FY 2 = B	FY 7 = G
FY 3 = C	FY 8 = H
FY 4 = D	FY 9 = I
FY 5 = E	FY 0 = J

3. A unique purchase order number/alpha follows the fiscal year code (maximum of nine characters).

4. An example of a purchase order number is ADJ231 (prefix AD, plus fiscal year J, plus number 231).

C. Date

A date must appear on every purchase order in mm/dd/yy format (e.g., 07/15/99, not July 15, 1999).

D. Accounting data

Complete according to individual agency's accounting codes.

E. Federal Employer Identification Number/Social Security Number

1. Include the vendor Tax Identification Number which is either the Federal Employer Identification Number (FEIN) or, if there is no FEIN, the vendor Social Security Number (SSN). A suffix (up to three characters) may be included at the option of the agency.

2. When a State Procurement statewide contract is used for a purchase, the vendor FEIN or SSN can be obtained from the contract.

3. When an agency issues a miscellaneous/open vendor purchase order for which the vendor(s) is not determined at the time of issue, the vendor number will be M10000000.

4. For purchases from foreign vendors which do not have a FEIN/SSN, agencies may use F10000000 as a dummy FEIN/SSN; WiSMART users will use D plus their agency number (an example is D505).

5. As a standard procedure for all solicitations, an agency will request the FEIN/SSN from the vendor. When an agency is unable to obtain the FEIN/SSN after making a good faith effort, the agency may use N10000000 as a dummy FEIN/SSN; WiSMART users will use D plus their agency number (an example is D505).

6. Copies of orders for interagency purchases are not forwarded to the State Bureau of Procurement. For interagency purchase orders that cannot be deleted from electronic transmissions to the Bureau, agencies will use the assigned two-character code (see pages 10-14 of this section) preceded by 7 zeros, e.g., 0000000AD, as the FEIN/SSN vendor number for the vendor agency on the purchase order. (This procedure will allow the order to be edited from non-interagency purchase order reporting.)

F. Vendor name and address including city, state and zip code

1. When a vendor name appears on a State Procurement statewide contract and that contract is used for a purchase, the vendor name will appear the same on the purchase order as on the contract.

2. Use U.S. Postal Service guidelines for addressing.

3. Show vendor country if not U.S.A.

G. Ship to

Include the name of the person responsible for receiving the material, room number, name of building, street address, city, and zip code number. It is recommended that the purchase order number also appear as part of the shipping address.

H. Terms

The state standard payment time period is 30 days. However, if a cash discount is involved, 15 days will be considered. See PRO-E-6, Prompt Payment Policy.

I. Reference

The reference area may include important information relating to the authority to make a purchase such as: a State Procurement Manual section number, e.g., PRO-E-4; governor/secretary waiver number; State Procurement bid number; agency contract number; name of vendor contact; etc. Using the reference area does not obviate the need to use the statewide contract number and bid number areas when appropriate.

J. Bid number

The bid number will be used only when the purchase is based on an agency (not State Bureau of Procurement) bid; otherwise, the space will be blank. Do not use a bid number on blanket—noncontract type 5 orders.

K. Statewide contract number

When a purchase is made using a State Procurement statewide contract, use the appropriate ten-digit contract number shown on that contract. There will be only one contract referred to on a purchase order. If ordering a service or commodity not available on a State Procurement statewide contract, leave the contract number space blank on the purchase order. Do not use Procurement Information Memorandum numbers, State Procurement Manual section numbers, or any agency reference numbers in the

contract number field. These references should be noted in the area labeled reference.

L. Quantity

Quantity should be shown for each commodity code on the purchase order. This requirement does not apply to order types 5 and 8.

M. Item description

Include the manufacturer, model number, physical description, size, color, and other data needed to accurately define the item. Description of services should indicate what is to be done, where, by whom, and for how long. (Printing: See PRO-J-2, Printing Purchase Orders, regarding use of supplements for descriptions.)

N. Commodity code

1. All purchase orders will include the appropriate commodity code(s). When a purchase is made using a State Procurement statewide contract, use the appropriate ten-digit commodity code(s) shown on that contract (see pages 1A and 2A). (Ten-digit commodity code(s) may not be used on blanket-noncontract type 5 orders, see page 6A.) For other purchases use the five-digit commodity code(s) found in the Commodity Code Manual (see page 3A). A purchase order may include both contract and non-contract purchases (see page 7A).

2. If all items on a purchase order have the same commodity code, that code should only appear once on the purchase order and on the same line as the net total amount (see page 1A).

3. When the commodity code is the same for a group of items on a purchase order, show the commodity code only once for the group of items along with the corresponding subtotal net amount for the group of items (see page 5A).

4. When using an attachment to the purchase order form to show commodity descriptions and prices, indicate the associated commodity code and quantity on the same line as the amount in separate columns. Do not put the commodity code in the description. It is not necessary to send attachments (contracts, specifications, etc.) to the State Bureau of Procurement if all commodity codes, quantities, and totals are shown on the purchase order form. (Printing: See PRO-J-2, Printing Purchase Orders, regarding attachments [supplements].)

5. The cost of shipping or delivery services normally should be included in the cost of the purchase and should be coded with the commodity code of that item. Where the items being purchased prohibit a breakdown of shipping or delivery services by individual item, the shipping or delivery service will be coded 99-175, Transportation of Materials, Freight Charges, Freight Services, Hauling Services, and Shipping Services.

6. When it is necessary for agencies to encumber funds for state furnished paper on the purchase order, the paper subtotal will be coded 75-999, State-Provided Paper on Printing Contracts.

O. Unit price and total

1. Include unit price extensions and total net price (see page 2A).

2. Net amounts are shown for each commodity code (see page 2A).

3. Discounts on items will be calculated and only the net amount shown in the total column for each commodity code (see page 2A).

4. When actual prices are not known, use estimated prices.

VIII. The use of a purchase order is optional for purchases of $1,500 or less ($5,000 or less for an agency that has implemented the purchasing card). (Printing exception: All printing, regardless of dollar amount, requires the use of a purchase order.)

>

IX. Refer to http://www.doa.state.wi.us/section_detail.asp?linkcatid=140&linkid=69&locid=3 for detailed WiSMART information, including State Accounting Policies and Procedures and WiSMART Accounting System.

X. Agencies may direct questions regarding purchase order preparation to the State Bureau of Procurement at 608/266-2605.

Authorized:

Jan Hamik Director
State Bureau of Procurement

Prefix (For Purchase Order Number)

AD	Administration, Dept. of
AE	Administration, Dept. of—Fuel Contract Management
OE	Employment Relations, Office of
BA	Aging and Long Term Care, Board on
AG	Agriculture, Trade and Consumer Protection (Including: Grain and Whse. Comm.)
AB	Arts Board
AC	Assembly, Chief Clerk
CF	Children and Families, Dept. of
CT	Children Abuse and Neglect Prevention Board
CC	Circuit Courts
DD	Commerce, Dept. of

Corrections, Dept. of; Administrative Divisions

KA	Adult Institutions, Div. of
KC	Community Corrections, Div. of
KH	Correctional Health, Bureau of
KJ	Juvenile Corrections, Div. of
KM	Management Services, Div. of
KP	Parole Commission
KR	Planning and Movement, Div. of
KS	Secretary, Office of

Corrections, Dept. of; Institutions

WB	Badger State Industries
WC	Columbia Correctional
WZ	Corrections Farms
WD	Dodge Correctional
JE	Ethan Allen School, Wales
WF	Fox Lake Correctional
WG	Green Bay Correctional
WJ	Jackson Correctional
WM	Kettle Moraine Correctional
JL	Lincoln Hills School, Irma
KE	Milwaukee Community Correctional

Prefix (For Purchase Order Number)

Corrections, Dept. of; Institutions (cont.)

WK	Oakhill Correctional
WE	Oshkosh Correctional
JP	Prairie du Chien School
WR	Racine Correctional
WP	Racine Youthful Offender
WA	Redgranite Correctional Institution
JK	Southern Oaks Girls School
WX	Supermax Correctional Institution
WT	Taycheedah Correctional
WH	Waupun Central Warehouse
WL	Waupun Correctional
WS	Wis. Correctional Center System
> JY	Youth Leadership Training Center

CA	Court of Appeals
SC	Court System, Wisconsin
EC	Educational Communications Board
EB	Elections Board
ET	Employe Trust Funds, Dept. of
ER	Employment Relations Commission
EH	Ethics Board
FN	Financial Institutions
EO	Governor, Office of
GA	Government Accountability Board

Health Services, Dept. of; Administrative Divisions

FM	All Org
FD	Children and Family Services
FH	Enterprise Services
FK	Health Care Financing
FJ	Long Term Care
FB	Mental Health and Substance Abuse Services
FF	Policy Initiatives and Budget
FA	Public Health
FC	Quality Assurance

Prefix (For Purchase Order Number)

Health Services, Dept. of; Institutions

GT	Central Wis. Center for the Developmentally Disabled
GM	Mendota Mental Health, Madison
GN	Northern Wis. Center for the Dev. Disabled, Chippewa Falls
GR	Sand Ridge Treatment Facility
GS	Southern Wis. Center for the Developmentally Disabled, Union Grove
GW	Winnebago Mental Health, Winnebago

HE	Higher Educational Aids Board
HS	Historical Society, State
IN	Insurance, Office of Commissioner
IV	Investment Board
JS	Joint Survey Committee on Retirement
JU	Judicial Commission
CJ	Justice Assistance
JD	Justice, Dept. of
LB	Legislative Audit Bureau
LC	Legislative Council
LF	Legislative Fiscal Bureau
LR	Legislative Reference Bureau
LT	Legislative Technology Services Bureau
LG	Lieutenant Governor
LW	Lower Wisconsin State Riverway Board
MA	Military Affairs, Dept. of, Installation Officer

NR	Natural Resources, Dept. of
NM	Madison
NL	Neil H Lemay Forestry Center
ND	Northeast Region
NH	Northern Region/Rhinelander
NK	Northern Region/Spooner
NS	Research Center
NB	South Central Region
NC	Southeast Region
NG	West Central Region

PF	Public Defender

Prefix (For Purchase Order Number)

Public Instruction

PA	Administration
PP	Administration, Printing
PL	Reference/Loan Library
PD	School for Deaf, Delavan
PV	School for Visually Handicapped, Janesville

LP	Public Lands, Board of Commissioners
PS	Public Service Commission
RL	Regulation and Licensing, Dept. of
RD	Revenue, Dept. of
RS	Revisor of Statutes Bureau
DS	Safety and Professional Services, Dept. of
SS	Secretary of State, Office of
SN	Senate, Chief Clerk
SF	State Fair Park Board
SP	State Purchasing
TM	Tourism, Dept. of
TR	Transportation, Dept. of
ST	Treasurer, Office of State

University of Wisconsin System

UR	UW College
RK	UW-Baraboo/Sauk County
RT	UW-Barron County
RF	UW-Fond du Lac
RR	UW-Fox Valley
RN	UW-Manitowoc
RY	UW-Marathon County
RB	UW-Marinette
RP	UW-Marshfield/Wood County
RU	UW-Richland
RM	UW-Rock County
RW	UW-Sheboygan
RZ	UW-Washington County
RX	UW-Waukesha

Prefix (For Purchase Order Number)

University of Wisconsin System (cont.)

UW	System	Administration
UC		Eau Claire
UT		Extension
UD		Green Bay
UE		LaCrosse
UA		Madison
UB		Milwaukee
UF		Oshkosh
UG		Parkside (Kenosha)
UH		Platteville
UJ		River Falls
UK		Stevens Point
UL		Stout (Menomonie)
UM		Superior
UN		Whitewater

Veterans Affairs

VA	Administration
VH	Wisconsin Veterans Home, King

VO Vocational, Technical and Adult Education, Board of

IL Workforce Development

Authorized:

Jan Hamik Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-2	4-1-00	1-1-82

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 2

Title
PURCHASE REQUISITION

AUTHORITY: Wis. Stats. 16.72(4)
Wis. Adm. Code Chapter Adm 5

SCOPE:
- to establish authority for the development and administration of the state requisition process
- to establish policy and procedure for use of the Purchase Requisition form

CONTENT:

I. All supplies, materials, equipment and contractual services are purchased for and furnished to any state office through a requisition process only, prescribed by the State Bureau of Procurement.

II. The agency purchasing office is authorized to administer the requisition process within the agency it serves.

A. The Purchase Requisition (form DOA-3066) may be used. (This form is available on VendorNet and electronically. See PRO-C-36, Requesting Electronic Forms.) This form is designed and reviewed periodically by a standards committee composed of agency representatives serving in an advisory capacity to the Bureau. Agencies may use an alternate form with similar information.

B. Agency offices submit the original copy of the completed Purchase Requisition to the purchasing office, following the required approvals. The remaining copies are for agency internal use.

III. Purchase Requisitions are numbered in sequence and logged in a permanent record by number and brief description. In certain cases, the Bureau may authorize nonsequential numbering to meet specific agency needs.

IV. Complete information should be provided on the Purchase Requisition, including the following:

A. Suggested vendors, description of materials, with manufacturer, model number, physical description, size, color and other data as applicable. Description of service, telling what is to be done, where, by whom and for how long.

Authorized:

Director
State Bureau of Procurement

B. Quantity and unit, giving additional information if needed in the description column. Quantities are expressed in the smallest units. For statewide contract items, quantities are expressed on the Purchase Requisition in the same form as on the statewide contract.

C. Commodity code number for each item.

D. Pricing, with unit price, extensions and total price. If actual prices are not known, estimated prices will appear in the total column.

E. Accounting data, to be provided in extent and format set by intra-agency prerogative.

F. Delivery requirements as follows:

1. A calendar date which takes into account lead time for the vendor.

2. Point of delivery including the name of the person responsible for receiving, room number, name of building, street, city and zip code.

3. F.O.B. point. See PRO-E-5, Receipt of Damaged Goods, for F.O.B. definitions.

G. Supplemental lists, where the number of line items exceeds the space available on the Purchase Requisition. In such cases, the general commodity classification only is shown on the form, with reference to the detailed list attachment.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.528
16.53(2)

SCOPE:
- to establish responsibility and policy for the receipt and inspection of materials obtained through the state's procurement process
- to establish standard procedures for receiving and inspecting materials

CONTENT: The state agency is responsible for receiving and inspecting materials.

PROCEDURES: I. Checking and receiving:

A. Save all delivery receipts. The cycle of procuring merchandise is not complete until such has been verified as being in absolute compliance with the corresponding purchase order, received, recorded on the receiving report, and supporting documents transmitted to the appropriate offices within the agency.

B. It is the agency's responsibility to refuse delivery of merchandise which is not in complete agreement with the corresponding purchase order, and to report this action to the agency purchasing office.

C. Any container received that has a hazardous warning label without an accompanying Material Safety Data Sheet (MSDS) will be reported to the agency purchasing office. It is the purchasing office's responsibility to contact the vendor for a MSDS as required by PRO-D-4, Material Safety Data Sheet (MSDS) Requirement.

D. Further, it is the agency's responsibility to report to the agency purchasing office any defective merchandise, improper or short case count, substitutions or failure by the vendor to comply with the order specifications, even if the merchandise has been received in error and placed into service.

Authorized:

Director
State Bureau of Procurement

II. Steps to take at time of delivery to protect against loss or damage:

A. Verify count. Receiver will make sure as many cartons as are listed on the delivery are received. If any shortage is discovered, note exactly how many cartons are short on the carrier's delivery receipt and have the driver note the shortage on the receiver's copy.

B. Carefully examine each carton for damage. If damage is visible, so note this fact on the delivery receipt and have the driver sign and date the receiver's copy. If the carton has appearance that contents inside may possibly be damaged, insist that it be opened right at that time, and both the receiver and the driver should make joint inspection of the contents. Any concealed damage discovered should likewise be noted on the delivery receipt and on the receiver's copy. The receiver will retain a copy.

C. Immediately after delivery, open all cartons and inspect for concealed damage. Even though the driver has already left, all cartons should immediately be opened and the contents inspected for possible concealed damaged.

III. Steps to take when visible or concealed damage is discovered:

A. Retain damaged items. Not only must the damaged items be held at the point where received, but the containers and all inner packing materials must be held until an inspection is made by carrier inspector.

B. Call carrier to report damage and request inspection. The call should be placed immediately upon discovery of the damage, but under no circumstances should it be put off longer than 15 days after delivery. Failure to report concealed damage within this 15 day period will almost certainly result in the carrier denying the receiver's claim.

C. Confirm call in writing. Although this in not a mandatory requirement, for the receiver's own protection in establishing the fact the carrier was notified within the 15 day period, it is strongly recommended that all calls be confirmed to the carrier in writing. Retain a copy of the letter.

IV. Steps to take when carrier makes inspection of damaged items:

A. Have damaged items in receiving area. Make certain the damaged items have not been moved from the receiving area prior to discovery of the damage. Allow inspector to inspect damaged items, cartons, inner packing materials and freight bill. Retain the delivery receipt; it will be needed as a supporting document when claim is filed.

B. After the inspector fills out the inspection report, carefully read it before signing. If not in agreement with any facts or conclusions made by the inspector on the report, do not sign it. Unless repairs will be completely satisfactory, be sure the inspector requests replacement on the inspection report. A new item can be ordered only if the inspection report specifies "REPLACE".

V. Steps to take after inspection has been made:

A. Continue to retain damaged merchandise. Even though inspection has been completed, damaged items cannot be used or disposed of without written permission from the carrier.

B. Do not return damaged items to the shipper. Return of such items should not be made without written authorization of the supplier.

C. Secure receipt from the carrier if damaged items are picked up for salvage. If damaged merchandise is surrendered to a carrier for salvage because it is valueless to the receiver, secure a receipt from the driver when it is picked up and retain that receipt.

VI. Steps to take to notify the agency purchasing office/bureau of financial operations of good faith dispute/improper invoice:

A. Immediately notify the agency purchasing office/bureau of financial operations of any good faith dispute/improper invoice so that the prompt payment policy may be complied with properly.

B. See PRO-E-6, Prompt Payment Policy, for sample format and further information.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-E-4	1-1-00	7-1-94

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 4

Title
DIRECT CHARGES, INVOICES AND VOUCHERS

AUTHORITY: Wis. Stats. 16.528
16.53
16.72(4)(a)
16.77
16.87(2)
16.87(3)

SCOPE: - to establish authority and procedure for approving payment of invoices and vouchers

CONTENT:

I. Applicable purchasing regulations established by the State Bureau of Procurement will be followed in the purchase of all necessary materials, supplies, equipment, all other permanent personal property, and contractual services, and all other expenses of a consumable nature for all state offices.

II. Purchase orders will be issued for all procurements, except for the following, which do not require State Bureau of Procurement approval: (Within this list, issuance of a purchase order is optional by the agency purchasing office.) Where competition exists, the agency will follow established bidding procedures.

A. Purchases $1,500 or less ($5,000 or less for an agency that has implemented the purchasing card) (See PRO-E-1, Purchase Order, for reporting requirements.)

B. Fees (subscription, witness, court filing, membership, registration, tuition, royalties)

C. Indemnity and bounty payments

D. Refunds of receipts collected

E. Purchases of land and right-of-ways

F. Individual airline, rail, and bus tickets

G. Stamps, postage, and U.S. postal services

H. Construction contracts $2,500 or more (See III. below.)

Authorized:

Director
State Bureau of Procurement

I. Fire call claims

J. Eye and physical examinations (reimbursements) and medical payments not covered by insurance (athletics)

K. Workers' and unemployment compensation claims

L. County payments for maintenance of highways

M. Real estate taxes

N. Claims board awards

O. Aids payments for all types

P. Payroll and fringe benefits of state employees

Q. General services billings and service center transfers within state government

R. Inter-fund transfers

S. Building rentals

T. United Parcel Services and common carrier freight charges (unless included on purchase order)

U. Purchase of preprinted or recorded materials for educational purchases including books, microfilm/fiche, audio/video recordings, films, etc. (This does not include computer programs.)

V. Individual travel expenses, including motel expenses

W. Payments from insurance funds

X. Prepayments of U.S. and other government payments

Y. Utilities bills (electric, gas, and telephone) (This does not include entering into independent agreements with utilities.) (See PRO-C-14, Utility Services.)

Z. Household moves (See PRO-D-15, Contracts for Household Moves.)

AA. Merchandise to be bought and resold by brand name and/or customer preference in a public or institution store or canteen

BB. Honoraria (See PRO-D-2, Honoraria.)

CC. Revenue producing contracts where there is no exchange of funds

DD. Contracts established for the benefit of agency clientele in which no costs are paid by the state

III. A contract involving the expenditure of $2,500 or more for construction work requires approval by the State Division of Facilities Development. (See PRO-D-17, Limited Trades Contracts.)

IV. If a State Bureau of Procurement statewide contract has been issued which instructs agencies to issue purchase orders for any item shown on this list of exceptions, the agency will adhere to the instructions in the contract.

V. All invoices for materials or services purchased by agencies will be reviewed before payment, for:

A. Math and coding accuracy

B. Compliance with purchasing regulations

C. Compliance with terms of the purchase order

D. Evidence of receipt in good condition

E. Potential duplicate payments

F. Conformance with legislative and program intent

VI. The review of invoices and vouchers will be done by the Department of Administration (DOA) Financial Operations or agencies with

delegated preaudit authority prior to approving payment. Discrepancies to any purchase order requiring contact with a vendor or contractor will be referred to the purchasing office for resolution.

VII. The goal of the State of Wisconsin is to pay properly submitted vendor invoices within 30 days of receipt, providing goods and/or services have been delivered, installed (if required), and accepted as specified. Payment will be considered timely if the payment is mailed, delivered, or transferred by the later of the following:

A. The date specified on a properly completed invoice for the amount specified in the order or contract

B. Within 30 days after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract or within 30 days after receipt of an improperly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later if the agency does not notify the sender of receipt of an improperly completed invoice within 10 working days after it receives the invoice of the reason it is improperly completed. See PRO-E-6, Prompt Payment Policy.

VIII. In processing payments, invoices with term discounts will be given priority. All cash discounts for items under a state contract or written price quotation are to be handled as being applicable if paid within 30 days from date of receipt of invoice, provided this interpretation is so stated in the request for bid. All other discounts will be paid in accordance with the vendor's stated terms provided they meet the following conditions:

A. Minimum time period considered for a cash discount is 15 days

B. Minimum amount considered is 2% of the invoice or $20, whichever is higher

To accept a discount for early payment, an agency will contact its Financial Operations office to assure payment can be made within the stated time period.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-5	4-1-00	1-1-82

Section	Agencies Affected
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL

Title: RECEIPT OF DAMAGED GOODS (FORMERLY REJECTION DOCUMENTATION)

AUTHORITY: Wis. Stats. 16.72(1)

SCOPE:
- to define F.O.B. terms (See pages 1A-C.)
- to establish authority and policy in the case of damages or shortages in goods received
- to establish procedure for handling claims against vendors

CONTENT:

I. Whenever possible agencies should specify F.O.B. destination on the purchase order to avoid filing loss or damage claims. Agencies may accept F.O.B. origin when conditions warrant; however, they should first consult with their risk management.

II. In the case of damages or shortages in goods received, the purchasing office that issued the purchase order authorizing the goods files a claim with the vendor or carrier depending upon F.O.B. point.

III. Agencies develop the administrative procedure to be followed within each agency for handling claims resulting from that agency's purchase orders.

IV. If F.O.B. origin, agencies negotiate directly with the carrier for all claims, shortages and damages resulting from purchase orders they have written.

V. Agency procedure for handling claims:

A. If F.O.B. origin, contact the carrier, indicate the shortages and/or damages, and determine a course of action which is mutually acceptable.

B. If F.O.B. destination, do not approve invoices for payment until the claim is resolved. If F.O.B. origin, the invoice should be processed in a timely manner.

C. If the problem is not resolved after reporting problems to the vendor or carrier, contact the State Bureau of Procurement for assistance.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-E-6
		Effective 8-1-93
Section CONTRACTING, ORDERING, RECEIVING AND PAYMENT	Agencies Affected ALL	Replaces 8-1-87
Title PROMPT PAYMENT POLICY		Page 1 of 4

AUTHORITY: Wis. Stats. 16.528
16.53(2)
16.53(11)
16.71(1)

SCOPE: - to establish policy for prompt payment of invoices

DEFINITIONS:

I. "Good faith dispute" means a contention by an agency that goods delivered or services rendered were of a lesser quantity or quality than ordered or specified by contract, were faulty or were installed improperly; or any other reason giving cause for the withholding of payment by the agency until the dispute is settled.

II. "Improper invoices" means an invoice presented for payment not submitted with adequate or correct information for processing. Examples include incorrect price, cash discount not shown, incorrect reference to purchase order number and submittal to the incorrect address for processing.

CONTENT:

I. The state will pay its invoices promptly. The state normally will pay properly submitted vendor invoices within 30 days of receipt, providing goods and/or services have been delivered, installed (if required), and accepted as specified. Payment will be considered timely if the payment is mailed, delivered, or transferred by the later of the following:

A. The date specified on a properly completed invoice for the amount specified in the order or contract.

> B. Within 30 days after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract or

> within 30 days after receipt of an improperly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later if the agency does not notify the sender of

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receipt of an improperly completed invoice within 10 working days after it receives the invoice of the reason it is improperly completed.

II. An agency which does not pay timely the amount due on an order or contract will pay interest on the balance due from the 31st day after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later. Additionally, an agency which does not notify the sender of the invoice within 10 working days of receipt of an improperly completed invoice will pay interest on the balance due from the 31st day after receipt of an improperly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later.

III. Agency's staff receiving goods/services should use the attached format or facsimile to notify their agency purchasing office of good faith disputes or improperly completed invoices.

IV. A good faith dispute is resolved when both parties have agreed to a remedy. Once the procuring agency has written documentation of the remedy or a corrected invoice is received if required, the agency has 30 days to pay the invoice.

V. The attached form is a sample notice that agency may send to the vendor as notice of the improperly completed invoice or good faith dispute.

VI. Agencies which notify the sender of an improperly completed invoice within 10 days of receipt, have 30 days to pay the invoice once the deficiency in the invoice has been corrected.

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Director
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>

VII. Exceptions to the 30-day payment requirement are:

A. Any portion of an order or contract under which the payment is made from federal moneys.

B. An order or contract that is subject to late payment interest or another late payment charge required by another law or rule specifically authorized by law.

C. An order or contract between two or more agencies.

D. An order or contract for services which provides for the time of payment and the consequences of nontimely payment.

E. An order or contract under which the amount due is subject to a good faith dispute if, before the date payment is not timely, notice of the dispute is sent by first class mail, personally delivered or sent in accordance with the procedure specified in the order or contract.

VIII. Partial receipt of an order and invoice for that partial shipment does not constitute a proper invoice for purposes of prompt payment unless agreed to by the agency.

IX. Discounts for early payment.

A. The state normally will pay properly submitted vendor invoices within 30 days.

B. Discounts will be paid in accordance with the vendor's stated terms provided they meet the following conditions:

1. Minimum time period considered for a cash discount is 15 days.

2. Minimum amount considered is 2% of the invoice or $20, whichever is higher.

C. To accept a discount for early payment, an agency will contact its Financial Operations office to assure payment can be made within the stated time period.

Sample Notice to Agency Purchasing of Good Faith Dispute or Improper Invoice

Sample Notice to Vendor of Good Faith Dispute or Improper Invoice

State Procurement Manual

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Number	Effective	Replaces
PRO-E-7	6-1-99	10-1-96

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
STANDARD TERMS AND CONDITIONS

AUTHORITY: Wis. Stats. 16.417
16.528
16.53(2)
16.752
16.76
16.765(1)(2)(4)
19.36(5)
19.42
19.45(6)
51.01(5)
111.32(13m)
180.0831
180.1911(1)
181.225
Wis. Adm. Code Chapter Adm 7.01

SCOPE: - to establish authority and policy for the development and administration of standard terms and conditions in the state's procurement process

CONTENT:

I. Procurements are made by the state according to standard terms and conditions established in writing by the State Bureau of Procurement. All contracts for materials, supplies, equipment, or contractual services are to run to the State of Wisconsin and be signed by the secretary of the Department of Administration or a designee.

II. All requests for bids/proposals will contain, at a minimum, the standard terms and conditions of form DOA-3054, Standard Terms and Conditions (Request for Bids/Proposals), and for services form DOA-3681, Supplemental Standard Terms and Conditions for Procurements for Services, and will become a part of all state contracts and purchase orders. (These forms are available on VendorNet or electronically. See PRO-C-36, Requesting Electronic Forms.)

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-8	6-1-83	7-1-82

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
PRIOR APPROVAL OF PURCHASES/UNAUTHORIZED PURCHASES

AUTHORITY: Wis. Stats. 16.52(6)
16.72(4)(a)
16.77
Wis. Adm. Code Chapter Adm 10.04

SCOPE:
- to establish policy on prior approval requirements
- to establish policy on unauthorized purchases

CONTENT:

I. All procurement actions require prior approval of the State Bureau of Procurement.

II. Approval authority may, in some cases, be delegated to state agency offices. When so delegated, approval by the agency office is required prior to any procurement action.

III. Any state employe who contracts for the purchase of materials or services contrary to a statute or to State Bureau of Procurement policies and procedures may be liable for the cost. If such materials or services are paid for out of public funds, the amount may be recovered in action filed by the Attorney General. Any procurement contract that is contrary to state statutes is void.

IV. In any case where prior approval has not been obtained, the State Bureau of Procurement requires the following data before it considers an after-the-fact approval request.

A. Justification for the procurement itself.

B. Justification for the lack of prior approval.

C. A statement of management actions being taken to prevent repetition of the situation.

D. The agency head's indication of review and approval.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.71(1)

SCOPE:
- to define "noncontract blanket order" and a noncontract blanket order "transaction"
- to establish the limited circumstances for using a noncontract blanket order

DEFINITIONS:

I. A "noncontract blanket order" is used to establish an account with a vendor and simplify the filling of anticipated recurring needs for materials and services.

II. A "transaction" under a noncontract blanket order is the total invoice that results from the purchase of one or multiple items from the same vendor at one time.

CONTENT:

I. A noncontract blanket order may be established for amounts within the guidelines of Content II. Any purchase outside these guidelines will be based on documented competition or the authority provided by waiver of bid, as required under state purchasing policies and procedures.

II. A noncontract blanket order may be used to establish accounts for:

A. Best judgment purchases $5,000 or less,

B. Sole source procurements through $25,000, and

C. The acquisition of items exempt from state purchasing procedures as identified in PRO-E-4, Direct Charges, Invoices and Vouchers.

III. A noncontract blanket order may be written for a maximum period of 12 months.

IV. A noncontract blanket order is not a means to circumvent the appropriate procurement processes.

V. At least annually, each agency with a central purchasing office will review the agency's purchasing trends to identify serial contracting patterns (see PRO-C-27, Serial Contracting) and to seek cost-saving measures associated with consolidating similar procurements under relevant contracts.

VI. The State of Wisconsin Purchase Order, form DOA-3272, is used for noncontract blanket orders. Wording on the purchase order will specify the:

- noncontract blanket order period;
- delivery terms;

- release order procedure;
- notice that purchase transactions will not exceed a specific dollar amount in total within the guidelines of Content II.; and
- applicable invoicing terms.

The following is an example of possible wording for a best judgment procurement:

> "Noncontract blanket order for (type of material or service) as required during the period _____ to _____. Do not ship at this time. A release order for shipment will follow. Purchase transactions will not exceed $5,000 in total. Please invoice monthly (or time period determined by agency)."

Include an NIGP commodity code for line items with an estimated net price for each commodity code. In the case of general items use a comprehensive commodity code; e.g., window installation, maintenance and repair (metal)—commodity code 910-79. Include a net grand total on the purchase order. Additional instructions or restrictions may be added by the agency.

>

VII. All purchases will be invoiced periodically as indicated on the orders. Statements alone are not acceptable.

VIII. Reference material:

A. PRO-C-8, Simplified Bidding

B. PRO-C-27, Serial Contracting

C. PRO-E-16, Contract Blanket Orders

D. PRO-E-20, Release Orders

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75(2)(b)
16.75(3)
16.91(2)

SCOPE: - to establish policy on the duration of contracts for state procurement of materials and services

CONTENT: I. Contracts may be for any term deemed to be in the best interests of the state, but the terms and provisions for renewal or extension, if any, will be incorporated in the original bid or proposal specifications and the contract document. Renewal action is subject to the availability of funds.

>

II. The following guidelines should be used to determine the length of terms for purchasing contracts. Contracts may run for the period indicated subject to two consecutive one-year extensions. Extension option, if agreeable to both the state and the contractor, should be exercised within 60 days prior to the contract expiration date.

A. Contracts for standard services and supplies

Term: one year

These contracts are for standard service and supply requirements that are bid and awarded by the State Bureau of Procurement or a state agency and that involve the issue of multiple purchase orders, over the term of one year, by the agency purchasing offices. They involve performance on the part of the contractor that is normal and usual in the contractor's line of business. There is little benefit to the state in contracting for more than one year. Investment or inventory requirements on the part of the contractor are minimal, and usual.

Examples: Shoulder patches and emblems, parts, hardware, paper and paper products, vehicles, office supplies, cleaning chemicals, tools, lumber, can liners, food, feeds, fertilizer and seeds, typewriter repairs, photo and blueprint processing, vehicle repairs. (Inventory, systems or

personnel increases at the contractor's option resulting from the award of this type of contract do not warrant extended terms.)

B. Contracts requiring major investments by the state

Term: two - three years

These contracts involve a significant investment on the part of the state as a condition to entering into, or terminating, the contracts. These contracts generally involve significant start-up, or conversion, costs. Benefits are derived by the state by limiting, as much as practical, the frequency of incurring the start-up or conversion costs by contracting for longer periods of time than one year. When these contracts pass from one contractor to another, the state faces such costs as those involved in transporting state-owned inventories from one contractor to another, or paying for new fixtures or dies. The state may have to carry duplicates of, or dispose of, incompatible product inventories. The cost of testing/inspection/approval of new contractors' products or facilities may be involved.

Examples: Warehousing services, uniforms, carbonless papers, law enforcement testing and monitoring equipment, highway marking paint, medical or scientific systems or products.

C. Contracts for extended performance

Term: three - five years

These contracts are for vendor performance over an extended period of time where this is determined to be in the best interests of the state, rather than contracts for one year. Generally, these contracts are for maintenance of capital equipment or major operating systems where continuous performance by the contractor is most likely to be beneficial to the contractor, therefore to the state. This type of contract is used to

prevent short-term "fix" maintenance when this can result in deterioration to capital equipment or major operating systems.

Examples: Elevator maintenance, data processing system maintenance, heating and cooling system maintenance.

D. Contracts requiring major investments by the contractor

Term: three - five years

These contracts involve a significant investment on the part of the contractor, generally in the form of requiring the contractor to acquire capital equipment as a condition to a specific contract. The investment most probably will be amortized by the contractor over the life of the contract. The longer the term of the contract, the lower the annual burden of amortization will be as the contractor writes off the investment, and the less often the state has to begin again the amortization write-off with a new contract. These contracts are limited to those that require investment as a condition to the specific contract, i.e., these include contracts that require a contractor to install trash containers in multiple state facility locations, these do not include providing cars for car rental services from companies already in the business of renting cars.

Examples: Trash removal involving containers and compactors, laundry services involving hampers and carts, food services involving the supplying of coolers or thermal containers, bulk gas and chemical supply services involving the installation of tanks or hoppers, security services involving the installation of detection or communication equipment, vending machine and automatic teller services, operating contracts requiring the hiring of management or operationally-responsible personnel.

E. Contracts for lease/lease-purchase

Term: one - eight years

These contracts involve the lease or lease-purchase of equipment by the state. Contracts that are matched to the contractor's amortization schedule reduce the contractor's cost and, in a competitive bidding situation, reduce costs to the state.

Examples: Lease, or lease-purchase, agreements for data processing equipment, word processing systems, copiers and presses and printing equipment, aircraft, offices and housing in foreign countries, major medical and scientific equipment and systems.

F. Contracts for specific or indefinite services

Term: as required

These contracts run for a term required by their conditions and contents. Some contracts are for a specific term, in excess of one year, as in the case of the Department of Commerce contracting with a manager for a foreign office for five years. Other contracts are for an indefinite term, as in the case of the Department of Justice contracting with an investigator to develop testimony that will be used in a trial at some indefinite time in the future.

Examples: Foreign office management, research services for a specific long term; investigation and testimony, expert witnesses.

III. The following guidelines should be used to determine the length of terms for printing contracts.

A. Statewide Bureau of Procurement or UW Local Service contracts for printing of classes 3, 4, 7 and 8

Term: one year with possible two consecutive one-year extension periods

These contracts are for transactions initiated by several state agency offices that involve the issue of multiple printing orders for similar types of printing.

B. Contracts for legislative printing, Class 1

Term: two years (legislative term)

These contracts are for transactions initiated by legislative offices of multiple printing orders for similar types of printing that are bid and awarded for a period of time, in this case the two-year term of the legislature.

C. Contracts for a single product that requires exact reprints or repetitive production.

Term: as required, not to exceed three years total

These contracts are for products for which one or more printings of an original are required and are used when the specifications or terms do not fit an existing State Procurement statewide contract. Some publications may call for a second or third printing one or more years after the original production run. When provided for in the original bid and award document, repetitive printing is permitted. This does not include reprints with changes, or quantity or price changes that were not included in the original bid.

D. Contracts for a specific product with variations between orders

Term: as required, not to exceed three years total

These contracts are for multiple transactions for the production of a specific product or products with variations between orders, and are used when the specifications or terms do not fit an existing State Procurement statewide contract. These contracts involve single-agency use and may run for a short term of weeks or months to one year or more. In all cases, however, the contract is bid and awarded as a specific product for the period of time required.

State Procurement Manual

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Number	Effective	Replaces
PRO-E-11	1-1-82	NEW

Section	Agencies Affected	Replaces
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	NEW

Title	Page
FUNDS AVAILABLE	1 of 1

AUTHORITY: Wis. Stats. 16.75(3)

SCOPE: - to establish policy for the letting of contracts which exceed currently available funds

CONTENT: 1. Contracts may be let in excess of funds currently available, provided such contracts state in effect that continuance beyond the limits of existing funds is contingent upon the appropriation of additional funding.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-12	3-10-04	1-3-03

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
LEASE AND RENTAL AGREEMENTS

AUTHORITY: Wis. Stats. 16.705
20.915

SCOPE: - to establish authority and policy for the state's leasing and rental activities

CONTENT:

I. The objective of the leasing process is to provide, by formal contract with express terms, use without ownership of certain equipment, permanent personal property or miscellaneous capital.

II. The objective of the rental process is to provide, as a short term expedient, the use of personal property for a fee. The agreement reached is a contract.

III. The rental/leasing function may be delegated by the State Bureau of Procurement to agencies, who are expected to observe the best interests of the state and sound procurement practices. All applicable procurement policies apply to a lease or rental as they do to a purchase.

A. Prior approval by the State Bureau of Procurement is required for leasing printing equipment and data processing equipment.

B. Prior approval by the State Bureau of Procurement is required for leasing or renting aircraft, trucks, motorcycles and automobiles for 30 consecutive days or more. For these leases, agencies will comply with the procedures in PRO-E-22, Leasing/Rental, Passenger Sedans; Vans and Station Wagons; Work Vans, Trucks and Buses; Airplanes; and Motorcycles.

IV. Rental or lease is generally contracted for a period of months or portion of a month with scheduled billing.

V. Rental or lease agreements may be cancelled by either party with 30 days notice.

VI. To determine the value of a lease or rental agreement, in establishing which levels of delegation apply or what the dollar value of the transaction is to be considered to be, use the sum of all scheduled payments up to a maximum of one year.

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-E-13
		Effective 4-1-00
Section CONTRACTING, ORDERING, RECEIVING AND PAYMENT	Agencies Affected ALL	Replaces 2-1-83
Title MAINTENANCE AND REPAIR CONTRACTS		Page 1 of 1

Remove and destroy PRO-E-13, Maintenance and Repair Contracts. Standard purchasing policies and procedures apply to procurements for maintenance and repair contracts.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-E-14
		Effective 11-1-88
Section CONTRACTING, ORDERING, RECEIVING AND PAYMENT	Agencies Affected ALL	Replaces 2-1-87
Title PRICING AND DISCOUNTS		Page 1 of 2

AUTHORITY: Wis. Stats. 16.528
16.75(1)
16.75(3)
16.75(6)(a)
16.76(3)

SCOPE:
- to establish policy for response to price changing by suppliers
- to establish policy on cash discounts

CONTENT:

I. Prices established in a continuing contract to provide materials, supplies, equipment or contractual services over a period of time may be lowered due to general market conditions, but prices will not be subject to increase for 90 calendar days from the date of award.

A. The contractor will submit any proposed price increase under a continuing contract to the contracting agency at least 30 calendar days before the proposed effective date of the price increase.

B. Any price increase will be limited to fully documented cost increases to the contractor which the contractor demonstrates to be industrywide.

C. The conditions under which price increases may be granted will be expressed in bidding documents and contracts.

II. The State Bureau of Procurement or the agency office with transaction authority may accept, negotiate, or reject any proposed price increase. Upon rejection, the contractor may exercise any termination clause which has been incorporated into the contract, if that option has been provided for in the original agreement.

III. Unit prices shown on the order or contract will be the price per unit of sale (e.g., gal., cs., doz., ea., etc.) as stated on the bid or contract. For any given item, the quantity multiplied by the unit price will establish the extended

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Director
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price. If an apparent mistake exists in the extended price, the unit price will govern in the bid evaluation and the resulting order or contract.

IV. Pricing may be based on quantity discounts, where lower prices may result as higher quantities are achieved in a contract period. These are known as sliding-scale discounts and will be in the form of credits or refunds to the state.

Quantity discounts that involve bill-back clauses, where the state or an agency will be billed back the difference between a contract quantity price and an actual purchase price, if the contract quantity is not achieved, will not be entered into by the state.

In making awards, low bid is determined by the price offered on the quantity actually contracted for, and not on a potentially lower price that might be received should other quantities be achieved.

V. In determining awards on competitive bids, discounts that are offered for early payment will only be considered when all other conditions are equal.

VI. The State of Wisconsin qualifies for governmental discounts and its educational institutions also qualify for educational discounts. Unit prices will reflect these discounts. Prices may be lower than U.S. government contract prices since states are exempt from the most-favored customer clause in GSA contracts.

VII. In processing invoices, priority is given to invoices which bear a cash discount.

VIII. All possible attention will be given to processing invoices within the terms of payment. See PRO-E-6, Prompt Payment Policy.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 77.54(9A)
77.54(11)

SCOPE:
- to establish policy on the state's status regarding federal excise taxes
- to establish policy on the state's status regarding the State of Wisconsin sales and use tax and State of Wisconsin local taxes
- to establish policy on the state's status regarding aircraft fuel taxes

CONTENT:

I. The State of Wisconsin and its agencies are exempt from payment of some federal taxes and Wisconsin state and local taxes on its purchases. Often the exemption is determined by the circumstances surrounding the purchase. The agency may need to consult other resources to make a determination. (Please see VIII.)

II. The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel, and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchase. The State of Wisconsin may be subject to other states' and tribal taxes on its purchases in that state or on tribal lands depending on the laws of that state or tribe.

III. Registration No. 39-73-1021-K was issued to the State of Wisconsin by the IRS to authorize tax-free transactions under Chapter 32 of the Internal Revenue Code. This registration number is on file with the District Director, U.S. Treasury Department, Internal Revenue Service, Milwaukee, Wisconsin. Chapter 32 does not exempt the state from all federal taxes.

IV. Contractors performing construction activities are required to pay state use tax on the cost of materials.

V. The Wisconsin Department of Revenue issues tax exempt numbers for Wisconsin sales and excise tax purposes to the State of Wisconsin, s. 77.54(9a). The Income, Sales and Excise Tax Division of the Wisconsin Department of Revenue should have a record of tax exemption certificates issued.

VI. The State of Wisconsin and its agencies do not pay the federal excise tax on purchases of gasoline and jet fuels used in aircraft owned and/or operated by the state.

A. Blanket registration number 39-74-0002-Y is used by all agencies for refund on aircraft fuels.

VII. The State of Wisconsin and its agencies do pay federal tax on airline tickets.

VIII. Reference material:

A. IRS Publication 510, Excise Taxes (Including Fuel Tax Credits and Refunds)

B. 26 U.S. Code Subtitle D—Miscellaneous Excise Taxes
http://www.law.cornell.edu/uscode/text/26/subtitle-D

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-E-16	10-1-89	7-1-89

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
CONTRACT BLANKET ORDERS

AUTHORITY: Wis. Stats. 16.71(1)

SCOPE:
- to define "contract blanket order"
- to establish policy and procedure on the use of contract blanket orders

DEFINITION:

1. A "contract blanket order" is used to establish an account with a vendor and encumber funds for purchases of materials and services as a result of a competitive bid/request for proposal or a waiver of bidding approved by the State Bureau of Procurement or by the agency if approved under the terms of delegation; e.g., when ordering from a mandatory contract or a contract resulting from a competitive process.

2. A contract blanket order will result in delivery of goods and services purchased through the competitive or noncompetitive process over a time period as indicated to the vendor by subsequent release orders. (See PRO-E-20, Release Orders.)

CONTENT:

1. The procurement of materials and services may be handled with a contract blanket order.

   A. A contract blanket order may be written for a maximum period of 12 months.

   B. A contract blanket order may be established for any dollar amount deemed necessary.

   C. The Official State Purchase Order (Form DOA-3067) is used for contract blanket orders. Wording on the purchase order will be specific and will include the contract blanket order period; delivery terms; release order procedure; and invoicing terms. The following is an example of possible wording:

      "Contract blanket order for (list specific material or service*) as required during the period _____ to _____. Do not ship at this time. A release order for shipment will follow. Please invoice monthly (or time period determined by agency)."

      *If general items are listed here, then specific items should be listed below after "as follows".

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Director
State Bureau of Procurement

Include a commodity code for line items with an estimated net price for each commodity code. In the case of general items use the group commodity code; e.g., medical supplies=commodity code 47598. Include a net grand total on the purchase order. Additional instructions or restrictions may be added by the agency.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

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Number	Effective	Replaces
PRO-E-17	1-1-82	NEW

Section	Agencies Affected	Replaces
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	NEW

Title	Page
CAPITAL ACQUISITION FINANCING	1 of 1

AUTHORITY: Wis. Stats. 16.52(6)
16.75(4)
16.77

SCOPE:
- to define the basic types of proposals for financing capital acquisitions
- to establish policy for capital acquisition financing

CONTENT:

I. The state has three basic options for financing capital acquisitions:

A. Leasing or lease purchase whereby a capital item is leased by the state for a specified term with the lessor holding the title. In some instances, the contract may provide an opportunity for the state to make an additional payment at the end of the leasing period and receive title to the property.

B. Conditional Sales Contract whereby periodic payments of principal and interest are made. The state builds up equity in the property, but does not obtain clear title until the final contract payment.

C. Collateral Secured Transaction whereby the state takes full title to the property and pledges the property as collateral for a loan used in turn to pay the supplier of the property.

II. Leasing or lease-purchase, Conditional Sales Contracts, and variations on these two types of proposals must be examined on a transaction-by-transaction basis.

III. In agreements requiring periodic payments in excess of funds available, there must be a provision stating that the contract's continuance beyond the limits of funds currently available is contingent upon appropriation of the necessary additional funds.

IV. Proposals for Collateral Secured Transactions may raise legal, constitutional and/or public policy questions, and should not be used unless such questions are resolved.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-19	1-1-82	NEW

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
LIFE CYCLE COST ESTIMATES

AUTHORITY: Wis. Stats. 16.75(1)(a)
16.75(lm)(a) & (b)

SCOPE: - to establish policy on the use of life cycle costing in the state procurement process

CONTENT:

I. Orders awarded and contracts made by the state for materials, supplies, equipment and contractual services, are awarded to the lowest responsible bidder, taking into consideration life cycle cost estimates if applicable. When life cycle cost considerations are used, the bid selected may not be the lowest initial cost bidder.

II. The life cycle cost formula includes, but is not limited to, the applicable costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance, and disposition or resale.

III. When life cycle costing is appropriate, the criteria to be applied is incorporated into the solicitation of bids or proposals.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-20	10-1-89	7-1-89

Section	Agencies Affected	Page
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	1 of 1

Title
RELEASE ORDERS

AUTHORITY: Wis. Stats. 16.71(1)

SCOPE:
- to define "release order"
- to establish policy and procedure on the use of release orders

DEFINITION:

1. A "release order" is used to authorize the vendor to fill orders for materials and services as stated on the noncontract/contract blanket order.

CONTENT:

1. The procurement of materials and services, with a minimum of administrative cost, may be handled with a release order.

   A. A release order may be in any format designated by the agency purchasing office.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 402.106(1) & (7)

SCOPE:
- to establish guidelines to be used in determining when a contract may be ended before its scheduled time
- to establish a procedure to follow in cancelling or terminating a contract

DEFINITIONS:

I. A "contract" is any agreement between two or more parties which creates an obligation to perform or refrain from performing some act. Acceptance of a purchase order constitutes a contract.

II. "Cancellation" occurs when either party ends a contract for breach by the other. The cancelling party retains any remedy for breach of the whole contract or any unperformed balance.

When one party violates the terms and conditions of a contract, the other party has the right to cancel. The entire contract may be rolled back, payments previously made may be refunded, and any remaining obligations are immediately ended.

III. "Termination" occurs when either party ends a contract other than for a breach. Any parts of a contract that already have been completed will be left alone, but obligations for the future, not yet performed, will cease.

CONTENT:

I. Types of cancellations:

A. Cancelling for cause/breach of contract

1. An actual breach occurs because of the failure of one of the parties to perform at the time and in the manner required by the terms and conditions of the contract.

B. Cancelling for an anticipated breach

1. A situation may arise where there has not as yet been a failure of performance. However, there is strong reason to believe that one of the parties to the contract will not be fulfilling their obligations. The burden of proof is upon the party potentially being harmed who must show convincing evidence of the

anticipated breach and good reasons why they must go elsewhere to seek performance or take some other course of action. If any damages are involved, usually they are limited to the costs in excess of the contract price, when alternate procurement is necessary.

II. Examples of the type of violations that may cause a breach of contract include, but are not limited to:

A. Nondelivery or late delivery of a product or service. NOTE: Caution must be exercised because if the failure to deliver or late delivery was caused by factors beyond the contractor's control (e.g., labor strike, fire, floods, act of God, etc.), the contractor usually is protected. Also, if there is a history of acceptance of late deliveries, the buyer's right to cancel may be challenged.

B. Failure to supply a product or service meeting the agreed upon specification or in the quantities ordered.

C. Improper invoicing--charging prices or imposing terms different from those agreed upon.

D. Seller unable to maintain or to provide parts and repair services, or to honor warranty on equipment or products sold.

E. Unwillingness of seller to submit an acceptable affirmative action plan.

F. The disclosure of collusion or price-fixing involving the successful bidder, after the contract has been awarded.

G. Failure of the contractor to comply with insurance and/or surety requirements.

H. Violation of state statutes (e.g., failure to supply information concerning hazardous materials or substances).

I. Federal debarment where federal funds are involved.

III. Liquidated damages:

A. When it is difficult to determine exact reimbursement costs in advance, liquidated damages may be used as a method of assessing damages for failure of performance. It is an effort by both parties to agree on a reasonable estimate of otherwise hard-to-determine damages at the inception of the contract in the event that performance is not forthcoming. Liquidated damages are not a penalty. They must be written in detail into the bid language, contract or other written agreement.

IV. Types of terminations:

A. Termination for convenience

1. Some contracts allow either party to terminate for any reason (or for no reason), under certain conditions or facts. Terms of the contract govern such terminations and usually specify that if either party suffers any hardship because of actions of the other, they will be reimbursed with a satisfactory, documented adjustment. If the amount of the compensation cannot be determined by mutual agreement, it may be necessary to submit to the courts for a final decision.

2. An example of a termination for the convenience of the state is found in a phrase usually inserted into contracts extending over more than one biennium period; “the state may terminate the contract without penalty if subsequent legislatures (or the funding agency) fail to appropriate the funds necessary to carry on the contract.”

B. Termination by mutual consent

1. Termination is not necessarily a cause for legal action. There may be a mutual agreement for termination with a satisfactory adjustment worked out between contracting parties.

2. Change orders which are common purchasing practice technically constitute a termination of a part of, or the whole original contract, and a substitution of a new contractual agreement. These generally are accepted by the buyers and sellers as a natural condition of doing business, and carry no implication of a breach of faith or contract.

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V. Contract administration procedure:

A. Since a great deal of time and effort have been invested in a contract, usually it is in the best interests of all parties to work together to resolve differences and save the contract.

1. When a problem arises, the purchasing department should immediately notify the contractor. If verbal communication is made, written confirmation should always follow.

2. All costs should be evaluated; if it is determined that the contract cannot be salvaged, or that it is more cost effective to bring it to a conclusion, termination or cancellation proceedings should be initiated. It is a good precautionary procedure to incorporate termination/cancellation procedures into the special conditions at the time bids are solicited. Depending upon the type of product or service under contract, and its relative importance to the state operations, conditions may vary. When writing the bid, the type of cancellation language in the bid document should be considered. Products such as food, hospital and medical supplies, heating fuels, etc., are so necessary and vital to human needs that a single violation may be cause for immediate cancellation and a search for a new source. Sample language to include may be: "late delivery of required medical supplies by more than 24 hours shall result in immediate termination of this contract." Or, in the instance where insurance is vital the language may read: "lack of insurance by the bus company shall result in immediate termination

of this contract." Other products or services that merely cause inconvenience to the state if not delivered in a timely manner may allow for more leniency and one, two, or even three warnings may be allowed before cancellation/termination proceedings begin. If any procedures were written into the original contract, they should be followed closely.

3. If a definite time period for notification is not explained in the original contract, specific circumstances usually will dictate the time interval to be used. In most situations, 30 days notice should be the minimum period allowed. The exception to this rule is the example of a seller making a late delivery of a purchase order where time is an important element of the contract. Unless it is desirable to extend the delivery date, the order should be cancelled immediately and placed elsewhere. In those situations where new bids will have to be solicited, but where it is impossible to do without a product or service in the interim period, a weak or even a bad contract may be the better alternative than none. In this instance, 60 or even 90 days notice may be required to keep the old contract in place while a new one is being developed.

4. Documentation of all events is the most important aspect of good contract administration. If verbal warnings are issued, they always should be confirmed in writing as soon as possible. A complete historical record is the best policy to minimize the state's liability and to support evidence in damage claims.

5. All bids should include elements that will result in cancellation should they occur. Each bid must be customized to reflect the appropriate criteria. The following example is from a bid for bituminous coal.

   Causes for Rejection of Shipments or Cancellation of Contract:

A. Performance of the coal in the furnaces is not satisfactory.

B. Excessive clinkering or destruction of grates or other parts of the furnace or boiler due to overall quality or coal performance.

C. Spontaneous combustion of the coal in bunkers or outside storage piles, despite good engineering or operating practices by the purchaser in the handling or storage of the coal.

D. Coal shipments repeatedly exceeding the maximum limits or falling below the minimum limits set forth in the specifications.

E. Repeated shipments of coal varying widely in chemical analysis.

F. Repeated shipments of coal in damaged or unsuitable rail cars or trucks.

G. Repeated shipments containing pieces of wood, metal, stone, straw or hay, ice, snow, or other foreign matter.

H. Repeated deliveries of frozen coal.

I. Persistent failure to make deliveries or shipments as ordered.

J. Repeated delivery of coal containing a higher percentage of fines than specified, or a top size larger than specified.

K. The repeated delivery of coal:

- Exceeding guaranteed as-received ash by more than 2%.
- Falling short of the guaranteed as-received Btu by more than 300.

- Exceeding calculated S02 emission rate of 1.5 lbs./mm Btu.
- Having an ash-fusion temperature lower than that specified.

L. Delivery of coal having a calculated sulfur dioxide emission rate exceeding 2.0 lbs./mm Btu is cause for cancellation of contract.

M. Failure of the contractor to comply with all the terms and conditions of this contract.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-E-22
		Effective 11-26-07
Section CONTRACTING, ORDERING, RECEIVING AND PAYMENT	Agencies Affected ALL	Replaces 1-24-06
Title LEASING/RENTAL, PASSENGER SEDANS; VANS AND STATION WAGONS; WORK VANS, TRUCKS AND BUSES; AIRPLANES; AND MOTORCYCLES		Page 1 of 3

AUTHORITY: Wis. Stats. 16.71(1)
20.915

SCOPE: - to establish procedure for an agency to obtain use of a vehicle when it is in the best interests of the state to do so. Examples include the following:

- A state-owned vehicle is not available
- Funds are unavailable for purchasing a vehicle
- Federal funds are used that specifically prohibit purchasing a vehicle
- The length of use and/or cost does not justify purchasing a vehicle

DEFINITIONS:

I. "Vehicle" means airplane, truck, automobile and motorcycle.

II. "Vehicle lease" means a contract between an agency and a vendor to provide a vehicle for a period of 30 consecutive days or more.

III. "Vehicle rental" means a rental of 29 days or less that is covered by the state's current contract for leasing or renting vehicles.

CONTENT:

I. Agencies will comply with the procedures in PRO-E-12, Lease and Rental Agreements, and observe the best interests of the state and sound procurement practices. All applicable procurement policies apply to a lease or rental as they do to a purchase.

>

II. An agency desiring to lease/rent a vehicle for 30 days or more will submit its request to the State Bureau of Procurement transportation manager using the procedures in III. A.-F. The transportation manager will evaluate each request and forward his/her recommendation to the State Bureau of Procurement director for final approval. If at the end of the lease/rental contract the agency still needs the vehicle, the agency will resubmit its request and receive approval to continue or renew a lease/rental using the procedures in III. A.-F.

Authorized:

Helen McCain, Director
State Bureau of Procurement

III. Agencies requesting a lease/rental vehicle will submit justification by answering and providing the following information to the State Bureau of Procurement transportation manager:

A. Would an internal reallocation of vehicles be beneficial (possible)? If not, why?

B. What level of staffing does the agency have now in comparison to prior years?

C. Has legislation passed expanding the scope of the agency, thereby, necessitating an additional vehicle(s)? If yes, how? Provide a copy of the legislation.

D. How many miles per month will this vehicle be driven?

E. Provide a cost analysis by comparing the cost of:

1. Purchasing a vehicle;

2. Leasing a vehicle from the Department of Administration's Central Fleet;

3. Leasing a vehicle from a current state contract (<u>if applicable</u>);

4. Renting a vehicle from the Department of Administration; and

5. Renting a vehicle from a current state contract.

F. What other information supports the need for an additional vehicle?

IV. The agency may charge lease/rental vehicles to the appropriate corporate travel card under contract. If that program is not available, the agency may charge the lease/rental to an authorized state purchasing card.

Authorized:

Helen McCain, Director
State Bureau of Procurement

V. The agency must use the appropriate, authorized fuel card under state contract to fuel rented and leased vehicles when possible. The leasing agency must compile an annual report based on fiscal or calendar year describing the total fuel used and miles driven by vehicles under lease, and submit this report to the Department of Administration. The purchasing card may *not* be used for charging fuel purchases.

VI. Other information:

A. The commodity code for vehicle leasing and rental is 97514. The commodity code will be used on any purchase order.

B. For additional information on leasing/renting vehicles, call the State Bureau of Procurement transportation manager at 608/266-8024.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-23	9-23-05	7-19-01

Section	Agencies Affected	Replaces
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	7-19-01

Title	Page
PURCHASING CARD	1 of 8

AUTHORITY: Wis. Stats. 16.71(1)

SCOPE: - to establish policies and procedures for management of a Purchasing Card Program in an agency

DEFINITIONS:

I. "Purchasing card" means a charge card issued to an authorized state employee through the Department of Administration, State Bureau of Procurement's Purchasing Card Contract.

II. "Cardholder" means a specific state employee who has been issued a purchasing card by an agency.

III. "Agency purchasing card program administrator" means the individual(s) appointed by the agency head to manage, coordinate and control purchasing cards within the agency.

IV. "Supervisor" means whoever is responsible for approving the cardholder's time and leave reporting.

V. "Record of purchases" means the medium used by the cardholder to record and verify purchases against the statement. Agencies may determine the mechanism that works best for them. The Purchasing Card User Manual shows a sample Purchase Log Form.

VI. "Original receipt" means the customer copy of the purchasing card receipt signed by the cardholder at the time of purchase. In the case of phone, fax or Internet orders, "original receipt" means the copy of the receipt sent by the supplying vendor to the purchaser with the goods purchased. This "original receipt" should be annotated by the cardholder to indicate that the order was placed by phone, fax or Internet.

VII. "Statement" means the detailed statement of charges that is sent to the cardholder by the purchasing card vendor.

Authorized:

Helen McCain, Director
State Bureau of Procurement

VIII. "Billing file" means the detailed bi-weekly billing that is received electronically by the State Controller's Office or individual University of Wisconsin campus from the purchasing card vendor.

IX. "MCC" means the merchant category code assigned by the banking industry. The state has three standard specifications: regular, travel and foreign emergency major medical expense.

CONTENT:

I. The purchasing card is a tool to manage purchasing and accounting resources by concentrating low-dollar purchases in a less paper-intensive process. Use of the purchasing card results in agency (state) liability, ***not*** personal liability for the cardholder. The cardholder's credit rating will not be affected by use of the purchasing card. However, the cardholder is responsible for maintaining security of the card and any misuse as outlined here, in the State Accounting Manual and in the Purchasing Card User Manual. All documents related to the purchasing card may be fully disclosed as a public record to the extent provided for by the Open Records Law.

A. The purchasing card is:

1. Authority granted by the agency head to individual state employees.

2. Authorized for official state use only.

3. Authorized for individual purchases through $5,000.

4. Authorized for purchases greater than $5,000 on statewide contracts where indicated or when authorized by the State Bureau of Procurement and the State Controller's Office.

5. Authorized for use with only certain categories of merchants and commodities.

6. Authorized for certain travel costs including airline tickets and travel agency service fees, lodging and any applicable taxes, car rental and rental car gas, hotel and airport parking and other commercial transportation including trains, such as Amtrak, buses, taxis and shuttles.

7. Authorized for foreign emergency major medical expense.

B. The purchasing card is ***not***:

1. A means to avoid appropriate procurement or payment procedures.

2. A card to access cash or credit.

> 3. For tax (1099) reportable services. If the purchasing card is used for reportable services, the agency is responsible for any tax (1099) reporting requirements that result.

4. A right of employment.

5. For cardholder personal use.

6. For reimbursable meal costs. Individual meals are NOT allowed to be charged on the purchasing card.

7. For interagency or intra-agency use (except for retail purchases from any agency operation that sells goods to the public and accepts a charge card; e.g., Document Sales, campus bookstores, etc.).

C. Purchasing card for travel:

1. Effective October 17, 2005, a state-issued charge card will be used for official business-related airline tickets, travel agency service fees, hotel room rates and any applicable taxes and rental car costs.

2. A purchasing card may also be used to charge car rental gas, hotel and airport parking, commercial transportation including trains, such as Amtrak, buses, taxis and shuttles. A purchasing card should also be used for training and conference registrations.

II. Agency responsibilities:

A. Agency participation in the Purchasing Card Program will be approved by the State Bureau of Procurement and the State Controller's Office.

B. The agency is responsible for establishing proper controls, including developing internal policies and procedures within the state guidelines identified here and in the State Accounting Manual and the Purchasing Card User Manual, and monitoring use of the cards by individual cardholders to ensure all purchases comply with all requirements of state statutes.

C. The agency is responsible for maintaining budgetary controls.

D. The agency is responsible for establishing individual cardholder credit limits. The single purchase limit may not exceed $5,000 per transaction without prior approval from the State Bureau of Procurement and the State Controller's Office except when used on authorized state contracts where indicated.

E. The agency will maintain a log of cards, including card numbers and to whom they were issued.

F. Agency payment transactions are loaded into the state accounting system and payment is automatically sent to the bank three days prior to the close of a cycle. Agency payment transactions that reject in the accounting system must be corrected and approved by agency staff no later than three days prior to the close of the cycle. Campus payment transactions must arrive at the bank in time to be posted prior to the close of the subsequent cycle. Any exceptions to this requirement due to holidays or major system issues will be announced as needed.

III. Agency purchasing card program administrator responsibilities:

A. The agency purchasing card program administrator is the liaison between the agency and the State Bureau of Procurement's Enterprise Cards Program manager. Responsibilities include, but are not limited to, handling purchasing card applications, providing assistance with suppliers (merchants), and responding to inquiries regarding internal policies and procedures, billing information, missing statements and damaged, lost or stolen cards.

B. Agency purchasing card program administrator's role in the agency implementation process:

>

1. Complete the setup forms provided by the contractor.

2. Select the appropriate merchant category code default template for the agency.

3. Submit written requests for statewide standard MCC and other policy exemptions to the State Bureau of Procurement's Enterprise Cards Program manager. Requests must provide programmatic justification for exemption.

C. Agency purchasing card program administrator's role in the cardholder setup process:

1. Obtain and retain a completed Purchasing Card Application and Use Agreement (form DOA-3584) from each cardholder applicant. The form may be reproduced or customized as needed. An electronic version is available on VendorNet.

2. Complete the cardholder account setup via the online system provided by the contractor.

3. Coordinate the accounting information for the cardholder with agency accounting.

4. Provide training to cardholders and supervisors.

D. If the agency purchasing card program administrator or the cardholder's supervisor determines that personal or other unauthorized charges have occurred, appropriate disciplinary steps, up to and including dismissal of the cardholder, will be taken to remedy the misuse/abuse of the card.

E. For cardholders using foreign emergency major medical expense cards, the agency purchasing card coordinator will follow up with the employee (cardholder) to assure that an insurance claim is filed. Refer to the State Accounting Manual for further information and instructions.

IV. Cardholder responsibilities:

A. ***The card will be used only by the person whose name appears on the card.***

B. Before a state employee can be issued a purchasing card, s/he will:

1. Sign a statement acknowledging her/his understanding of the restrictions on the use of the card and the possible actions if s/he violates the conditions of statewide and agency policies on use of the card (Purchasing Card Application and Use

Agreement, form DOA-3584). The form may be reproduced or customized as needed. An electronic version is available on VendorNet.

2. Receive training as established in agency policies and procedures and documented by the agency purchasing card program administrator.

C. The cardholder will maintain a record of purchases and retain all original receipts. See form DOA-3585 as an example of a record of purchases. The form may be reproduced or customized as needed. An electronic version is available on VendorNet.

D. Upon receipt of the statement from the card company, the cardholder will verify that the statement agrees with the record. The cardholder will then sign the record to attest that all purchases are for official state business and comply with appropriate rules and regulations. The cardholder will then forward the signed record with original receipts to his/her supervisor. (See State Accounting Manual for reviewer's responsibilities.)

E. If a cardholder violates the prohibition against personal use, s/he will return the merchandise for complete credit or repay the state all personal amounts, including any applicable state, county or city sales taxes.

V. Agency purchasing office responsibilities:

A. The central purchasing office will record and report to the State Bureau of Procurement purchases made with Wisconsin-certified minority business enterprises on a monthly basis as described in PRO-G-2, Minority Business Enterprise Procurement Activity Reporting. Agencies will use card company reports to compare against the Wisconsin certified minority business enterprise listing. Include these vendors in the Minority Business Enterprise Procurement Activity Report (form DOA-3005).

B. The central purchasing office will conduct random audits of purchasing card use to ensure that policies and procedures are being followed, purchase volume appears reasonable, transactions are appropriate, documentation is complete, and proper internal controls exist with regard to the program.

REFERENCES:

I. For accounting responsibilities, refer to the State Accounting Manual, Section V, Subsection 13.

II. For specific information and instructions on how to use the purchasing card, refer to the Purchasing Card User Manual and the State Accounting Manual.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-E-24	11-25-02	NEW

Section	Agencies Affected	Replaces
CONTRACTING, ORDERING, RECEIVING AND PAYMENT	ALL	NEW

Title	Page
EXTENDED PERIOD/CONTINUING CONTRACTS	1 of 4

AUTHORITY: Wis. Stats. 16.75(3)

SCOPE:
- to define extended period/continuing contracts
- to define circumstances for extended period/continuing contracts
- to establish authority and procedure for extended period/continuing contracts

DEFINITION: I. "Extended period/continuing contract" status is reserved for exceptional circumstances when continuing a contractual relationship with a particular vendor for an extended period of time is more beneficial to the state than could be provided by any other vendor in the foreseeable future. Normally procurement contracts run for one year with two one-year renewals, however, s. 16.75(3), Wis. Stats., provides that under certain circumstances procurement contracts may be for any period which is in the best interests of the state. The extended period/continuing contract allows the state flexibility to adjust to changes through mutual efforts. The extended period/continuing contract should exist as long as it is advantageous to the state to continue it.

For a contract to be designated with extended period/continuing contract status, it must meet the following standards:

A. Contracts for services only.

B. Requires substantial investment in time, money, infrastructure, training and knowledge by the state and/or the vendor in order to start up and maintain the contract.

C. Requires consistency in vendor personnel over time to provide evolving understanding of the state's culture, structure and operations.

D. Requires innovation and changes in scope, process and technology that are developed by and are mutually beneficial to both partners.

E. A change of vendors will disrupt critical state operations and/or cause the state to incur significant, documented costs.

Authorized:

Leo Talsky, Director
State Bureau of Procurement

F. Competition is extremely limited or non-existent.

CONTENT: I. In addition to standard contract language, an extended period/continuing contract will contain the following:

A. A statement that the contract has extended period/continuing contract status and will continue for annual periods indefinitely unless terminated at the request of either partner.

B. A statement of the conditions under which the state may seek competition and potentially terminate the contract, including the timeframe for doing so. These conditions are over and above the normal causes for termination (i.e., non-performance, breach of contract); such as industry, competitive or other environmental developments whereby it is no longer in the best interests of the state to continue the contract.

C. A statement of the conditions under which the contractor may seek to terminate the contract, including the timeframe for doing so.

D. Establishment of the required performance standards necessary to maintain extended period/continuing contract status.

E. Establishment of an annual (or other periodic) contract review meeting to discuss performance, industry direction, program enhancements and anticipated state needs for the near and long-term future. The contract review is the forum for discussion of pricing changes, results of quality of service surveys conducted by the state and the contractor and renegotiation of contract terms (as necessary). The agency will submit the meeting minutes to the State Bureau of Procurement.

F. A statement that the state may request an independent audit of the contractor's performance. If such an audit is required, the contractor will be responsible for the cost.

G. A statement that any subcontract should be established in a competitive manner and in accordance with ss. 16.75(3m) and 16.752, Wis. Stats., where appropriate.

II. Management biennial review committee:

A. The Bureau will chair a management biennial review committee comprised of two representatives each from the using agency and the vendor. The Bureau may request assistance from legal counsel or other advisors as necessary. The committee will meet biennially to discuss issues, such as price, contract evaluation, market conditions, emerging technology and third party data. The committee will reach agreement regarding continuation or termination of the contract. Public notice of these meetings will be given by announcement on VendorNet, a class I notice or such other notice as is appropriate to inform vendors and other interested members of the public of the meetings. If a class I notice is given, publication will occur at least seven days before the meeting.

PROCESS: I. Request for bid/proposal:

A. For a request for bid/proposal, the agency submits a Request for Purchasing Approval/Authority (RPA) to the State Bureau of Procurement.

B. The RPA will be accompanied by a justification letter addressing the need for the extended period/continuing contract and the standards identified in Definition I. A. through F. and the conditions of contract identified in Content I. A. through G.

C. The request for bid/proposal document will contain a statement in the scope section that the contract is designated for extended period/continuing contract status and will continue for annual periods indefinitely unless terminated by either party. The resulting contract must contain the language identified in Content I. A. through G.

D. The Bureau reviews the justification request and approves or denies the request.

II. Sole source:

A. For a sole source request, the agency's RPA will be accompanied by a justification letter addressing the need for the extended period/continuing contract and the standards identified in Definition I. A. through F. and the conditions of contract identified in Content I. A. through G.

B. The Bureau reviews the justification and approves or denies the request prior to forwarding the RPA to the Governor (if appropriate) for approval.

C. If the request is approved, the contract document will contain the language identified in Content I. A. through G.

III. See PRO-E-10, Length of Contracts.

Authorized:

Leo Talsky, Director
State Bureau of Procurement

Transportation, Materials Distribution, Disposal

Number	Title	Effective Date
PRO-F-1	Surplus Property Disposal -- Vehicles and Related Equipment	11-05-10
PRO-F-2	Materials Distribution Services (Formerly State Consolidated Stores) and Waupun Central Warehouse	08-01-99
PRO-F-3	Surplus Property Disposal -- Nonvehicles	03-18-04

AUTHORITY: Wis. Stats. 16.04
16.72(4)(b)
16.72(5)(a),(b),(c)
20.915
66.0301(1)
125.14(2)(e)
346.65(6)(g)
Wis. Adm. Code Chapter Adm 11.05(1)(a), 11.06, 11.07(1)

SCOPE:
- to establish authority, policy and procedure for disposal of vehicles
- to reference the current Procurement Information Memorandum (PIM) for dates and fees

DEFINITIONS:

I. "Property type" means either state surplus property or state replacement property.

II. "State surplus property" means property (supplies, materials or equipment) with the following characteristics:

A. It does not meet program needs because of one or more of the following:

1. It does not function in whole or in part.

2. It is technologically obsolete.

3. It is otherwise not useful to the program.

4. It is not needed in the foreseeable future to meet program responsibilities.

B. It will not be replaced within the standard replacement schedule or within the current fiscal year with property that is functionally similar.

C. Given appropriation type, net proceeds may be credited to the Budget Stabilization Fund according to the guidelines established by the State Controller's Office. Refer to the State Accounting Manual for further information.

III. "State replacement property" means property (supplies, materials or equipment) that has the following characteristics:

A. It is due to be replaced because of one or more of the following:

1. It is beyond the specified date established in an agency replacement schedule.

2. It meets established Department replacement criteria.

3. It is technologically obsolete.

4. It does not function in whole or in part.

B. It will be replaced within the standard replacement schedule or within the current fiscal year with property that is functionally similar.

IV. "Net proceeds" means the difference between the income received from the sale less allowable deductions. (See the State Accounting Manual.)

V. "Auction fee" means a charge by the State Surplus Property Program for disposing of a vehicle or related equipment at a vehicle auction.

VI. "Auction sale" means sale by bidding at a public auction, including on-line auctions, conducted by the State Surplus Property Program.

VII. "Inter-agency sale" means sale between State of Wisconsin agencies.

VIII. "Late fee" means charge by the State Surplus Property Program for late submittal of the Inter-Agency Used Vehicle Sale Report.

IX. "Nonprofit/other government sale" means sale to a nonprofit or other governmental unit within Wisconsin.

X. "Salvage sale" means sale for scrap value by bids.

XI. "Summer use program or temporary assignment" means any surplus vehicle(s) that is retained by the owning agency on a temporary basis after the replacement vehicle has been received. Such vehicles must be justified and approved in writing by the SSPP within 30 days after delivery of the replacement vehicle.

XII "Position" means a single approval by the governor for the operation of a motor vehicle.

XIII. “Vehicle” means any automobile, truck, motor bus, or any self-propelled or motor driven vehicle operated on a public highway (MVD 194.01(01)), and aircraft and inboard motor powered boats. See s. 16.04, s. 20.915, and PRO-D-16, Procurement of Motor Vehicles, for further information.

XIV. "Surplus vehicle" means a used vehicle that the Department of Administration has approved for disposal because it satisfies one or more of the following criteria:

A. Vehicle is replaced by a new, used or other vehicle.

B. Mileage exceeds minimum criteria as established in the PIM for each year.

C. Vehicle no longer satisfies agency's needs.

D. Body and/or mechanical damage for passenger vehicles and light trucks exceeds 50% of the National Auto Research Black Book value to repair.

E. Vehicle, including a bus or a large truck, has been approved for replacement for other reasons by the Department of Administration.

XV. "Tow-away vehicle" means a vehicle that has been declared unsafe to operate on public highways.

CONTENT: I. Program administration: (Refer to current Procurement Information Memorandum for current fees and dates.)

The State Surplus Property Program (SSPP), Department of Administration (DOA), is responsible for developing and implementing policies for disposing of surplus state vehicles and related equipment.

II. Authorization:

SSPP authorization is required before disposing of any vehicle, by any method.

III. Agency fleet manager: Each agency that owns vehicles will appoint an employee to:

A. Evaluate and identify vehicles for disposal; and

B. Coordinate agency responsibilities for disposal and maintain liaison with SSPP staff.

IV. Methods of disposal: Per Adm 11.06, all state surplus property will be disposed by any one of the following methods:

A. Transfer or sale to another state agency. The department will assist agencies in locating potential users of surplus state property.

B. Transfer or sale to a municipality, as defined in s. 66.0301(1), other than a state agency.

C. Sale to the public by one of four methods:

1. Soliciting competitive bid offers from the public.

2. Offering to the public at a fixed sale price established by the department by appraisal, market survey or other means.

3. Offering to the public at the highest competitive price arrived at through public auctions including on-line auctions.

4. Arriving at a negotiated sale price that is determined by open documented negotiation, for example, Blue Book value.

D. Trade-in on replacement vehicles when approved by the DOA transportation procurement manager.

E. Sale for salvage value. <u>A minimum of three (3) bids is required from qualified sources. The agency will document the bids, including any negative responses</u>.

F. Scrapping for no value or limited value (applies only to non-vehicle surplus property).

G. Destruction when security or confidentiality is required, when disposition by any other method might be hazardous to the public, or when attempts to dispose of the property by all other methods have failed. (This applies only to non-vehicle surplus property.)

Note: Donations of state vehicles to private individuals, for-profit organizations or state employees are prohibited. Sales to state employees are prohibited unless vehicles are sold at pre-announced public auctions or by sealed bids.

V. Substitution of vehicle for auction:

An agency may substitute one vehicle for another vehicle which previously was authorized for disposal by the DOA, provided that the substitute vehicle satisfies disposal criteria as established in the most recent PIM or needing repairs that exceed 50% value of the vehicle.

. To substitute a vehicle, prior to taking any action to dispose of the vehicle, the agency will:

A. Identify to the SSPP at least four weeks prior to the auction that the agency is requesting a substitution; and

B. Provide to the SSPP the make, model, year, vehicle identification number, and current mileage of both the vehicle originally authorized for disposal and the vehicle for which disposal is requested.

VI. Federal property:

When the agency purchases property with federal funds, the agency will adhere to the notice requirements or procedures agreed upon at the time of purchase prior to disposing of the property. The state's disposal requirements then follow.

VII. Funding sources:

The funding source used to purchase the property being sold is important in determining how to account for the net proceeds from the sale of the property. See the State Accounting Manual for instructions on accounting for proceeds from the sale of surplus or replacement property.

VIII. Existing specific state statutes governing surplus proceeds:

Existing specific state statutes prevail over general statutes, such as s. 16.72(4)(b), and over the scope of SSPP authority. Examples of such statutes are:

A. S. 346.65(6)(g) (proceeds from seized vehicles)

B. S. 125.14(2)(e) (proceeds from alcohol seizures)

IX. Calculation of net proceeds:

A. Per Adm 11.07(1), handling and selling costs may be deducted from the sales proceeds. Any remaining net proceeds will be accounted for as provided in the State Accounting Manual.

B. Adm 11.07(1) permits the handling and selling costs to be deducted from the sales proceeds. Examples of allowable deductions are:

1. Staff time (including overtime)

2. Storage expenses

3. Sales commissions

4. Transportation expenses

5. Legal expenses

6. Insurance expenses

7. Preparation expenses

8. Repayment of financial lease obligations

PROCEDURES: I. Inter-agency sale:

A. State agencies are permitted to sell vehicles to another state agency as desired so long as the receiving agency sells a surplus vehicle or the selling agency permanently releases a position. Agencies interested in purchasing a vehicle from another agency should contact other agencies or the SSPP for available vehicles. Additionally, the SSPP will distribute lists of all vehicles that are available for purchase upon request.

B. Sale negotiations: The buying and selling agencies may negotiate the sale price for any vehicle. Information on recent auction sales for similar vehicles and current Black Book values are available from the SSPP upon request.

C. Report: The selling agency:

1. Initiates the Inter-Agency Used Vehicle Sale Report (form DOA-3736) by completing the selling agency information.

2. Completes the Used State Vehicle Condition Report/Identification (safety check) (form DOA-3081). (This form should be completed by qualified personnel.)

3. Forwards completed documents to the buying agency at the time the vehicle is delivered:

a. Inter-Agency Used Vehicle Sale Report (A copy of this report must also be sent to the SSPP at the time the vehicle is delivered.)

b. Used State Vehicle Condition Report/Identification

c. Certificate of Title

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D. Report: The buying agency:

1. Completes and submits an Inter-Agency Used Vehicle Sale Report for the vehicle purchased, within fifteen (15) working days of accepting delivery of the vehicle, to the SSPP.

2. Failure by the buying agency to submit these documents on time:

a. Will result in assessment of a late fee, in addition to the inter-agency sales fee; and

b. May impact its request for new vehicles for the following year.

E. Payment:

1. The selling agency will invoice the buying agency for the vehicle at the negotiated sale price.

2. The DOA will invoice each buying agency for the inter-agency sale fee and for any late fee in January and in July for all vehicles sold during the prior six (6) months.

F. Retitling: The buying agency will forward the updated Certificate of Title to the SSPP within fifteen (15) working days of the issuance date of the new Certificate of Title.

II. Sale to a tax supported unit (municipal sale) or a not-for-profit organization:

A. State agencies are permitted to sell vehicles to other tax supported units as desired. The agency will continue to retain the position that the vehicle occupied previously, unless the position is released pursuant to Adm 11.05(1)(a). (It is not needed by the agency to carry out program responsibilities in the foreseeable future.)

B. Surplus Property Declaration/Authorization: The selling agency will submit a Surplus Property Declaration/Authorization (form DOA-3178) before each transaction. The form will include the vehicle's fleet number, identification number, make, model, year and current mileage as well as the reason for not sending the vehicle to a state auction.

C. Sale Price:

The SSPP will provide the selling agency the vehicle's current Black Book value and recent auction sale price.

D. Review Declaration:

1. If the SSPP approves the disposal, the SSPP will provide the agency with the vehicle's Certificate of Title and a copy of its approval notice within five (5) working days of receipt.

2. If the SSPP does not approve the disposal, the SSPP will notify the agency in writing within five (5) working days of receipt.

3. The agency will return form DOA-3178 after the disposal has occurred.

E. Multiple sales to Wisconsin municipalities: When an agency anticipates such sales, the agency will:

1. Identify each vehicle which it might sell to Wisconsin municipalities by fleet number, vehicle identification number, and vehicle make, model and current mileage.

2. Initiate a Surplus Property Declaration/Authorization (form DOA-3178), submit it to the SSPP prior to any sales, and indicate "municipal sales" as the proposed disposal method.

3. Consult with the SSPP to determine appropriate price(s) for these sales.

4. Obtain a Used State Vehicle Condition Report/Identification (form DOA-3081) signed by an authorized mechanic and prepare each vehicle for sale in the same manner as is required when a vehicle is sold through a state auction.

5. Negotiate sale.

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6. Arrange for delivery of the vehicle to the municipality along with the Certificate of Title and Used State Vehicle Condition Report/Identification.

7. Report all sales by the following January 15th and July 1st by completing form DOA-3178 and by noting for each sale the municipality making the purchase, sale price, delivery date and mileage at time of delivery.

III. Sale to the public:

A. State agencies are permitted to sell vehicles to the public in any one of the approved methods that appear below. Positions vacated by sold vehicles will be retained, unless the position is released by the agency pursuant to Adm 11.05(1)(a). (It is not needed by the agency to carry out program responsibilities in the foreseeable future.)

B. Solicit competitive bids:

Each agency must obtain approval from the SSPP prior to soliciting competitive bids from the public. Such authorization will be accomplished via the Surplus Property Declaration/Authorization (form DOA-3178). Competitive bids must be advertised in a newspaper of general circulation. Such competitive bids must be published for a period of not less than five (5) business days in the newspaper. In addition, agencies are encouraged to post such competitive bids on the Internet. Such online posting may occur via the agency's web page or materials may be submitted to the SSPP for posting on the SSPP web page.

Agencies may establish a minimum bid. Assistance in determining fair market value may by obtained from the SSPP. Agencies must accept the highest bid received so long as the bid meets or exceeds the established minimum bid. The selling agency will report final sales price to the SSPP.

C. Offering to the public at a fixed sale price:

1. Each agency must obtain approval from the SSPP prior to offering the vehicle to the public at a fixed price. Such authorization will be accomplished via form DOA-3178.

2. Upon approval, each agency may offer a surplus vehicle for sale to the public at a fixed price. Such an offer will be competitive in nature and not preclude by design any interested parties. The selling agency will report final sales price to the SSPP.

D. Sale by public auction (including on-line sales):

1. Current auction dates, fees, etc.: Annually, the SSPP will issue a PIM for <u>any</u> vehicle auctions, designating auction dates, locations, fees and administrative dates for managing the auctions. The SSPP and the agencies need to adhere to these dates to manage the auctions efficiently. As appropriate the SSPP may work with agencies to sell vehicles on-line.

2. Auction vendor: The Department of Administration will solicit bids and will contract with a vendor to provide auction services.

3. Surplus vehicle inventory lists:

   a. Information will include the following for each vehicle: agency fleet number, make, model, year, vehicle identification number and current mileage, as well as any additional equipment added to trucks, i.e., hoists, plow, etc. The inventory list will identify the agency's preferred auction date and the name/telephone number for a contact person.

   b. Where necessary to distribute vehicles equitably among auctions, the SSPP may alter an agency's auction date(s) and send a corrected list to the affected agency(ies).

   c. Agencies are encouraged to submit photographs (digital photographs or 35mm film) of vehicles or trucks with equipment added for the auction flyer to promote interest in the item.

4. Preliminary procedures for a vehicle auction:

   a. The SSPP will confirm each agency's vehicle(s) scheduled for the auction with an auction item list and two tags for two sets of keys and two vehicle window number stickers, both pre-numbered to correspond to each vehicle's assigned auction item number.

b. Each agency will submit to the SSPP the following for each vehicle by the date designated in the current PIM, approximately four (4) weeks prior to auction:

(1) An original and one (1) copy of the completed Used State Vehicle Condition Report/Identification (form DOA-3081). This is a two-sided form:

(a) Side 1: The Used State Vehicle Condition Report will be signed by an authorized agency representative or mechanic who has conducted the vehicle inspection.

(b) Side 2: The Used State Vehicle Identification Report describes the vehicle and its options and will be signed by an authorized agency representative who has compared the vehicle to the information provided.

(c) Failure to complete and sign both sides of this document results in the SSPP's returning it to the agency to obtain the missing information. If the agency is unable to return the document in time for the auction, the SSPP may remove the vehicle from the auction or may sell the vehicle as a tow-away vehicle.

(2) One set of keys with a SSPP pre-numbered key tag.

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5. Vehicle preparation for auction: Each agency is responsible for acceptable vehicle condition at the time of delivery to an auction site:

a. Each agency/campus will review the Vehicle Sales Standard Guidelines when determining whether to sell or salvage a vehicle.

b. Each vehicle will be in clean condition, including the removal of all non-vehicle items, rubbish, cigarettes, etc., from the interior.

c. Each vehicle will have had any decals, insignia, parking or fleet numbers removed.

d. License plates will be removed upon delivery to the auction site by owning agency staff.

e. Additional cleaning and buffing is advisable depending on the condition of the vehicle.

The SSPP will determine if vehicles meet the minimum requirements as listed above. If the SSPP requires additional preparation services, the SSPP will bill the selling agency for such services within twenty (20) working days of the auction.

6. Delivery of vehicles to the auction site:

a. Agencies may transport their own vehicles to auction sites.

b. The auction services vendor also transports vehicles, upon request, to all auction locations. However, a per mile charge may apply. The SSPP will pay the auction vendor and will bill the selling agency for any transportation fees within thirty (30) working days of the auction.

c. If an agency wants the auction vendor to transport any vehicle(s) to an auction site, the agency will notify the SSPP by 1:00 p.m. on the Thursday preceding the Monday pickup day.

d. Vehicles to be transported by the auction vendor will be properly prepared and inspected by the selling agency and available for transport by 8:00 a.m. on the Monday preceding the auction.

e. Each vehicle will be delivered to the auction site with at least 1/4 tank of gasoline remaining.

f. All vehicles must be at the auction site by 12 noon on the Thursday preceding the auction regardless of whether the auction vendor or the owner agency handles delivery.

g. The SSPP pre-numbered window stickers will be affixed in the upper left corner of each rear side window of the vehicle delivered.

h. Drivers will remove all trash from the vehicles' interiors and all license plates from vehicles after delivery to the auction site.

i. Each vehicle will be locked upon delivery with the second set of keys, with the SSPP pre-numbered key tag attached, and the keys will be delivered to the authorized personnel at the auction site.

7. Sale of vehicles, transfer of Certificates of Titles, etc., at the auction site:

a. The auction vendor collects payment from the buyer and provides a receipt for each vehicle purchased.

b. The SSPP provides each buyer with the following for each vehicle: Certificate of Title and vehicle keys.

c. The Wisconsin Department of Transportation (WisDOT) or its agent is available at each auction site to re-title and re-register vehicles and, when appropriate, to collect the Wisconsin state and county sales tax.

8. Auction conclusion:

a. The SSPP sends to each participating agency for its own vehicles:

(1) A list of registered bidders with bidders' numbers that can be referenced to identify vehicle buyers, within five (5) working days of the auction date.

(2) An Auction Fee Report that includes the sale price, the auction fee and the net revenue for each vehicle sold at the auction, within fifteen (15) working days of the auction.

(3) Payment for its vehicles sold at the auction, less the SSPP auction fee, within fifteen (15) working days of the auction.

(4) An itemized statement for any charges for transporting vehicles to the auction site, or other auction related charges, within fifteen (15) working days of the auction.

b. The SSPP arranges for sending the auction vendor payment for its auction fee within ten (10) working days of the auction.

E. Negotiated sale price:

Upon approval from the SSPP, an agency may negotiate a sales price with the general public so long as the negotiation is documented and is based upon a valid assessment of the vehicle's current market value, such as Blue Book or Black Book values.

1. Surplus Property Declaration/Authorization: The selling agency will submit a Surplus Property Declaration/Authorization (form DOA-3178) before each transaction. The form will include the vehicle's fleet number, identification number, make, model, year and current mileage as well as the reason for not sending the vehicle to a state auction.

a. If the SSPP approves the disposal, the SSPP will provide the agency with the vehicle's Certificate of Title and a copy of its approval notice within five (5) working days of receipt.

b. If the SSPP does not approve the disposal, the SSPP will notify the agency in writing within five (5) working days of receipt.

c. The agency will return form DOA-3178 after the disposal has occurred.

2. Sale price: The SSPP will provide the selling agency the vehicle's current Black Book value and recent auction sales price.

3. Negotiate the sale: The selling agency may negotiate a sales price with the general public so long as the negotiation is open, documented, and results in a sale that is consistent with the vehicle's current fair market value as determined from a valid source such as N.A.D.A. or Black Book.

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4. Vehicle delivery: The selling agency will arrange for delivery of the vehicle to the general public, along with the Certificate of Title and Used State Vehicle Condition Report/Identification.

5. Reports: The selling agency will submit the final sales price along with a signed copy of the Used Vehicle Condition Report, documentation of the negotiation, and buyer contact information to the SSPP within 14 days of the sale.

IV. Trade in on replacement vehicle:

A. State agencies are permitted to trade in a vehicle against the purchase of a replacement vehicle. Such a trade-in requires the joint approval and appropriate justification from the SSPP and the transportation procurement manager. However, such a trade must clearly indicate that the trade-in is in the best interest of the state.

B. Agency responsibility: The agency will:

1. Obtain the cost of the replacement vehicle without the trade-in factored, and then compare the cost against the trade-in value.

2. Complete form DOA-3178 noting vehicle identification number, make, model, year and current mileage and submit it along with the trade-in analysis to the SSPP and Transportation Procurement.

V. Salvage sale (wrecked vehicle sale or junk sale):

A. SSPP review: On a case-by-case basis, the SSPP may authorize an agency to dispose of a passenger vehicle or light truck for salvage value if the cost of the repair exceeds 50% the National Auto Research's Black Book value of the vehicle. Alternatively the SSPP may require that the agency transport the vehicle to an auction, when economically feasible to do so.

B. Agency responsibility: The agency will:

1. Obtain two estimates of the cost to repair the vehicle from authorized repair or body shops;

2. Complete form DOA-3178 noting vehicle identification number, make, model, year and current mileage and submit it along with the repair cost estimates to the SSPP. (Photographs of the vehicle help depict its condition.) The SSPP will review such request and approve or not approve the request within five (5) working days of receipt of the declaration;

3. Dispose of the vehicle as authorized by the SSPP. Sale for salvage value requires a minimum of three (3) bids from qualified sources. The agency will document the bids, including any negative responses; and

4. Report the sale to the SSPP by completing form DOA-3178 noting purchaser, sale price, and date of sale and attach a copy of the public notice of the sale.

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Note: For a wrecked or damaged vehicle sold locally, the SSPP stamps the Certificate of Title "salvage" which means that the WisDOT will not re-title or license the vehicle until the vehicle has passed an inspection by a WisDOT certified salvage inspector.

VI. Scrapping for no or limited value:

This method of disposal applies only to non-vehicle surplus. If the vehicle is in poor condition, refer to PRO-F-1, Procedures V., Salvage Sale.

VII. Destruction when security or confidentiality is required, when disposition by any other method might be hazardous to the public, or when attempts to dispose of the property by all other methods have failed:

This method of disposal applies only to non-vehicle surplus. If the vehicle is in poor condition, refer to PRO-F-1, Procedures V., Salvage Sale.

VIII. For additional information, contact the state surplus property manager at 608/266-3620.

- Mailing Address: State Surplus Property Program, P.O. Box 7867, Madison, WI 53707-7867
- Inter-Departmental Mail: 101 E. Wilson St., 6th floor

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-F-2	8-1-99	7-1-88

Section	Agencies Affected	Page
TRANSPORTATION, MATERIALS DISTRIBUTION, DISPOSAL	ALL	1 of 3

Title
MATERIALS DISTRIBUTION SERVICES (FORMERLY STATE CONSOLIDATED STORES) AND WAUPUN CENTRAL WAREHOUSE

AUTHORITY: Wis. Stats. 16.71(1)
16.73(2)
20.285(1)(ha)

SCOPE:
- to define and identify Materials Distribution Services at the University of Wisconsin-Madison (formerly State Consolidated Stores) and Waupun Central Warehouse operations
- to establish procedures for utilizing Materials Distribution Services at the University of Wisconsin-Madison and Waupun Central Warehouse

DEFINITION: "Materials Distribution Services at the University of Wisconsin-Madison (MDS)" and "Waupun Central Warehouse (WCW)" operations are funded by program revenues (offset costs with an add-on to their cost of goods). The University of Wisconsin-Madison administers MDS, and the Department of Corrections administers WCW. Both may sell items to any tax supported entity located within the boundaries of the State of Wisconsin; federal, state, county, municipal or public school district. Both have the option of stocking State Bureau of Procurement statewide contract products, allowing these operations/warehouses to be allowable alternative sources for those commodities.

CONTENT: I. MDS is located near the University of Wisconsin-Madison Campus. MDS stocks approximately 900 high-volume items largely in office supplies, office paper, janitorial supplies, laboratory supplies and maintenance items. The MDS Web address is http://www.bussvc.wisc.edu/mdsswap/mdsswap.html.

Materials Distribution Services at the
University of Wisconsin-Madison
2102 Wright Street
Madison, WI 53704
608/245-2900 or 800/662-1727

Authorized:

Director
State Bureau of Procurement

II. WCW is located in Waupun, Wisconsin. WCW stocks approximately 700 items and is the source for such supply items as lumber, plywood, paint, toilet tissue, paper towels, cups, napkins, plastic poly bags, motor oils and lubes and fencing. WCW also stocks many other items. A catalog and price lists are available by contacting:

Waupun Central Warehouse
Department of Corrections
1 Doty Street
Waupun, WI 53963
920/324-2691

PROCEDURES: I. Materials Distribution Services at the University of Wisconsin-Madison

A. University of Wisconsin departments and campuses

MDS maintains customer account numbers for the University of Wisconsin-Madison departments and other University of Wisconsin campuses. University of Wisconsin departments and campuses may establish new customer accounts by contacting the MDS customer account executive at 608/245-2919.

B. State agencies

1. MDS also maintains customer account numbers for agencies through cooperation with the Department of Administration (DOA) Financial Operations. Agencies may establish new customer accounts by contacting the MDS customer account executive at 608/245-2919.

2. Monthly, MDS combines statements by agency and sends these to the agency finance office. MDS submits a monthly invoice to DOA. DOA bills agencies through the General Services Billing System, and the agencies pay DOA. DOA then pays MDS.

C. Others

1. Most authorized units have account numbers already assigned in MDS' data processing system. For more information, agencies may call 608/245-2919. When the agency submits a purchase order, the account number will be used and the purchase order will be referenced in the text of the order information.

2. MDS sends a monthly invoice along with statements to the customer. The customer sends a check for payment to MDS. Terms are net 30.

II. Waupun Central Warehouse

Customers are assigned customer numbers for identification and delivery reference purposes, but transactions (ordering and billing) are made by submitting purchase orders. For more information, agencies may call 920/324-2691.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-F-3	3-18-04	10-27-03

Section	Agencies Affected	Page
TRANSPORTATION, MATERIALS DISTRIBUTION, DISPOSAL	ALL	1 of 10

Title
SURPLUS PROPERTY DISPOSAL—NONVEHICLES

AUTHORITY: Wis. Stats. 16.72(4)(b)
16.72(5)(a),(b),(c)
66.0301(1)
77.54(7m)
181.0103(17)
Wis. Adm. Code Chapter Adm 11

SCOPE:
- to define state surplus property and state replacement property
- to establish authority, policy and procedures for disposal of replacement and surplus property, except for vehicles (See PRO-F-1, Surplus Property Disposal—Vehicles and Related Equipment.)
- to enumerate allocation of proceeds by property type

DEFINITIONS:

I. "Department" means the Department of Administration.

II. "SSPP" means the State Surplus Property Program.

III. "Property type" means either state surplus property or state replacement property.

IV. "State surplus property" means property (supplies, materials or equipment) with the following characteristics:

A. It does not meet program needs because of one or more of the following:

1. It does not function in whole or in part.

2. It is technologically obsolete.

3. It is otherwise not useful to the program.

4. It is not needed in the foreseeable future to meet program responsibilities.

B. It will not be replaced within the standard replacement schedule or within the current fiscal year with property that is functionally similar.

Authorized:

Jane Pawasarat, Director
State Bureau of Procurement

C. Given appropriation type, net proceeds may be credited to the Budget Stabilization Fund according to the guidelines established by the State Controller's Office. Refer to the State Accounting Manual for further information.

V. "State replacement property" means property (supplies, materials or equipment) that has the following characteristics:

A. It is due to be replaced because of one or more of the following:

1. It is beyond the specified date established in an agency replacement schedule.

2. It meets established Department replacement criteria.

3. It is technologically obsolete.

4. It does not function in whole or in part.

B. It will be replaced within the standard replacement schedule or within the current fiscal year with property that is functionally similar.

VI. "Gift or donation" means property that has the following characteristics:

A. It has not been procured by a state agency.

B. It has been given to a specific state agency for that agency's benefit.

C. If a gift is never put into programmatic use and is sold, it is assumed that the donor's intent was for proceeds to benefit that agency. In such cases, gifts will not be considered a replacement asset or surplus property as defined in PRO-F-3, and proceeds will be returned to the recipient agency.

D. If a gift is received and put into programmatic use, it will be considered either replacement property or surplus property as defined in PRO-F-3 at the time of disposal. If the asset is determined to be surplus property as defined in PRO-F-3 at the time of disposal, net proceeds will be returned to the Budget Stabilization Fund unless the terms of the donation specifically require all such disposal proceeds to remain with the agency.

VII. "Current market value" means the present open market selling price of the property or similar property.

VIII. "Best judgment disposal" means disposing of state surplus property with a current market value of $5,000 or less in a manner that most appropriately meets the agency's needs.

IX. "Property of potential historical value" means any item in good condition that conforms to one or more of the following descriptions: (See Expanded Definition of "Property of Potential Historical Value".)

A. Property that was vital and unique to the activities and programs of an agency.

B. Property that was invented, designed, handcrafted or manufactured in Wisconsin.

C. Property associated with an important person, site or event in Wisconsin history, distant or recent.

D. Property that advertises or symbolizes Wisconsin-based businesses, organizations or events.

E. Property that is a work of art and that depicts Wisconsin people, places, events, symbols or activities.

F. Property that is 50 years old or greater.

X. "Net proceeds" means the difference between the income received from the sale less allowable deductions. (See the State Accounting Manual.)

CONTENT:

I. Program administration:

The State Surplus Property Program (SSPP) is responsible for developing and implementing policies and procedures for state surplus property disposal.

II. Authorization from the SSPP:

A. Authorization is required to dispose of any state surplus property:

1. Which has a current market value over $25,000.

2. Which had an original purchase price over $25,000 regardless of current market value.

B. Authorization is not required to dispose of state surplus property:

1. Which has a current market value of $25,000 or less and the original purchase price was $25,000 or less.

2. Which is being transferred between agencies within state government.

III. Department surplus property manager: Each agency will appoint an individual as their state surplus property manager to:

A. Maintain liaison with, and implement the policies and procedures of, the SSPP.

B. Make periodic inspections within the agency to determine if property qualifies as surplus or is historical.

C. Evaluate and dispose of agency surplus property in accordance with SSPP policies and procedures.

IV. Methods of disposal: Disposal of state surplus property may occur by:

A. Transfer or sale of property to another state agency. Prior to disposal, agencies should communicate the availability of surplus property to other agencies.

B. Transfer or sale to a municipality, as defined in s. 66.0301(1), Wis. Stats. Sale price will be determined to be at fair market value.

C. Sale to the public by one the following four methods:

1. Competitive bid.

2. Public auction.

a. A public auction is defined as either a tangible event at a public location or an electronic event which is advertised and made available to the public via the Internet. Agencies are encouraged to use the electronic auction as an additional venue to move surplus property.

b. In the event that an electronic auction is desired, agencies should determine if prior SSPP authorization is needed. If prior authorization is not needed, the agency should commence the auction per the terms of the statewide online auction contract.

3. Open negotiated and documented sale.

4. Offer to the public at fixed sale price established by the Department.

D. Trade-in on replacement equipment. A comparison will be performed to determine whether it is more advantageous to trade-in the property or to sell it separately.

E. Donation to a *verified* nonprofit corporation (organization) as defined in s. 181.0103(17), Wis. Stats., organized under Chapter 181.

F. Sale for salvage value.

G. Scrap for no or limited value.

H. Destruction when security/confidentiality (e.g., state seals) is required or when other methods of disposal might be hazardous to the public (e.g., chemicals). (See Contract 15-92645-(01), Hazardous Waste Management (RCRA and Other Specialized Waste) Including Disposal Services.)

NOTES ON DISPOSAL:

A. Donations of state property to private individuals, for-profit organizations or state employees are prohibited.

B. Donations to nonprofit corporations (organizations) must be advertised (such as, in a newspaper of general circulation, Internet announcement, or bulletin board posting) and the donation must occur in a competitive manner. No single nonprofit corporation (organization) may be singled out for donation. Verification of nonprofit status may be required.

C. **Sales to state employees are prohibited unless items are sold at announced public sales or auctions.**

D. There are restrictions on the disposal of certain major appliances, including air conditioners, clothes washers and dryers, dishwashers, freezers, microwave ovens, ovens, refrigerators and stoves.

E. For questions on any of the above methods, contact the SSPP manager at 608/266-1719.

V. State surplus property disposal policy and procedure:

A. Agencies are delegated authority to dispose of all surplus property with a present value of $5,000 or less. No approval or reporting is necessary.

B. Surplus property with a current value over $5,000 through $25,000 does not require pre-sale approval. No immediate sale report is required, but a summary report will be submitted to the SSPP by July 31st for property disposed during the prior fiscal year.

C. Surplus property with a current value over $25,000 requires prior approval from the SSPP with the Surplus Property Declaration/Authorization (form DOA-3178). Sale results will be reported to the SSPP on this form as well.

D. Surplus property that had an original purchase price over $25,000 and that is planned to be sold or traded in will follow the prior approval and reporting procedure in C. above regardless of present value.

E. The SSPP staff can assist in the organization of an on-site auction when the accumulated value of the items justifies an auction. Property from multiple agencies may be combined to achieve enough value. This auction option may be requested regardless of the current value of individual items. An auction fee will be charged.

F. The Policy and Procedure Summary Table summarizes the approval, reporting and sale methods described above for the various value ranges of surplus property.

VI. Deface/Destroy needs:

Agencies are responsible for removing, defacing or destroying all State of Wisconsin insignias or identifications prior to sale of property. Bonded vendors

may be used to perform such services. All state data will be removed from all electronic media prior to disposition. Prior to removal of data, care should be taken to determine if the data still is needed.

VII. Seller's permit/state sales tax:

A. An agency needs a seller's permit from the Wisconsin Department of Revenue only if the agency sells property on more than 20 days in a year and that property earns more than $15,000 a year in taxable gross receipts per s. 77.54(7m), Wis. Stats. A permit may be obtained by calling Business Tax at 608/266-2776.

B. The originating owner agency will report and will pay to the Department of Revenue any sales tax collected from its own sales of its surplus state property.

VIII. University of Wisconsin Surplus with a Purpose program (SWAP) assistance:

The University of Wisconsin-Madison's SWAP is available to all agencies for the disposal of any property with the potential for reuse, repair or high-grade salvage such as electronics (e.g., computers). This service may be obtained by calling 608/245-2908. Property disposed through SWAP will be reported by the originating owner agency.

IX. Federal property:

When the agency purchases property with federal funds, the agency will adhere to the notice requirements or procedures agreed upon at the time of purchase prior to disposing of the property. The state's disposal requirements then follow.

X. Funding sources:

The funding source used to purchase the property being sold is important in determining how to account for the net proceeds from the sale of the property. See

the State Accounting Manual for instructions on accounting for proceeds from the sale of surplus or replacement property.

XI. Existing specific state statutes governing surplus proceeds:

Existing specific state statues prevail over general statutes, such as s. 16.72(4)(b), and over the scope of SSPP authority. Examples of such statutes are:

A. S. 346.65(6)(g) (proceeds from seized vehicles)

B. S. 40.01(2) (employee trust fund usage)

C. S. 125.14(2)(e) (proceeds from alcohol seizures)

XII. Calculation of net proceeds:

A. Per Adm 11.07 (1), handling and selling costs may be deducted from the sales proceeds. Any remaining net proceeds will be accounted for as provided in the State Accounting Manual.

B. Adm 11.07 (1) permits the handling and selling costs to be deducted from the sales proceeds. Examples of allowable deductions are:

1. Staff time (including overtime)

2. Storage expenses

3. Sales commissions

4. Transportation expenses

5. Legal expenses

6. Insurance expenses

7. Preparation expenses

8. Repayment of financial lease obligations

XIII. Audits:

The SSPP will conduct periodic audits of agencies' surplus property programs.

Records and Reports

Number	Title	Effective Date
PRO-G-1		
PRO-G-2	Minority Business Enterprise Procurement Activity Reporting	11-01-10
PRO-G-3	Disabled Veteran-owned Business Procurement Activity Reporting	11-01-10
PRO-G-4	Records Retention	12-17-92
PRO-G-5		
PRO-G-6	Complaint Report on Vendor/Contractor Performance	06-01-87

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-G-2
		Effective 11-1-10
RECORDS AND REPORTS	ALL	Replaces 5-1-86
Title: MINORITY BUSINESS ENTERPRISE PROCUREMENT ACTIVITY REPORTING		Page 1 of 2

AUTHORITY: Wis. Stats. 15.107(2)
16.75(3m)
16.75(4)
16.755

SCOPE: - to establish agency reporting procedures for the Department of Administration's minority business enterprise (MBE) procurement activities

CONTENT: I. To assist the state's MBE Program, state agencies will submit monthly reports to the State Bureau of Procurement MBE Program identifying procurement activities.

A. The electronic template of form DOA-3005, Minority Business Enterprise Procurement Activity Report, is due on the 20th of the following month.

>

B. The report is prepared by the purchasing liaison representative for each agency or sub-unit. Sub-unit reports are forwarded to the agency's central purchasing office where information is consolidated prior to submission to the MBE Program.

C. State agencies will report activities with only those MBEs which are certified by the Department of Commerce, Bureau of Minority Business Development. The Department of Administration's MBE Program provides a listing of certified MBEs.

D. Award of Preference

1. If a certified MBE is the lowest responsible and responsive bidder, no preference is given.

2. If a certified MBE is within 5% of the lowest responsible and responsive bidder and preference is exercised, report the amount of preference given, up to 5%.

E. When no procurement activities have occurred, the agency will electronically submit form DOA-3005 indicating there has been no procurement activity during the month.

F. See PRO-D-1, Minority Business Enterprise Policy.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-G-3
		Effective 11-1-10
RECORDS AND REPORTS	ALL	Replaces NEW
Title DISABLED VETERAN-OWNED BUSINESS PROCUREMENT ACTIVITY REPORTING		Page 1 of 2

AUTHORITY: Wis. Stats. 15.107(2)
16.75(3m)
16.75(3m)(b)3
16.75(3m)(c)2
16.75(3m)(c)2.b
16.75(3m)(c)2.d
16.75(3m)(c)3
16.75(3m)(c)4
16.755

SCOPE: - to establish agency reporting procedures for the Department of Administration's disabled veteran-owned business (DVB) procurement activities

CONTENT: I. To assist the state's DVB Program, state agencies will submit quarterly reports to the State Bureau of Procurement DVB Program manager identifying procurement activities.

A. Form DOA-3240, Disabled Veteran-owned Business Procurement Activity Report, is due on the 20th of January, April, July and October.

B. The report is prepared by the purchasing liaison representative for each agency or sub-unit. Sub-unit reports are forwarded to the agency's central purchasing office where information is consolidated prior to submission.

C. State agencies will report activities with only those disabled veteran-owned businesses which are certified by the Department of Commerce. The Department of Administration's DVB Program provides a listing of certified DVBs.

D. Award of Preference

1. If a certified DVB is the lowest responsible and responsive bidder, no preference is given.

2. If a certified DVB is within 5% of the lowest responsible and responsive bidder and preference is exercised, indicate on the report that the preference was exercised.

E. When no procurement activities have occurred, the agency will submit form DOA-3240 indicating there has been no procurement activity during the quarter.

F. See PRO-D-35, Disabled Veteran–owned Business Policy.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-G-4
		Effective 12-17-92
Section RECORDS AND REPORTS	Agencies Affected ALL	Replaces 12-1-86
Title RECORDS RETENTION		Page 1 of 1

The Statewide Purchasing and Procurement General Records Schedule supersedes PRO-G-4, Records Retention.

http://publicrecordsboard.wi.gov/docview.asp?docid=15888&locid=165

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
RECORDS AND REPORTS	ALL	PRO-G-6
		Effective 6-1-87
		Replaces NEW
Title COMPLAINT REPORT ON VENDOR/CONTRACTOR PERFORMANCE		Page 1 of 2

AUTHORITY: Wis. Stats. 16.705(6)
16.72
Wis. Adm. Code Chapter Adm 10.14

SCOPE: - to establish a means of communication concerning negative vendor/contractor performance

DEFINITIONS:

I. "Vendor" means a supplier with whom the individual contracting state agency has negotiated and placed the order for the materials or services.

II. "Contractor" means a supplier with whom the State Bureau of Procurement has entered into a contract or negotiated an agreement and the individual contracting state agency has placed the order for materials or services.

CONTENT:

I. A need exists for communications between those who receive purchased materials or services and those who order and contract for these materials or services. Complaint Report on Vendor/Contractor Performance (Form DOA-3686) (available from Stores/Forms) is a form to relay information concerning negative vendor/contractor performance. (See attached sample of the Complaint Report on Vendor/Contractor Performance.) This form will enable agencies to document instances of poor vendor/contractor performance and provide information on how the problem was resolved to advise all involved parties accordingly. A copy of the form sent to the State Bureau of Procurement will provide a record for inclusion in a centralized vendor/contractor performance record file.

II. The purchasing office for each agency is responsible for advising the personnel within that agency of the existence of this complaint procedure and to assist them, when necessary, in completing the form. Also, the purchasing office should have a supply of forms available for use by agency personnel.

Authorized:

Director
State Bureau of Procurement

III. The purchasing agent who places the order for the materials or services is directly responsible for taking corrective action to resolve problems with both vendors and contractors and for transmitting copies of the report as described in PRO-G-6.

PROCEDURES:

I. The original complainant will complete the form and provide a detailed written explanation (merely checking a box on the form is insufficient) of the complaint about the performance of a vendor/contractor. The complainant will remove the last copy and send the remaining unburst form-set to the purchasing agent who placed the order.

II. If the complaint involves a minority business enterprise, the purchasing agent will notify the director of the State Minority Business Program.

III. The purchasing agent will take the necessary corrective action and provide a detailed written explanation of such action. The agent will then send the unburst complaint form to the State Bureau of Procurement.

IV. A procurement manager will take corrective action if necessary. The State Bureau of Procurement will burst and distribute the form as follows:

A. Original filed at State Bureau of Procurement central file

B. Copy to complainant

C. Copy retained by procurement manager

D. Copy to agency central purchasing office

V. Agencies with no agency central purchasing office will send the unburst form-set directly to the State Bureau of Procurement.

Authorized:

Director
State Bureau of Procurement

Contracting for Services

Number	Title	Effective Date
PRO-I-1	Introduction	02-18-14
PRO-I-2	Checklist	10-18-01
PRO-I-3	Definitions	10-14-14
PRO-I-4	Justification of Need	10-14-14
PRO-I-5	Contracting for Advertising Services	11-01-88
PRO-I-6	Contracting for Banking Services	05-21-13
PRO-I-7	Contracting for Private Security Guard Services	03-31-14
PRO-I-8	Legal Services	02-16-09
PRO-I-9	Compliance with Collective Bargaining Agreements/Notification of Labor Organizations	03-27-07
PRO-I-10	Contracts for Temporary Help	05-21-13
PRO-I-11	Employee-Employer Relationship	12-01-83
PRO-I-12	Contracting with State Employees	03-01-97
PRO-I-13	Appeals Process--Contractual Services	03-01-12
PRO-I-14	Notice of Intent--Contractual Services	03-01-12
PRO-I-15	Cost Benefit Analysis (CBA)	11-05-13
PRO-I-16	Continued Appropriateness of Contracting for Services	11-05-13
PRO-I-17	Contract Administration	03-24-10

AUTHORITY: Wis. Stats. 16.705
16.72(4)(a)
16.75(2)(b)
16.87
84.01(13)
Chapter 35
Wis. Adm. Code Chapter Adm 10

SCOPE:
- to ensure that contracts for contractual services are entered into only in the best interests of the state
- to ensure that the state will procure at lowest possible price, without sacrifice in quality, the contractual services required for the optimum performance of state government functions

CONTENT:

I. The State Bureau of Procurement has the responsibility to promote maximum competition in contracting for services.

II. In cases where competition through the bidding process is not practical, competitive negotiation or noncompetitive negotiation will be used, based on Bureau review and approval using established processes.

III. Procurement of contractual services is delegated to agencies through $50,000 when using the request for bid and request for proposal processes and through $25,000 when using the noncompetitive (sole source) process. (See PRO-A-3, Delegation.) Legal services are not part of this delegation. (See PRO-I-8, Legal Services.)

IV. Pursuant to s. 16.705(1r), Wis. Stats., services must be performed within the United States. Exceptions can be found in s. 16.705(1r). Also, countries party to the World Trade Agreement are not subject to this provision. For guidance, please see PRO-C-37, World Trade Organization Government Procurement Agreement.

V. Exceptions:

> PRO-I-1 does not apply to any contracts under ss. 16.75(2)(b) for utilities; 16.87 for construction and environmental consultant services; or 84.01(13) for engineering, consulting, surveying or other specialized services; or Chapter 35, Wis. Stats., for printing. For guidance on how to proceed in these areas, refer to respective statutory references.

VI. Reference material:

A. PRO-A-3, Delegation

B. PRO-C-37, World Trade Organization Government Procurement Agreement

C. PRO-I-8, Legal Services

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
CONTRACTING FOR SERVICES	ALL	PRO-I-2
		Effective 10-18-01
		Replaces 6-1-89
Title CHECKLIST		Page 1 of 1

Remove and destroy PRO-I-2, Checklist. Its contents are covered under other sections of the State Procurement Manual.

Authorized:

Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.70
16.705(2)
Wis. Adm. Code Chapter Adm 10.03

SCOPE: - to define terms used in contracting for services

CONTENT:

I. "Bidder" means a person or firm submitting a competitive bid in response to an invitation for bids and a set of specifications.

II. "Continued appropriateness" means a periodic review of, and justification for, continuing a contractual services agreement involving an estimated annual expenditure of more than $50,000. This review must be done before renewal of any contract, but may be done more often.

III. "Contracting agency" means the state agency that executes a purchase order for contractual services.

IV. "Contractor" means a person or firm with whom or with which the state agency contracts for services.

V. "Contractual services" includes all services, materials to be furnished by a service provider in connection with services, and any limited trades work to be done for or furnished to the state or any office thereof.

VI. "Cost benefit analysis" means a uniform analysis of any proposed purchase of contractual services involving an estimated annual expenditure of more than $50,000. This is required for any request for approval to engage any person or firm to perform contractual services and will include a description of the contractual services to be procured, justification of need, justification for not contracting with other agencies, a specific description of the scope of contractual services to be performed, and cost comparison between contracting out the service versus performing the service in-house.

VII. "Materials" as used in the definition of contractual services means products, supplies, equipment, or reports incidental to the required performance under the contract but not a specific end product.

VIII. "Procurement plan" means the form that is submitted by a state agency to the State Bureau of Procurement to obtain purchasing authority for specific transactions.

IX. "Procuring agency" means the state agency that conducts the purchasing transaction.

X. "Proposer" means a person or firm submitting a proposal in response to a request for proposals (RFP).

XI. "Purchase order" means a state purchase order form used to offer to contract with a vendor.

XII. "Request for proposals" or "RFP" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.

XIII. "Request for Purchasing Approval/Authority" or "RPA" means the form and all attached materials that are submitted by a state agency to the State Bureau of Procurement to initiate a procurement process beyond the agency's delegated authority.

XIV. "Secretary" means the Secretary of the Department of Administration.

XV. "State agency" or "agency" means any department, board, commission, independent agency, or any other separate entity established by statute or by constitution, in the state government, including the legislature.

XVI. "Statewide contract (formerly state bulletin)" means written directives issued by the State Bureau of Procurement that authorize agency purchasing activities and establish the procedures to be followed in purchasing from that contract.

XVII. "Stipulation" means a condition established by the State Bureau of Procurement for a specific procurement with which the agency must comply.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

AUTHORITY: > Wis. Stats. 16.705(1)(2)
Wis. Adm. Code Chapter Adm. 10.05

SCOPE:
- to establish that the department or its agents may contract for services which can be performed more economically or efficiently by such contract, 16.705(1), Wis. Stats
- to establish the content to justify the need for contracting for services

CONTENT: I. The justification of need to procure contractual services over $25,000 includes:

A. A justification for the request written in clear, nontechnical language that can be understood by persons who may not be directly involved in, or familiar with, the specific request, with all acronyms fully defined;

B. A reference to the federal law or regulation or state law which requires or authorizes such contractual services (if applicable);

C. A description of the services to be performed, a list of any items to be delivered, complete schedules and timetables, and any other specific conditions to be required of the contractor;

D. A statement showing why the services can be performed more economically or efficiently by contract rather than by current state employees or by hiring permanent, project or limited term employees. The consideration of costs will include, but not be limited to, the costs of salaries, fringe benefits, training and unemployment compensation payments; (For procurements over $50,000, see PRO-I-15, Cost Benefit Analysis, for details for official cost benefit analysis requirement.)

E. A statement showing why it is not possible to have the services performed by another state agency; and

F. A statement indicating that competitive bidding will be used or a justification for using the proposed alternative when competitive bidding is not used.

>

II. The agency (or Consolidated Agency Purchasing Services as appropriate) will distribute the justification of need as outlined below.

A. When a Request for Purchasing Approval/Authority (RPA) is required for the procurement, the agency will submit the following documents with the RPA package to the Bureau of Procurement for processing. (See PRO-C-2, Request for Purchasing Approval/Authority (RPA) Policy and Procedure.)

1. Justification of need letter

2. Cost benefit analysis (See PRO-I-15, Cost Benefit Analysis.)

>

B. When an RPA is not required for the procurement, the justification of need letter will be kept on file with the originating agency.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

AD-P-12

Section	Agencies Affected	Number
CONTRACTING FOR SERVICES	ALL	PRO-I-5
		Effective 11-1-88
		Replaces NEW
Title CONTRACTING FOR ADVERTISING SERVICES		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish Policy for contracting for advertising services

CONTENT:

I. State agencies will seek maximum competition whenever possible in contracting for advertising services.

II. The agency will consider the appropriate target group, along with its size, that it wishes to reach. When competition exists, the agency will make a life cycle cost award based on the lowest cost factor, i.e., viewer for television; reader for newspaper/magazine; or listener for radio.

III. The agency will document all sole source procurements.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-I-6
		Effective 5-21-13
Section CONTRACTING FOR SERVICES	Agencies Affected ALL	Replaces 5-1-00
Title CONTRACTING FOR BANKING SERVICES		Page 1 of 1

AUTHORITY: Wis. Stats. 15.105(3)
20.905(1)
20.920(2)(c)
34.045

SCOPE: - to convey purchasing approval requirements associated with soliciting for proposed banking services (It is the intent that this documentation mirrors the responsibilities conveyed to agencies' fiscal management through Accounting Manual section VIII, subsection 5.)

CONTENT:

I. Under section 34.045, Wisconsin Statutes, the Depository Selection Board establishes procedures for the contracting of banking services.

II. Request for banking services

A. When a state agency determines that it needs to 1) utilize an existing state contract to establish banking services (e.g., new bank accounts or lockboxes); or 2) procure a new banking service, it is required to e-mail form DOA-2571, Uniform Request for Banking Services, to the Treasury Services supervisor within the State Controller's Office. (See State Controller's Web site for form DOA-2571 and contact information for the Treasury Services supervisor.)

B. Requests to utilize an existing state contract to establish banking services will be approved directly by the State Controller's Office. Requests for new banking services, which may require a new procurement, will result in the State Controller's Office consulting with the State Bureau of Procurement. In addition, any resulting procurement may need the approval of the Depository Selection Board before the request for bid/proposal is released.

III. Ancillary and subcontracted banking services

Proposed procurements that are primarily for non-banking services but include ancillary banking services (e.g., a fiscal agent contract that includes a subcontracted bank to provide checking and deposit services) must also be communicated to the State Bureau of Procurement for further review and consultation.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-I-7
		Effective 3-31-14
Section CONTRACTING FOR SERVICES	Agencies Affected ALL	Replaces 8-1-93
Title CONTRACTING FOR PRIVATE SECURITY GUARD SERVICES		Page 1 of 1

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish procedure regarding contracting for private security guard services

CONTENT:

I. Prior to taking any procurement action for private security guard services, the requisitioning unit first will contact the Department of Administration, Wisconsin State Capitol Police, room B2 North State Capitol, telephone 608/266-7840. The agency will be furnished with a Security Program Study Report (form DOA-8467), which is to be completed according to instructions and forwarded to Capitol Police for approval. The agency will retain in its files one copy of this approved form. When a Procurement Plan (form DOA-3720) is required for the procurement, the agency will include one copy of this approved form with the plan at the time it is forwarded to the State Bureau of Procurement for approval. (Consolidated Agency Purchasing Services (CAPS) agencies will work through their Department of Administration CAPS staff in regard to submittal of a Procurement Plan.)

II. The agency will complete the form initially and with every subsequent solicitation. The agency need not complete the form for contract extensions unless the original request did not include renewal options.

III. Under no circumstances are verbal and/or informal requests for bids or formal official sealed bids to be solicited, nor are any contracts to be signed or purchase orders written, until this procedure has been followed.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-I-8
		Effective 2-16-09
Section CONTRACTING FOR SERVICES	Agencies Affected ALL	Replaces 4-1-02
Title LEGAL SERVICES		Page 1 of 2

AUTHORITY: Wis. Stats. 14.11
16.705(2)
20.930

SCOPE: - to establish policy and procedures regarding contracting for legal services

CONTENT:

I. No agency in the executive branch may employ any legal counsel until such employment has been approved by the governor under s. 20.930, Wis. Stats.

II. The engagement of legal services is a contractual service, subject to the provisions of Chapter 16, Wis. Stats.

III. All requests for procurement of legal services, regardless of the dollar amount of the transaction, will be processed through the State Bureau of Procurement. (They will not be sent directly to the governor's legal counsel.) A Request for Purchasing Approval/Authority (RPA) will be submitted by the agency regardless of its delegated authority and the dollar amount of the transaction. The RPA will be signed by the agency head, deputy, chancellor or vice chancellor.

A. The agency may conduct procurement processes for legal services within its delegated authority.

After an award is made, the agency will submit an RPA to the Bureau along with the original(s) of the proposed contract. (See D. below.)

B. For requests for bids/proposals beyond delegated authority, the agency will submit an RPA to the Bureau for processing as usual. Upon Bureau approval, the agency may conduct the procurement process. After an award is made, the agency will submit a copy of the approved RPA contract along with the original(s) of the proposed contract. (See D. below.)

C. For noncompetitive negotiation (sole source) procurements beyond delegated authority, the agency will submit an RPA along with the original(s) of the proposed contract for approval. (See D. below.)

Authorized:

Helen McCain, Director
State Bureau of Procurement

D. Compliance with s. 20.930. The request for procurement approval will contain the original(s) of the proposed contract; the proposed contract will include the following:

Approved Pursuant to Section 20.930, Wisconsin Statutes _____ Governor or Governor's Designee

Both parties sign the proposed contract prior to the governor's approval. Each contract contains a clause stating that no work may proceed prior to the governor's approval.

When the procurement is approved, the agency receives an authorizing RPA contract as well as the original(s) of the contract with the governor's approval.

E. See the sample contract/retainer agreement.

IV. PRO-I-8 does not apply to contracts pursuant to s. 14.11, Wis. Stats., for legal services paid from the Department of Justice special counsel appropriation.

Authorized:

Helen McCain, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-I-9
		Effective 9-24-12
Section CONTRACTING FOR SERVICES	Agencies Affected ALL	Replaces 3-27-07
Title COMPLIANCE WITH COLLECTIVE BARGAINING AGREEMENTS/NOTIFICATION OF LABOR ORGANIZATIONS		Page 1 of 1

Remove and destroy PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations. A need for this policy no longer exists.

Section 16.705(3), Wis. Stats., has been repealed; therefore, it is no longer necessary to notify labor organizations of procurements for services over $25,000.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-I-10
		Effective 5-21-13
Section CONTRACTING FOR SERVICES	Agencies Affected ALL	Replaces 5-1-00
Title CONTRACTS FOR TEMPORARY HELP		Page 1 of 1

Remove and destroy PRO-I-10, Contracts for Temporary Help. Follow standard purchasing policies and procedures of the State Procurement Manual.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

AD-P-12

Number	Effective	Replaces
PRO-I-11	12-1-83	NEW

Section	Agencies Affected	Page
CONTRACTING FOR SERVICES	ALL	1 of 1

Title
EMPLOYE-EMPLOYER RELATIONSHIP

AUTHORITY: Wis. Stats. 16.71

SCOPE: - to establish policy regarding employe-employer relationships when contracting for services

CONTENT:

I. An employe under the Social Security Act is "any person who under the usual common law rules applicable in determining employer-employe relationship has the status of an employe." A worker is an employe if the employer for whom he/she works has the right to direct and control him/her in the way he/she works, both as to the final results and as to the details of when, where, and how the work is to be done. The employer need not actually exercise control. It is sufficient that the employer has the right to do so.

II. An essential intention of the purchase of services is the independent entrepreneurial relationship between the contractor and the state, i.e., exclusion of any element of an employer-employe relationship.

III. The existence of a contract in itself does not negate the existence of an employe-employer relationship.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-I-12	3-1-97	5-1-94

Section	Agencies Affected	Page
CONTRACTING FOR SERVICES	ALL	1 of 2

Title
CONTRACTING WITH STATE EMPLOYEES

AUTHORITY: Wis. Stats. 16.417(2)
16.71
Chapter 19, Subchapter III
20.901(1)(a)
230.047
Wis. Adm. Code Chapter ER-Pers 24

SCOPE: - to establish policy regarding contracting with state employees

CONTENT:

I. Contracting with a state employee for services where reimbursement for those services will be made in addition to the compensation the employee receives from regular employment with the state should be given careful consideration.

II. State agencies considering contracting with state employees should determine the following:

A. Is there a possible conflict of interest or violation of the Code of Ethics? See Chapter 19, Subchapter III, Code of Ethics for Public Officials and Employees and Wis. Adm. Code Chapter ER-Pers 24, Code of Ethics for State Employees.

B. Does the employee work for another agency, and has the possibility of an interchange program as provided for in the statutes been pursued? Refer to s. 20.901(1)(a) and s. 230.047, Wis. Stats.

C. Does the employee have the approval of his/her agency to engage in this type of additional employment for another agency?

Authorized:

Director
State Bureau of Procurement

D. Is there a violation of the statute 16.417(2) which states in part: "No individual who is employed or retained in a full-time position or capacity with an agency or authority may hold any other position or be retained in any other capacity with an agency or authority from which the individual receives, directly or indirectly, more than $12,000 from the agency or authority as compensation for the individual's services during the same year. No agency or authority may employ any individual or enter into any contract in violation of this subsection."

E. If there is any question regarding contracting with a state employee, then an opinion regarding such employment should be requested from the State Ethics Board for appointed positions, or the Department of Employment Relations for classified positions. The opinion received, or such other appropriate justification, should be a part of the transaction documentation.

AUTHORITY: Wis. Stats. 16.705(2)
Wis. Adm. Code Chapter Adm 10.15

SCOPE:
- to define the appeals process
- to establish the roles and responsibilities of the procuring agency and the Department of Administration in the appeals process

DEFINITION: The "appeals process" is a procedure used to resolve protests about a solicitation and the intent to award a contract for services only.

CONTENT:

I. The protestor, procuring agency, and the Department of Administration have specific roles and responsibilities related to the appeals process. Appeals will not be received for transactions $50,000 or less. Also, subjective judgment of evaluators is not appealable.

II. Protests concerning a solicitation

A. A bidder, proposer, or labor organization who is aggrieved in connection with a solicitation may protest to the procuring agency. Protestors should make their protests as specific as possible and should identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated. A notice of intent to protest will be submitted in writing to the head of the procuring agency, or designee (to avoid the appearance of a conflict of interest, the designee must be a non-purchasing staff member), within five (5) working days after issuance of the solicitation. The protest will be submitted in writing to the head of the procuring agency, or designee, within ten (10) working days after issuance of the solicitation.

III. Protests concerning the intent to award a contract

A. A bidder or proposer who is aggrieved by the intent to award a contract may protest to the procuring agency. Protestors should make their protests as specific as possible and should identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated. A notice of intent to protest will be submitted in writing to the head of the procuring agency, or designee (to avoid the appearance of a conflict of interest, the designee must be a non-purchasing staff member), within five (5) working days after issuance of the notice of intent to award a contract. The protest will be submitted in writing to the head of the procuring agency, or designee, within ten (10) working days after issuance of the notice of intent to award a contract.

IV. Procuring agency

A. The head of the procuring agency, or designee, has the authority to settle and resolve a protest concerning the solicitation or the intent to award a contract.

B. If the protest is not resolved by mutual agreement, the head of the procuring agency, or designee, will issue a decision in writing to the protestor and to the Secretary of the Department of Administration.

C. If the head of the procuring agency delegates his/her authority related to handling protests, the designee must be appointed in writing by the head of the procuring agency.

V. Department of Administration

A. The protestor may appeal the decision of the procuring agency to the Secretary of the Department of Administration within five (5) working days of issuance of the decision, with a copy of such appeal filed with the procuring agency, if the protestor alleges a violation of a statute or a provision of a Wisconsin Administrative Code. The agency will be notified immediately if an appeal is received. The Secretary will take necessary action to settle and resolve the appeal and will promptly issue a decision in writing to the individual appealing and the procuring agency.

VI. When a timely notice of either an intent to protest, a protest, or an appeal is received, the state will not proceed further with the solicitation or with the award of the contract until a decision is rendered in response to the protest or appeal, or unless the Secretary of the Department of Administration, after consultation with the head of the procuring agency, makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the state.

VII. In all transactions for services over $50,000, the procuring agency will include the appeals language found in PRO-C-5, Bidding Policy and Procedure, Official Sealed Bid, or PRO-C-12, Competitive Negotiation (Request for Proposal).

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-I-14
		Effective 3-1-12
CONTRACTING FOR SERVICES	ALL	Replaces 3-27-03
Title: NOTICE OF INTENT—CONTRACTUAL SERVICES		Page 1 of 1

AUTHORITY: Wis. Stats. 16.705(2)
Wis. Adm. Code Chapter Adm 10.08(6), 10.15(1)

SCOPE: - to establish procedure for issuing a notice of intent to contract

CONTENT:

I. When the competitive negotiation process or official sealed bid process is used to procure contractual services over $50,000, a notice of intent to contract is sent by the contracting agency to the selected proposer or bidder.

II. Copies of the notice of intent are sent to all other proposers or bidders and the applicable labor organization(s) when required by collective bargaining agreement. Copies are not sent to proposers or bidders who responded with "no bid".

III. All notices of intent will be sent at least five working days before the date of award.

IV. See sample notice of intent.

V. If the winning response is $50,000 or less, proposers or bidders must be notified that the standard appeals process does not apply. See sample alternate language.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-I-15
		Effective 11-5-13
CONTRACTING FOR SERVICES	ALL EXCEPT UW SYSTEM	Replaces 2-10-10
Title COST BENEFIT ANALYSIS (CBA)		Page 1 of 4

AUTHORITY: > Wis. Stats. 16.705(1)(2)
Wis. Adm. Code Chapter Adm 10.035, 10.037, 10.038
2005 Wisconsin Act 89
2013 Wisconsin Act 20

SCOPE:
- to establish that the department or its agents must complete a cost benefit analysis (CBA) before contracting for services over $50,000
- to establish the process to follow when completing the cost benefit analysis
- to identify exceptions to the policy stated herein (See Content IV.)

CONTENT:

I. A uniform cost benefit analysis will be completed by a contracting agency (except the University of Wisconsin System) for each proposed contractual service procurement involving an estimated annual expenditure of more than $50,000:

A. The agency will complete forms DOA-3821a, Cost Benefit Analysis—Project Summary, and DOA-3821b, Cost Benefit Analysis—Financial Information.

B. The analysis should compare the costs of employing contractors versus comparable state staff. (See Cost Benefit Analysis Financial Information Instructions.)

C. Other mitigating factors that may be included in the cost analysis are:

1. Market strength: Are there several vendors that can perform this service? Is the labor market tight so that it is difficult to retain and recruit employees?

2. Quality and nature of services required: Is the work a core service of state government?

3. Risk factors: Is there a possibility a private firm may fail to provide the service the agency has guaranteed or reduce services if financial losses occur? Is there a risk of compromising confidential information?

4. Time factors: Is it a short-term service or an ongoing need?

5. Specialized skills: Does the state workforce have the capacity and expertise to complete the project?

6. Legal barriers: Are there federal mandates, state statutes, and administrative rules that dictate the level which government must perform? Would contracting out affect access of services or treatment?

II. The agency will submit the CBA on forms DOA-3821a and DOA-3821b as outlined below. (Consult VendorNet for most current forms.)

A. Request for Purchasing Approval/Authority (RPA)

1. Delegated agencies

The agency will submit a hard copy of the CBA with the RPA package to the State Bureau of Procurement for processing. When the agency's request is approved, the agency will send an electronic copy of the finalized, unsigned CBA to the Bureau at: DOAcba@wisconsin.gov. The documents may not be submitted in a PDF or hard copy format. The approved and signed originals will be kept on file with the originating agency.

2. Consolidated Agency Purchasing Services (CAPS) agencies

The agency will submit an electronic copy of the CBA with the RPA package to the assigned CAPS procurement specialist. When the agency's request is approved, CAPS will send an electronic copy of the finalized, unsigned CBA to the Bureau at: DOAcba@wisconsin.gov. The documents may not be submitted in a PDF or hard copy format. The approved and signed originals will be kept on file with CAPS.

B. Procurement plan

1. Delegated agencies

The agency will submit a procurement plan to the Bureau. (See PRO-A-4, Procurement Plans, for address and instructions.) When the agency's plan is approved, the agency will send an electronic copy of the finalized, unsigned CBA to the Bureau at: DOAcba@wisconsin.gov. The documents may not be submitted in

> a PDF or hard copy format. The approved and signed original CBA as well as a copy of the plan along with the Bureau's response will be kept on file with the originating agency.

2. Consolidated Agency Purchasing Services (CAPS) agencies

The agency will submit an electronic copy of the CBA with the procurement plan to the assigned CAPS procurement specialist. (See PRO-A-4, Procurement Plans, for address and instructions.) When the agency's plan is approved, CAPS will send an electronic copy of the finalized, unsigned CBA to the Bureau at: DOAcba@wisconsin.gov. The documents may not be submitted in

> a PDF or hard copy format. The approved and signed original CBA as well as a copy of the plan along with the Bureau's response will be kept on file with CAPS.

III. The agency will periodically review, and before any renewal, the continued appropriateness of contracting under each contractual service agreement involving an estimated annual expenditure over $50,000. (See PRO-I-16, Continued Appropriateness of Contracting for Services.)

When completed, the delegated agency or CAPS (as appropriate) will send an electronic copy of form DOA-3819, Continued Appropriateness of Contracting for Annual Expenditure of Services Over $50,000, to the Bureau at: DOAcba@wisconsin.gov.

IV. Exceptions:

A CBA or continued appropriateness of contracting is not required for the following:

A. Services that federal or state law requires to be performed by contract.

B. Services that must be provided per a contract, license, or warranty, by the original equipment manufacturer or publisher.

C. Services that cannot be performed by state employees because the state lacks the required infrastructure.

D. Web-based software application services that are delivered and managed remotely.

V. Reference material:

A. PRO-I-4, Justification of Need

>

B. PRO-I-16, Continued Appropriateness of Contracting for Services

C. Form DOA-3821a, Cost Benefit Analysis—Project Summary

D. Form DOA-3821b, Cost Benefit Analysis—Financial Information

>

E. Form DOA-3819, Continued Appropriateness of Contracting for Annual Expenditure of Services Over $50,000

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-I-16
		Effective 11-5-13
CONTRACTING FOR SERVICES	ALL EXCEPT UW SYSTEM	Replaces 2-10-10
Title CONTINUED APPROPRIATENESS OF CONTRACTING FOR SERVICES		Page 1 of 2

AUTHORITY: > Wis. Stats. 16.705(1)(2)
Wis. Adm. Code Chapter Adm 10.035, 10.037, 10.038
2005 Wisconsin Act 89
2013 Wisconsin Act 20

SCOPE:
- to define "continued appropriateness of contracting"
- to establish that the department or its agents must complete a justification for continued appropriateness of contracting for services over $50,000
- to establish the process to follow when completing a justification for continued appropriateness of contracting for services over $50,000
- to identify exceptions to the policy stated herein (See Content IV.)

DEFINITION: "Continued appropriateness of contracting" is a review by the agency prior to any contract renewal (or issuance of a purchase order) of any contractual service agreement with an estimated annual amount over $50,000.

CONTENT:

I. The agency (except the University of Wisconsin System) will periodically review, and before any renewal, the continued appropriateness of contracting under each contractual service agreement involving an estimated annual expenditure over $50,000.

II. The agency will complete the continued appropriateness of contracting at the time of renewal:

A. Whether or not a cost benefit analysis (CBA) was completed for the original solicitation.

B. If procuring from an Enterprise contract (for example, Vendor-Managed Service contract).

C. When an agency-wide contract is being renewed.

III. The agency will complete form DOA-3819, Continued Appropriateness of Contracting for Annual Expenditure of Services Over $50,000, and route the document for approval within its agency as defined by its agency's policy.

A. Delegated agencies

The agency will electronically submit the unsigned form DOA-3819 to the State Bureau of Procurement at: DOAcba@wisconsin.gov. The document may not be submitted in a PDF or hard copy format. The approved and signed original will be kept on file with the originating agency.

B. Consolidated Agency Purchasing Services (CAPS) agencies

The agency will electronically submit the unsigned form DOA-3819 to the assigned CAPS procurement specialist. The document may not be submitted in a PDF or hard copy format. CAPS will submit the agency's form DOA-3819 to the Bureau at: DOAcba@wisconsin.gov. The agency will attach a signed copy to the purchase requisition in Purchase Plus and send the signed original to CAPS for its files.

IV. Exceptions:

A continued appropriateness of contracting is not required for the following:

A. Services that federal or state law requires to be performed by contract.

B. Services that must be provided per a contract, license, or warranty, by the original equipment manufacturer or publisher.

C. Services that cannot be performed by state employees because the state lacks the required infrastructure.

D. Web-based software application services that are delivered and managed remotely.

V. Reference material:

A. PRO-I-15, Cost Benefit Analysis (CBA)

B. Form DOA-3819, Continued Appropriateness of Contracting for Annual Expenditure of Services Over $50,000

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-I-17
		Effective 3-24-10
CONTRACTING FOR SERVICES	ALL	Replaces PRO-E-18 Dated 4-1-84
Title CONTRACT ADMINISTRATION		Page 1 of 2

AUTHORITY: Wis. Stats. 16.70(1e)
16.705
Wis. Adm. Code Chapter Adm 10.12

SCOPE: - to establish state agency policy and responsibility for contract administration

CONTENT: I. Every contract for services will have a specific person designated as the contract administrator responsible for determining and ensuring contractor compliance.

A. The agency must designate the name of the individual responsible for administering the contract. That name will appear in the contract document.

B. The contract administrator must be knowledgeable regarding the contract they will administer.

C. The contract will include measurable performance criteria and reporting (as applicable) that can be used to determine the adequacy of the contractor's performance in delivering services.

D. The contract administrator's responsibilities are:

1. Compliance. To determine whether the contractor is in compliance with the terms and conditions of the contract before any scheduled payment is made or contract renewals are offered.

2. Action. To take action in the event of any nondelivery, failure to meet performance standards, or other breach of contract. (See PRO-E-21, Contract Cancellation and Termination Procedures.)

3. Evaluation. If the agency for which contractual services are performed under a contractual services agreement concludes that the performance was unsatisfactory, the agency will file with the State Bureau of Procurement a complaint form within 60 days after the fulfillment of the agreement. (See PRO-G-6, Complaint Report on Vendor/Contractor Performance.)

E. Reference material:

1. PRO-E-21, Contract Cancellation and Termination Procedures

2. PRO-G-6, Complaint Report on Vendor/Contractor Performance

Authorized:

Helen McCain, Director
State Bureau of Procurement

Printing

Number	Title	Effective Date
PRO-J-1	Printing Definition	04-14-10
PRO-J-2	Printing Purchase Orders	04-01-02
PRO-J-3	Printing Bidding Procedures	07-26-12
PRO-J-4	Printing Contract Disputes (Formerly Printing Order Evaluation)	04-01-02
PRO-J-5	Public Printing Reporting	08-08-12

AUTHORITY: Wis. Stats. 16.75
16.82(4)
35.001
35.01
35.012
35.015
Wis. Constitution, Article IV, Section 25

SCOPE:
- to clarify the definition of printing in Article IV, Section 25 of the Wis. Constitution and s. 35.001, Wis. Stats.
- to determine which products and commodities are covered by purchasing laws specific to printed products, and which are excluded from those laws
- to describe exemptions from the printing laws described in s. 35.015, Wis. Stats., and how to process exceptions to the laws

CONTENT: I. Clarification of s. 35.001, Wis. Stats.

A. Section 35.001 states, "printing includes all public printing by means of graphic reproduction by whatever process and the necessary materials and binding." That statement is interpreted to include graphic reproduction by all processes, including the traditional graphic arts processes of offset lithography, letterpress, intaglio and flexography. The interpretation also includes processes not invented at the time the statute was drafted, including xerographic and digital color reproduction processes, and any processes yet to be invented.

‖ B. The phrase "necessary materials and binding" is interpreted to mean all the materials and binding required in a continuous production process resulting in a printed product. Materials purchased separately as supply inventory to produce printed materials at a later date are not included in the definition of printing, and can be purchased using purchasing processes in place for other commodities, as defined in Chapter 16. For example, the purchase of printing plates, film processing chemistry or paper would be made using Chapter 16 law rather than printing law in Chapter 35.

C. If binding is purchased separately from the printing process, as in the case of library binding or rebinding, that purchase can be made using purchasing processes in place for other commodities, as defined in Chapter 16.

D. Graphic design services are obtained under Chapter 16 purchasing law. The graphic designer's work under Chapter 16 is completed when final artwork has been accepted. From that point forward, all purchases will be made under Chapter 35, including all preparatory (pre-press) work required for that product.

II. Exclusions from s. 35.01, Wis. Stats.

A. Some products that normally would be purchased under Chapter 16 purchasing laws may appear to be printing commodities because a graphic image or imprint appears on the product. While a graphic reproduction process is involved in the final manufacturing process of that product, the definition of printing in s. 35.01 does not apply to a product that has value or usefulness prior to or apart from the imprinting. If the product is useful without the imprint, it should be purchased under the laws of Chapter 16. For example, an imprinted pen may be purchased as a pen since its usefulness as a pen exists apart from the imprint.

B. Examples of commodities that have value apart from the added imprinting, and consequently are excluded from the s. 35.01 definition of printing, include:

1. Vinyl, cloth or plastic ring binders

2. Cups, dishes and other dinnerware

3. Pens, pencils, rulers and other office supplies, with the exception of paper products

4. Printed garments, such as, sportswear, tee shirts, uniforms and caps

C. Some commodities are purchased in limited quantities, require customized manufacturing methods or are on substrates other than traditional printing substrates. These are excluded from the s. 35.01 definition and should be purchased using Chapter 16 laws. Examples include:

1. Road signs, hallway signs and other directional aids

2. Cloth, plastic or vinyl banners, billboards, flags and bunting

III. Exemptions from s. 35.01, Wis. Stats.

Section 35.015 lists three types of printing that are exempt from printing laws in Chapter 35. This section is to clarify definitions for the three exemptions.

A. Section 35.015 (1): Printing funded by student fees will include printing funded from student segregated fees, which includes printing purchased from accounts that support student activities within or under the authority of student government. This exemption does not include printing funded by tuition or other program revenue fee assessments.

B. Section 35.015 (2): Any printing for a single job which the department determines may be printed at a cost less than $50,

- other than stationery required for the use of the state,
- printing authorized and required by the legislature to be done for its use, or
- printing authorized and required by law to be done for the state,

is not subject to this chapter.

C. Section 35.015 (3): Any printing obtained from another agency, including printing from Badger State Industries, is excluded from Chapter 35 law. These purchases are indicated on orders as interagency purchases and coded as type 4 as described in PRO-E-1, Purchase Order. Purchases from Badger State Industries will follow procedures described in PRO-C-33, Procurement from Badger State Industries.

IV. Out of headquarter city exceptions

On certain occasions, a staff member may be out of the headquarter city and be required to make convenience photocopies at unplanned or inconvenient times. In those cases, a printing manager may approve for payment those printing expenses upon presentation of a dated receipt that shows the inconvenient time or date. The individual must obtain and document competitive pricing from at least three sources. These incidental expenses may not require the issuance of a purchase order, at the discretion of the agency.

Authorized:

Helen McCain, Director
State Bureau of Procurement

AUTHORITY: Wis. Stats. 16.75
16.82(4)
Chapter 35
Wis. Constitution, Article IV, Section 25

SCOPE:
- to clarify how to select one of three potential purchasing methods
- to delineate ordering procedures required in addition to those described in PRO-E-1, Purchase Order, when preparing purchase orders for individual printed items
- to list the purchasing resources available to the agency printing manager

CONTENT:

I. Determining a purchasing method

A. Establish specifications for an order

1. The agency printing manager is responsible for determining full, detailed and accurate specifications for each order. This includes a description of the item, quantity, delivery schedule, proofing requirements, description of materials to be furnished by the agency, paper requirements, and all other information pertinent to the production of that item.

2. A complete set of specification guidelines and instructions, available from the State Bureau of Procurement, can be used as a checklist to ensure that all specifications have been considered.

3. Once specifications have been determined for an order, one of three purchasing methods needs to be selected.

B. Select a purchasing method

1. State Procurement statewide contracts

When specifications match a mandatory State Procurement statewide contract, this contract will be used. Each contract will describe its unique specifications and optional items that may be

ordered on the contract. Generally, a delivery specification is insufficient to preclude the use of a contract unless the contractor confirms the inability to meet a required delivery date. A list of all Bureau contracts is maintained in PRO-B-2, Index of Scheduled Statewide Contracts.

2. Interagency purchasing

Any item may be purchased from another agency by issuing a type 4 interagency purchase order. Agencies may have the service provider assist with specifications and pricing. Competitive pricing is not required. PRO-C-33, Procurement from Badger State Industries, gives specific information about ordering from Badger State Industries, but orders may be placed with any state agency, except as restricted by agency policy.

3. Competitive pricing (bid process)

If specifications do not match a mandatory contract and the agency chooses not to use another state agency, the agency will obtain competitive pricing in accordance with the procurement levels described in PRO-J-3, Printing Bidding Procedures.

II. Issuing an order for printing

The official state purchase order will be used for all external (non-state service) printing orders. All printing orders will be accompanied by written specifications, regardless of the method or source. When issuing a purchase order for printing, follow the procedures in PRO-E-1, Purchase Order, with the following additional guidelines.

A. Item description

1. Each order using a class 3 or 4 statewide contract or class 7 local service contract should be accompanied by a Printing Order Supplement (form DOA-3077 or DOA-3076) or similar format.

This document contains the printing and paper specifications, pricing and other necessary information.

2. Each order using a statewide custom continuous or snap-set forms contract (8K or 8P) should be accompanied by a Forms Printing Order Supplement (form DOA-3404).

3. Some class 8 contracts do not require order supplements. Specifications may be submitted on the purchase order or alternate method in writing.

III. Resources

A. Contract specifications, terms and conditions

Each contract issued by the Bureau has unique specifications and special terms and conditions that pertain to that contract.

B. Base pricing

Chapter 35, Wis. Stats., requires that the state develop a method of pricing for printing. This pricing is called the Base Price Book and is available on VendorNet. Limited numbers of printed copies are available from the Bureau.

C. Standard terms and conditions for State of Wisconsin printing

The state maintains standard terms and conditions for printing that are unique from those used for the purchase of all other commodities and services. These terms and conditions apply to all orders for printing and will be attached to all orders bid by the agency printing manager. These standard terms and conditions may be modified in specific bids by the use of special terms and conditions. Standard terms and conditions for Wisconsin State Printing are available on VendorNet and may be reproduced without modification by each agency as required.

D. State Bureau of Procurement staff

The State Bureau of Procurement will provide technical assistance and training. For procurement staff specifically assigned to printing contracts, refer to PRO-A-7, Directory of State Bureaus of Procurement/Transportation and State Agency Purchasing/Printing Offices.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-J-3
		Effective 7-26-12
PRINTING	ALL	Replaces 4-1-02
Title PRINTING BIDDING PROCEDURES		Page 1 of 2

AUTHORITY: Wis. Stats. 16.75
16.82(4)
Chapter 35
Wis. Constitution, Article IV, Section 25

SCOPE: - to establish bidding procedures for printing

POLICY: All printing must be bid, no best judgment procurements. (See PRO-J-1, Printing Definition.)

CONTENT: The following procedures will be used to purchase printing by the bid process when order specifications do not permit the use of an established contract.

PROCEDURES:

I. The agency first determines the estimated cost of the procurement. To establish whether the simplified bid process or the official sealed bid process is necessary, the agency will use the estimated dollar amount for the entire length of the contract including renewal options. As an example, for an anticipated contract for one year with a one-year renewal option that is estimated to be $30,000 per year ($60,000 two-year total), the official sealed bid process is the appropriate procurement method.

II. When the estimated cost is $50,000 or less, including printing and paper in total, the agency will, at a minimum, compare written bids from at least three or more bidders. The agency is encouraged to post all print bids to VendorNet. The bids, basis for award and any rejections of bid(s) will be documented on the Simplified Bidding Record (form DOA-3088) or similar format, as referenced in PRO-C-8, Simplified Bidding, and retained in the bid or purchase order file. The agency shall use the Simplified Print Bid Packet template on VendorNet.

III. When the estimated cost is over $50,000, including printing and paper in total, the agency will follow the procedures outlined in PRO-C-5, Bidding Policy and Procedure, Official Sealed Bid.

IV. Per Chapter 35, the length of the contract, including renewal options, will not exceed three years total.

V. Awards for printing will not be made to vendors located in states that implement in-state bid preferences for printing. See PRO-C-20, Reciprocity Law.

VI. Bidder preference will not be considered from a minority or disabled veteran-owned business on a printing or stationery procurement.

VII. Refer to PRO-J-1, Printing Definition, Content III, for the three types of printing that are exempt from printing laws.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-J-4
		Effective 4-1-02
Section PRINTING	Agencies Affected ALL	Replaces PRO-J-6 DATED 3-1-90
Title PRINTING CONTRACT DISPUTES (FORMERLY PRINTING ORDER EVALUATION)		Page 1 of 2

AUTHORITY: Wis. Stats. 16.75
16.82(4)
35.01
35.012
35.015
Wis. Constitution, Article IV, Section 25

SCOPE:
- to establish a process for the agency printing manager to communicate printing order complaints to the printer and the State Bureau of Procurement
- to establish a process for the Bureau to collect performance data concerning printing contract holders for contract management
- to clarify the use of Printing Order Evaluation in good faith disputes

CONTENT: I. Printing order complaint

A. When printing ordered from a State Procurement statewide contract does not meet agency expectations in regard to quality, timeliness of delivery or any other criteria, the agency printing manager must notify the printing contractor to rectify the problem. Solutions may include reprints, partial reprints, reduction in price, assessment of liquidated damages, or other means as appropriate to the nature of the problems.

B. In many cases, complaints can be resolved with phone conversations. If the agency printing manager and contractor are unable to reach a settlement agreeable to the manager, and the manager would like to receive assistance from the Bureau in the resolution of the complaint, the agency printing manager must file a Printing Order Evaluation (form DOA-3089). The manager will furnish all appropriate information in sections one, two and three and forward the form to the Bureau and the contract printer. The preferred method of forwarding the form to the Bureau is via e-mail.

C. Upon receipt of the Printing Order Evaluation, the Bureau will contact the agency printing manager to determine what role the Bureau will play in the complaint resolution.

Authorized:

Director
State Bureau of Procurement

II. Contract management

A. For proper contract management, the Bureau must be informed of instances when the contractor fails to perform satisfactorily in regard to quality, timeliness of delivery or any other contractual term or condition. This information must be written. The best method of communicating this information is by use of the Printing Order Evaluation. The form will ensure that complete information is provided. Sections one, two and three should be completed. A resolution may not be required. It is sufficient to state "for contract information only". The agency printing manager must submit the Printing Order Evaluation to the Bureau and the contractor.

B. Upon receipt of the Printing Order Evaluation, the Bureau will review the form and contact the agency printing manager if additional information or clarification is needed. The Bureau will maintain a file of Printing Order Evaluations by contract, and may use the reports as evidence in cases of contract cancellation, non-extension or removal from the bidders list. Without receipt of a Printing Order Evaluation, the Bureau can take no action against a contractor to cancel a contract or remove a vendor from the bidders list.

III. Good faith dispute

The Printing Order Evaluation may constitute proper notification of a good faith dispute described in PRO-E-6, Prompt Payment Policy. For this use, the agency printing manager must complete all four sections of the form. Distribution is to the contractor and appropriate agency staff, as required by agency procedures. Filing of good faith disputes with the Bureau is not required.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
PRINTING	ALL	PRO-J-5
		Effective 8-8-12
		Replaces NEW
Title PUBLIC PRINTING REPORTING		Page 1 of 1

AUTHORITY: Wis. Stats. 16.82(4) (a) (c) (g)

SCOPE: - to establish agency reporting procedures for public printing activities

DEFINITION: "Public printing" is defined by state law as all graphic reproduction by whatever process and the necessary material and binding that is paid for with state funds or funds handled through state accounting and disbursing channels.

CONTENT:

I. An agency purchasing printing under Chapter 16 will make reports as are required to the Department of Administration which will compile and prepare such summary reports as the joint committee on finance requests.

II. An agency will:

A. Submit an annual fiscal-year report to the State Bureau of Procurement printing manager identifying public printing activities.

B. Use form DOA-3011, Print Log Fiscal Year Report, unless an alternate reporting system has been established with the Bureau's approval.

C. Require that its printing liaison representative for the agency or sub-unit prepares the report. Sub-unit reports are forwarded to the agency's central purchasing office where information is consolidated prior to submission.

D. If no public printing activities have occurred, indicate on form DOA-3011 that there has been no activity during the year.

E. Submit the report by September 1.

F. Exception: An agency with internal print operations will not report work being produced for another agency or campus. However, the printing operation can be a resource of the information for a purchasing agency to complete its report.

Authorized:

Rick S. Hughes, Director
State Bureau of Procurement

Work Centers

Number	Title	Effective Date
PRO-K-1	Agency Initiation of a Contract	01-4-13
PRO-K-2	Work Center Solicitation of a Contract	10-4-02
PRO-K-3	Fair Market Price	10-4-02
PRO-K-4	Request for Certificate of Exception	10-4-02
PRO-K-5	Appreciable Contribution	9-23-05
PRO-K-6	Contract Cost Analysis	10-4-02
PRO-K-7	Index of Commodities and Services	2-01-98

AUTHORITY: Wis. Stats. 16.752
104.01(6)
104.07

SCOPE:
- to define work center
- to establish policy with respect to procurement from work centers

DEFINITIONS:

I. "Direct labor" means all labor or work (in hours or compensation) involved in producing or supplying materials, supplies or equipment or performing contractual services including preparation, processing and packing, but excluding supervision, administration, inspection and shipping.

II. "Severely handicapped individual" means an individual who has a physical, mental or emotional disability, which is a substantial handicap to employment and prevents the individual from engaging in normal competitive employment.

III. "Work center" means a charitable organization or nonprofit institution which is licensed under s. 104.07 and incorporated in this state or a unit of county government which is licensed under s. 104.07, and which is operated for the purpose of carrying out a program of rehabilitation for severely handicapped individuals and for providing the individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature, and which is engaged in the production of materials, supplies or equipment or the performance of contractual services in connection with which not less than 75% of the total hours of direct labor are performed by persons with severe disabilities.

POLICY: The State Use Law requires agencies to procure needed materials, supplies, equipment or services from certified work centers. The agency may direct questions regarding the State Use Program to the coordinator at 608/266-5462.

CONTENT:

I. Agency soliciting a certified work center (WC)

A. The agency will develop specifications, delivery requirements and performance standards for the required commodity/service and include as part of its specifications the need for WCs to certify that not less than 75% of the total hours of direct labor are performed by severely handicapped individuals.

B. Exemptions from the WC program:

1. Interagency purchases

2. Bureau of Correctional Enterprises (BCE) dba Badger State Industries (BSI)

   BCE/BSI purchases are exempt from the WC program only if BCE/BSI currently provides the commodities/services. If a WC currently holds or requests development of a contract for commodities/services that BCE/BSI does not provide, then the WC has the first opportunity to contract. BCE/BSI may not request a contract after it is awarded to a WC.

3. Printing and stationery

   > See PRO-C-18, Printing Procurements.

4. 15% gross sales impact rule

   If an existing vendor will lose more than 15% of its yearly sales or production upon loss of a contract, the contract will be exempt from the WC program.

5. Mandatory state contracts

   The agency will review the current mandatory contracts to determine if a contract exists for the commodity/service required. If a mandatory contract exists, the procedures outlined in the contract will be followed.

C. If there is no mandatory statewide contract, the agency will:

1. Identify the WCs (if any) that provide the required commodity/service by searching on the Wisconsin's State Use Program Web site. If no WC is listed, the agency will follow standard purchasing procedures. If only one WC is capable of providing the procurement, the agency may begin contract development without following sole source procedures.

2. For an existing agency contract with a non-WC vendor, begin solicitation from WCs before the renewal/expiration date. Based on the nature of the procurement, the agency will allow sufficient lead-time to develop a contract with a WC. The agency may establish a cutoff date (up to six months prior to contract renewal/expiration) for the negotiation process. If a contract is not developed by that date, the agency may proceed with standard purchasing procedures.

3. Follow the procedures established for the appropriate dollar level: (The WC response must address all specifications.)

   a. $5,000 or less

      When the estimated cost is $5,000 or less, the agency need only contact one WC that, in the agency's judgment, will provide a quality product at a competitive price. At all times the agency is strongly encouraged, where appropriate, to procure from a qualified WC.

   b. Over $5,000 through $50,000

      When the estimated cost is over $5,000 through $50,000, the agency will solicit at least three (if available) of the WCs listed on the Directory of Certified Work Centers for a quote.

   c. Over $50,000

      The agency will contact all WCs listed for the particular commodity/service on the Directory of Certified Work Centers either by phone or by mail to determine if they are interested and capable of providing the procurement. (The legal notice requirement does not apply.) This step is not required if all identified WCs are issued a request for bid/proposal.

4. Apply the following in awarding a contract when more than one WC responds to a solicitation to offer/propose.

   a. Issues to be considered in awarding a contract include:

      (1) 75% direct labor requirement,

      (2) Fair market price,

(3) Ability to meet specifications,

(4) Ability to meet delivery requirements,

(5) Quality control, and

(6) References.

b. Determine fair market price. (Award to the lowest responsible WC. Refer to PRO-K-3, Fair Market Price.)

c. If all responses to the solicitation to bid/propose are equal, the award will be made according to PRO-C-24, Tied Bids.

5. For contracts for services that are over $50,000:

a. If more than one WC responds to the solicitation, the agency will issue a notice of intent to award. See PRO-I-14, Notice of Intent—Contractual Services.

b. WCs will follow the standard appeals process if they wish to challenge the award of the contract for services over $50,000. See PRO-I-13, Appeals Process—Contractual Services.

II. Contract administration/termination

A. An order may be terminated by the agency if a WC fails to meet specifications, terms and conditions, performance or delivery requirements. Every effort to negotiate adjustments will be made before canceling the order. If an agency's decision is cancellation, the agency will notify the Bureau by using the Complaint Report on Vendor/Contractor Performance (form DOA-3686). See PRO-G-6, Complaint Report on Vendor/Contractor Performance.

B. State Use Board approval is required to cancel a contract in its entirety. The Bureau will arrange for the agency to present its recommendation for cancellation to the State Use Board. A delay of 30 to 120 days may not be uncommon, as the Board meets quarterly.

C. If the Board suspends a WC's eligibility to provide specific commodities/services in the program, this information will be reflected in the Directory of Certified Work Centers.

III. WCs soliciting the agency

Refer to PRO-K-2, Work Center Solicitation of a Contract.

AUTHORITY: Wis. Stats. 16.752
104.01(6)
104.07

SCOPE: - to establish policy with respect to work center solicitation of a contract

CONTENT: I. Certified work center (WC) solicitation of a contract

A. A WC may identify a current contract between an agency and a non-WC and formally request the opportunity to obtain the contract. The agency will give the WC an opportunity to contract at the date of the existing contract's renewal or expiration date, whichever is sooner.

B. A WC may request development of a contract when an agency need is identified and when the WC is capable of meeting appreciable contribution requirements, contract specifications and fair market pricing. The agency will notify the Bureau of Procurement of a WC request for contract development.

C. WC research and development (R&D) period

1. A WC may request a first-come, first-served R&D period for a future contract if no other WC is listed on VendorNet as capable of providing the commodity/service. In this situation, a WC may not currently have the capabilities to meet contract specifications but desires to develop those capabilities.

2. Once granted R&D rights for development of a contract, a WC may proceed to develop its capabilities knowing that a contract will be available. The agency will continue to contract with the non-WC vendor during the development period. If another WC requests the same contract, it will be placed on a waiting list.

3. R&D periods are established for 90 calendar days. A purchasing manager may grant an additional 90-calendar day extension if progress has been made in the development of the

commodity/service. Additional extensions must be approved by the State Use Board (SUB). Notify the coordinator of the WC program to place a request for extension on the SUB meeting agenda.

4. A WC may be granted no more than three R&D period requests for different commodities/services at one time. Agency purchasing managers will contact the coordinator of the WC program to confirm that a WC is eligible for a R&D period.

5. The agency will notify the Bureau if a R&D period is granted.

II. A WC may request information from the agency in the course of developing a contract. Requested information may include:

A. Specifications;

B. Contract price history; and

C. Previous volume history by units and dollar.

III. Contract availability

A. The agency will determine if the request for a contract or contract development is appropriate. Contracts exempt from the WC program include:

1. Interagency purchases;

2. Existing Badger State Industries contracts;

3. Existing mandatory contracts;

4. Printing and stationery; and

5. Those that are covered by the 15% gross sales impact rule as follows:

a. If an existing vendor will lose more than 15% of its yearly sales or production upon loss of a contract, the contract will be exempt from the WC program.

(1) The agency will inform a vendor that its contract will not be renewed because it has been requested by a WC.

(2) The agency will inform the vendor that it may challenge the loss of the contract if the contract accounts for more than 15% of the vendor's gross annual sales.

(3) A vendor will provide, under cover letter requesting a review of the contract termination, documentation of its gross annual sales; preferably a copy of the vendor's last federal income tax return.

(4) Upon receipt of the vendor's request for review, the agency will compare the vendor's annual total gross sales with the contract annual gross sales to determine if the impact on the vendor's gross sales will be greater than 15%. The agency will inform the vendor and the WC of the results of the review.

(5) If the 15% rule is not met, the agency will continue with WC contract development.

IV. Contract development

If the agency determines that the request for a contract or contract development is appropriate under the WC program, it will proceed with contract development.

A. The agency will reference VendorNet to determine if any other WC provides the commodity/service.

1. If no other WC is shown on the list, the agency may proceed with contract development.

2. If one or more other WCs are shown on the list under the related commodity code, the agency will proceed with contract development under PRO-K-1, Agency Initiation of a Contract.

B. The agency will develop specifications, delivery requirements and performance standards for the required commodity/service.

1. The agency will include as part of the specifications the need for WCs to certify that not less than 75% of the total hours of direct labor are performed by individuals with severe disabilities.

2. The agency will determine if the WC meets appreciable contribution requirements for commodity contracts. Refer to PRO-K-5, Appreciable Contribution.

C. The agency will award the contract.

1. Issues to be considered in awarding a contract include:

a. 75% direct labor requirement;

b. Fair market price;

c. Ability to meet specifications;

d. Ability to meet delivery requirements;

e. Quality control; and

f. References.

D. The agency will determine fair market price as outlined in PRO-K-3, Fair Market Price.

V. Contract administration/termination

A. An order may be terminated by the agency if a WC fails to meet specifications, terms and conditions, performance or delivery requirements. Every effort to negotiate adjustments will be made before cancelling the order. If the final decision is to cancel, the agency will notify the Bureau State Use Program staff within five working days by using the Complaint Report on Vendor/Contractor Performance (form DOA-3686). See PRO-G-6, Complaint Report on Vendor/Contractor Performance.

B. State Use Board approval is required to cancel a contract in its entirety. The Bureau State Use Program staff will present the recommendation for termination to the State Use Board. A delay of 30 to 120 days may not be uncommon as the Board meets quarterly.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-K-3
		Effective 10-4-02
Section WORK CENTER	Agencies Affected ALL	Replaces 5-1-92
Title FAIR MARKET PRICE		Page 1 of 4

AUTHORITY: Wis. Stats. 16.752
104.01(6)
104.07

SCOPE: - to establish policy to determine whether a work center's price for a commodity/service is the fair market price

DEFINITIONS:

I. "Cost analysis" means a work center's information documenting its anticipated costs to produce a single unit of a product or a month of service.

II. "Fair Market Price" means the price for a commodity/service that compares favorably to the price available from other industry sources.

POLICY: The agency may award a procurement contract or continue to contract with a work center only if the price/cost of the commodity/service satisfies the requirements of fair market price.

CONTENT:

I. Fair market price must be determined for an initial price when awarding a new contract, for any price increases to an existing contract or at annual review.

II. Any request for bid/proposal sent to WCs will include a Cost Analysis and Appreciable Contribution Work Sheet—*Initial Cost* (SUB-008). To bid for a contract under the State Use Law, a certified work center (WC) must complete and submit a SUB-008.

III. A WC's cost analysis is not weighed in a proposal evaluation unless similar information from non-WC vendors would also have been used in a similar procurement.

IV. When a WC requests a price increase for a commodity/service, the WC must complete and submit the Cost Analysis and Appreciable Contribution Work Sheet—*Price Increase* (SUB-007).

V. Preparing and reviewing a cost analysis and appreciable contribution work sheet (SUB-008 or SUB-007):

Authorized:

Director
State Bureau of Procurement

A. A cost analysis is used as a basis for establishing the fair market price of a commodity/service. A WC must:

1. Adhere to Cost Analysis and Appreciable Contribution Work Sheets Definitions and Guidelines; and

2. Complete the necessary work sheet applicable to either an initial cost or a price increase.

B. The contracting entity (i.e., the Bureau of Procurement for a statewide contract or an agency for its own contract):

1. Requests any additional or back-up information necessary to clarify the work sheet.

2. Reviews the work sheet using the following criteria, as well as other market indicators to determine fair market price:

a. The cost of commodities/services if purchased in similar quantities from a non-WC vendor that is currently selling similar commodities/services; for example current state contract prices must receive serious consideration.

b. The average of bids/proposals, including the low bid, on the most recent solicitation which are not more than thirty-five percent (35%) above the low bid.

c. The usual, customary, and reasonable costs of manufacturing, marketing, and distribution.

d. Appropriate indices for general inflationary or deflationary trends such as the index of manufacturers price increases, the consumer price index, the consumer price index for urban wage earners, etc.

3. When the WC is requesting a price increase, develop specifications and obtain samples from a current WC contract, then solicit bids and samples from non-WC vendors.

C. If the WC's price compares favorably to the fair market price, and the WC meets the appreciable contribution requirements (see PRO-K-5, Appreciable Contribution), then the contracting entity enters into a contract or amends an existing contract.

D. If a WC is not considered to be at fair market price, the agency will:

1. Inform the WC it has not met the fair market price criteria;

2. Provide evidence related to the calculation of the fair market price;

3. Specify a response date by which the WC must challenge the fair market price calculation or lower their price; and

4. Negotiate with the WC if they receive a written response challenging their fair market price calculation. If they cannot reach an agreement, the agency will provide a written notification to the State Bureau of Procurement.

5. For disputes between the agency and the WC regarding fair market price, the agency will:

   a. Document all actions taken to resolve the conflict.

   b. Contact the coordinator of the State Use Program if a WC responds but is not awarded the contract due to a failure to resolve the conflict.

6. The coordinator will review the response, facilitate further negotiation and make the final resolution.

a. If the agency or coordinator determines that the cost is at fair market price, the agency will proceed in developing the contract.

b. If agreement still cannot be reached, the coordinator may terminate contract development.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-K-4
		Effective 10-4-02
WORK CENTER	ALL	Replaces 11-1-92
Title REQUEST FOR CERTIFICATE OF EXCEPTION		Page 1 of 1

Remove and destroy PRO-K-4, Request for Certificate of Exception. A need for this section no longer exists.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-K-5
		Effective 9-23-05
Section WORK CENTER	Agencies Affected ALL	Replaces 10-4-02
Title APPRECIABLE CONTRIBUTION		Page 1 of 4

AUTHORITY: Wis. Stats. 16.752
104.01(6)
104.07

SCOPE:
- to define appreciable contribution under the State Use Law
- to establish policy with respect to procurements from work centers

DEFINITIONS:

I. "Appreciable contribution" means adding value to a commodity by reforming raw materials or assembling components for a commodity contract.

II. "Direct labor" means all labor or work (in hours or compensation) involved in producing or supplying materials, supplies or equipment or performing contractual services including preparation, processing, inspecting and packing, but excluding supervision, administration, quality control and shipment.

III. "Severely handicapped individual" means an individual who has a physical, mental or emotional disability, which is a substantial handicap to employment and prevents the individual from engaging in normal competitive employment.

IV. "Work center" means a charitable organization or nonprofit institution which is licensed under s. 104.07 and incorporated in this state or a unit of county government which is licensed under s. 104.07, and which is operated for the purpose of carrying out a program of rehabilitation for severely handicapped individuals and for providing the individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature, and which is engaged in the production of materials, supplies or equipment or the performance of contractual services in connection with which not less than 75% of the total hours of direct labor are performed by persons with severe disabilities.

V. "Certified work center" means a work center that has met the requirements needed to participate in the State Use Program under s. 16.752, Wis. Stats.

VI. "Materials" mean natural, recycled or synthetic products used in the manufacturing of a commodity.

Authorized:

Helen McCain, Director
State Bureau of Procurement

VII. "Components" mean a simple part of a larger entity or a relatively complex entity which is regarded reasonably as a part of a larger entity.

VIII. "Subcontract/joint venture costs" mean costs paid to any person or company that assumes by secondary contract some of the obligation of an original contract.

CONTENT: I. For any commodity contract, approval by the State Use Board is required.

A. A work center (WC) must complete the Initial Cost Analysis Form (SUB-008) and an appreciable contribution narrative (see B. 2. through 4. below) for a new contract, and the Price Increase Cost Analysis Form (SUB-007) for a cost increase to an existing contract.

B. A certified WC must make an "appreciable contribution" or add value to the commodity. Appreciable contribution must be demonstrated. Discuss items 2. through 4. or as many as are appropriate for the particular commodity. Factors used in assessing appreciable contribution may include:

1. A WC must account for appreciable contribution or the value added to the commodity. Appreciable contribution is determined by subtracting the cost of any raw materials or components used to manufacture or to assemble the commodity from the proposed selling price.

The law states that the work center must make an appreciable contribution to the commodity.

Example:

Proposed selling price, per item	$ 2.50
Subcontract/joint venture costs	(.00)
Material/component costs	(1.90)
Added value/appreciable contribution from work center	$ .60

2. Availability of the commodity from market sources in the form used by agencies.

3. Change in the raw materials purchased by the WC to the final commodity that the WC sells to the state, and that makes the commodity useful for the purpose for which it is acquired.

4. Number of persons with severe disabilities providing direct labor.

Example: The State Use Board determined that purchasing toothpaste in 50 gallon drums, inserting the toothpaste into tubes in sizes required by agencies, affixing caps to the tubes and employing seven persons with severe disabilities in the production, satisfied the appreciable contribution requirements.

C. Subcontract/joint venture

A certified WC may enter into a subcontract or joint venture with a for-profit entity. However, any appreciable contribution made by the for-profit entity will not be included as part of the certified WC's appreciable contribution. When two certified work centers enter into a joint venture, the appreciable contribution made to the commodity by both entities is included in the appreciable contribution calculation.

II. Information on appreciable contribution

A. An agency will include an Initial Cost Analysis Form (SUB-008) with all requests for bids/proposals forwarded to WCs.

B. A WC must complete and submit form SUB-008 and an appreciable contribution narrative to the State Use Board for approval. Refer to PRO-K-3, Fair Market Price.

III. Failure to satisfy appreciable contribution

A WC's failure to meet or, after receiving a state contract, to continue to meet the appreciable contribution requirement will result in the state's not awarding a contract or terminating its contract with the WC for the particular commodity.

A. An agency will discuss its concerns about appreciable contribution with the Board prior to deciding the award of a contract or to terminate a contract, and will provide the WC with a written decision.

B. A WC may appeal a decision of the State Use Program Board concerning appreciable contribution to the State Use Board by writing to: Chairperson, State Use Board, 101 E. Wilson St., 6th Floor, P.O. Box 7867, Madison, WI 53707-7867. Any WC appeal should be received by the State Use Board within thirty (30) calendar days of the State Use Program Board's decision and must detail reasons for the WC appeal.

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section	Agencies Affected	Number
		PRO-K-6
		Effective 10-4-02
WORK CENTER	ALL	Replaces 11-1-93
Title CONTRACT COST ANALYSIS		Page 1 of 1

Remove and destroy PRO-K-6, Contract Cost Analysis. Its contents is combined with PRO-K-3, Fair Market Price.

Authorized:

Director
State Bureau of Procurement

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Number	Effective	Replaces
PRO-K-7	2-1-98	11-1-95

Section	Agencies Affected	Page
WORK CENTERS	ALL	1 of 1

Title
INDEX OF COMMODITIES AND SERVICES

AUTHORITY: Wis. Stats. 16.752

SCOPE: - to establish an alphabetical directory of work centers' commodities and services available for agency procurements

CONTENT:

I. A directory of work centers certified to do business with the State of Wisconsin under the State Use Program is attached. Agencies will refer to this directory when executing purchases at all purchasing levels.

>

II. The State Bureau of Procurement will maintain an official state certified work center directory, by commodity or service, and will update this directory on an as needed basis.

III. Inquiries may be made to the director, Work Center Program, at (608) 266-2553.

Note: In accordance with s. 16.752(12), "agencies shall obtain materials, supplies, equipment and services on the list (attached) maintained by the (State Use) Board."

Authorized:

Director
State Bureau of Procurement