

GRANTS AND NON-PROCUREMENT TRANSACTIONS: A VISUAL GUIDE

Some purchases, either based on their nature, who they are with, or who they benefit, may be exempt from procurement rules. Before using this guide, first determine if it applies to you. This guide does *not* apply to you if:

- ✓ Good/service is covered by a mandatory contract
- ✓ Governed by special procurement rules (waivers (sole source or general); legal services; vehicles; printing)
- ✓ Your purchasing situation is not covered by the transaction types covered in this guide

My supplier is a state agency



Interagency

Spend with another State of Wisconsin agency, where they are your direct supplier, is not considered a procurement transaction. The notable exception to this is spend on signage from the Department of Corrections. All sign purchasing, even if the supplier is DOC, must be competitively bid if valued over \$3,500.

Approval needed by State Bureau of Procurement?

None

My supplier is the federal government



Intergovernmental

With the notable exception of printing, payments made to the federal government for goods or services are not considered procurement transactions. They qualify as intergovernmental transactions under the authority of §16.75(6)(a), Wis. Stats.

Approval needed by State Bureau of Procurement?

None

My supplier is a utility company



Utilities

Payment for utility services can be made to only one source, which is the only source as a result of a regulated or natural monopoly.

Telecom services are typically not able to be classified as utility payments because there is a competitive market.

Approval needed by State Bureau of Procurement?

None

My agency received grant funds



Grants

Receiving grant funds **does not** automatically exempt the expenditure of those funds from procurement rules or a competitive process. There are conditions that must be met for grant spending to be considered exempt from procurement rules.

Who is the beneficiary or “user”?

If the agency itself is getting value from the good or service purchased with the grant funds, it is not eligible for exemption. Grants are transfers of things of value to recipients to carry out a public purpose of support or stimulation.

What is the selection process?

Many grants, particularly federal, will require the agency to follow their applicable or “local” procurement code to competitively select the recipients of the pass-through grant funding. Even if the grant is exempted by the Bureau from Ch. 16 processes, agencies still need to follow a competitive selection process unless the federal grant announces a specific entity or organization.

Approval needed by State Bureau of Procurement?

Yes. See PRO-504, Grants and Other Non-Procurement Transactions

My agency is making a payment set by state statute



Payment Pursuant to Statute

If a payment needs to be made because state statute specifically permits only that provider to receive the funds, and the rate of reimbursement is set by state statute, it is considered a non-procurement transaction. However, it must be exempted first.

Approval needed by State Bureau of Procurement?

Yes. See PRO-504, Grants and Other Non-Procurement Transactions