



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-414

Section	Effective	Replaces
CONTRACT ADMINISTRATION AND TRANSACTIONS	9/16/19	PRO-E-12, E-22 Various Dates
Title		Page
LEASING AND RENTAL AGREEMENTS; VEHICLES AND OTHER		1 of 3

SCOPE: The purpose of this policy is to establish authority and procedure for state lease and rental agreements for goods, services, equipment and special requirements related to vehicles.

POLICY: The objective of the leasing process is to provide, through contract, use without ownership of certain equipment, permanent personal property or miscellaneous capital.

The objective of the rental process is to provide for the use of personal property on a short-term basis for a fee under a contract. Rentals or leases are generally contracted for a period of months or portion of a month with scheduled billing and cancellable with either party providing 30 days' notice.

The rental and leasing function may be delegated by the State Bureau of Procurement (Bureau) to agencies. Agencies will follow sound procurement practices when determining if rental, lease or purchase are in the best interests of the state. All applicable procurement policies apply to a lease or rental as they do to a purchase.

Total cost analyses will take the life cycle into account where appropriate. See PRO-208, Life Cycle Costing.

To determine the value of a lease or rental agreement, in establishing which levels of delegation apply or the total dollar value of the transaction, use the sum of all scheduled payments for the duration of the anticipated agreement.

PROCEDURE: I. Prior Approvals

Agencies must obtain prior approval from the Bureau, regardless of an agency's level of delegation, for the following:

A. Leasing printing equipment and data processing equipment



Legal Authority

Wis. Stats. 16.705; 16.71(1); 20.915

Agencies Affected: All, unless otherwise noted

Authorized:

Sara Redford, Director
State Bureau of Procurement



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CONTRACT ADMINISTRATION AND TRANSACTIONS	9/16/19	PRO-E-12, E-22 Various Dates
Title		Page
LEASING AND RENTAL AGREEMENTS; VEHICLES AND OTHER		2 of 3

- B. Leasing or renting aircraft, trucks, motorcycles and automobiles for 30 consecutive days or more. Lease or rental of a vehicle is only allowed when it is in the best interests of the state to do so. Considerations 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

II. Lease or Rental of Less Than 30 Days

The agency will use internal procedures as determined by the agency special designated agent under the terms of delegation and applicable procurement policies.

III. Lease or Rental of 30 Days or More

- A. The agency will complete and submit documentation as required to the Bureau transportation procurement manager.
- B. The transportation procurement manager will evaluate each request and forward their recommendation to the Bureau director for final approval.
- C. If at the end of the lease/rental contract the agency still needs the vehicle, the agency will resubmit its request and receive



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Title		Page
LEASING AND RENTAL AGREEMENTS; VEHICLES AND OTHER		3 of 3

approval to continue or renew a lease/rental using the procedures in III, A.

IV. Acceptable Methods of Payment

- A. 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. See PRO-410, Purchasing Card.
- B. 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.
- C. For approved lease/rentals on a purchase order, the proper code for vehicle leasing and rental is 97514.

REFERENCE: DOA-3850A: Vehicle Lease Request
 DOA-3850B: Vehicle Lease Request Cost Analysis
 DOA-3851A: Vehicle Extended Rental Request
 DOA-3851B: Vehicle Extended Rental Cost Analysis



Legal Authority

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