



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-418

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SCOPE: The purpose of this policy is to establish circumstances and official procedure for allowing extended period contracts.

POLICY: Contracts run for terms that align with PRO-206, Length of Contracts. 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 so long as the term is incorporated in the solicitation and contract document.

An extended period contract status is reserved for exceptional circumstances when continuing a contractual relationship with a supplier for an extended period is more beneficial to the state than could be provided by any other supplier in the foreseeable future.

All extended period contracts must be approved by the State Bureau of Procurement.

PROCEDURE: I. Standards

For a contract to be designated with extended period contract status, it must meet all 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 supplier 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 structure and operations.



Legal Authority
Wis. Stats. 16.75(3)

Agencies Affected: All, unless otherwise noted

Authorized:
Sara Redford, Director
State Bureau of Procurement



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- D. Requires innovation and changes in scope, process and technology that are developed by and are mutually beneficial to both parties.
- E. A change of suppliers will disrupt critical state operations and/or cause the state to incur significant, documented costs.
- F. Competition is extremely limited or non-existent.

II. Competitive Solicitations

- A. For a request for bid/proposal, the agency may request approval to designate a contract with “extended period contract” status through a procurement plan. See PRO-201, Procurement Plans.
- B. The request will be accompanied by a justification letter addressing the need for the extended period contract and the standards identified herein.
- C. If approved, the solicitation document and resulting contract will contain all the elements of section IV below.

III. Sole Source:

- A. For a sole source request, the agency prepares the same documentation in section II above and submits as part of an RPA. See PRO-210, Request for Purchasing Authority (RPA) Policy and Procedure.
- B. If the request is approved, the contract document will contain all elements of section IV below.

IV. Contract Provisions



Legal Authority
Wis. Stats. 16.75(3)

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In addition to standard contract terms and conditions, an extended period contract will contain the following:

- A. A statement that the contract has extended period contract status and will continue for a defined number of limited, recurring periods. Except for contracts with certified work centers, contracts will not contain a clause that specifies a term that runs indefinitely. See PRO-509, Sourcing with Work Centers.
- 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. See PRO-411, Contract Cancellation and Termination Procedures.
- C. A statement of the conditions under which the parties may seek to terminate the contract, including the timeframe for doing so.
- D. Establishment of the required performance standards necessary to maintain extended period 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.



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