



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-513

Section EXCEPTIONS, WAIVERS AND SPECIAL HANDLING	Effective 2/18/2020	Replaces PRO-D-11, D-17, D-21, D-22 Various Dates
Title PROCUREMENT CONSIDERATIONS IN FACILITIES-RELATED PROJECTS AND LEASING OF SPACE		Page 1 of 5

SCOPE: The purpose of this policy is to define the proper authorities, and official procedure, for certain transactions and/or agreements related to state facilities (e.g. projects, construction, leasing).

POLICY: Certain state agency transactions and contracts have overlap between goods and services procured under the authority of Subchapter IV, Ch. 16.70, Wis. Stats. (Purchasing) rules and Ch. 16.84-16.85, Wis. Stats. (Facilities) rules.

Contracts and transactions that are subject to Purchasing rules are reviewed and approved by the State Bureau of Procurement (Bureau). Contracts and transactions that are subject to Facilities rules are reviewed and approved by the Department of Administration, Division of Facilities Development and Management (DFDM).

Chapter 16 of the Wisconsin Statutes designates the Department of Administration as the managing authority under the Wisconsin Administrative Code, Adm. Chapter 2 – “Use of State Buildings and Facilities” (as defined in s.16.845(2) (b)), of the state-owned, leased or rented office buildings and facilities as provided in s.16.84 (1). The DFDM provides leadership, coordination, and technical advice working with partners and stakeholders to develop and preserve the investment in the State of Wisconsin facilities and related assets.

Construction Projects and Real Property Sales, Purchases and Remodels

The DFDM is responsible for new construction, purchase, sale, and remodeling of state-owned facilities.

Limited Trades Contracts

Limited trades work means maintenance work consisting of the repair or replacement of existing equipment or building components with equipment



Legal Authority

Wis. Stats. 16.70(7); 16.72(3); 16.75(6)(c); 16.84(5); 16.845; 16.8511(2); 16.855; 16.87; 16.88 103.49

Agencies Affected: All, unless otherwise noted

Authorized:

Sara Redford, Director
State Bureau of Procurement



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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.

Depending upon the spend amount and other factors prescribed herein, limited trades contracts could be managed under either Purchasing or Facilities rules. See PRO-101, Procurement Definitions and Thresholds for definitions of maintenance work, construction work, moveable equipment and threshold amounts.

Limited trades contracts less than the limited trades threshold are considered procurement contracts under Bureau rules and procedures.

Contracts at or above the limited trades threshold are processed under the rules and procedures of the DFDM.

Leasing of Space/Real Property

The DFDM, Bureau of Real Estate Management, is responsible for all functions relating to the leasing of all real property for the state agencies. This includes locating, negotiating and developing leases.

The procurement of leased land and building space is not subject to state purchasing rules and regulations and, therefore, agencies should work directly with their agency's Lease/Tenant Coordinator, who in turn works with the DFDM, Bureau of Real Estate Management for approval.

Use of State Facilities vs. Renting Private Facilities



Legal Authority
 Wis. Stats. 16.70(7); 16.72(3); 16.75(6)(c); 16.84(5); 16.845;
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State facilities will be used for any program where availability and accommodations can support the program. Expenses incurred by a state agency in its use of a state facility are considered interagency transactions. See PRO-504, Grants and Other Non-Procurement Transactions.

Expenses tied to a state agency’s rental of a private space for short-term activities, e.g., a one-day conference, meeting or workshop, are subject to procurement rules and regulations. See PRO-514, Travel and Conference-Related Procurement.

Building Repairs Under Emergency Circumstances

It is common for certain limited trades work to be required as a result of unexpected damage to a space under an emergency circumstance.

In such cases, agencies will first estimate the total cost of the work. If the initial estimate is at or over the limited trades threshold, the agency will contact DFDM to determine if it will be run under Facilities rules. If DFDM declines, the agency will make the purchase(s) under Purchasing rules.

For purchases that do not have existing procurement authority (e.g. through a contract), agencies will consult PRO-503, Emergency Procurement. Work covered under emergency procurement authority will be limited to the work required to be completed immediately to avoid future damage or to mitigate a risk to health, safety and welfare. Competitive processes will be used to address purchases related to replacement or repair work that is not an immediate need.

PROCEDURE:

- I. Use of State Facilities
 - A. 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



Legal Authority

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establish a sum for its use, to be paid into the general fund and credited to the appropriation for the facility's operation.

- B. State facilities have established procedures for obtaining a permit for use. Non-compliance with these procedures may result in a penalty. See the DOA, Building Tenant Manual.

II. Leasing of Space

- A. The review and evaluation of agency space requests is the responsibility of the DFDM, Bureau of Real Estate Management which 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 DFDM Bureau.
- B. The DFDM, Bureau of Real Estate Management, is available to answer questions regarding the leasing process and can assist agencies in estimating space costs and space needs. Agency Lease/Tenant Coordinators may call 608-267-2004 or e-mail DOA DFM Leasing (DOADFMLEASING@wisconsin.gov).

III. Delegated Project Management

- A. Projects that are delegated by the DFDM to an agency must adhere to the construction contract procedures unless waived by special instructions or guidelines in conformance with s. 16.8511(2), Wis. Stats.
- B. 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



Legal Authority

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under the jurisdiction of procurement rules and procedures when identified by the DFDM.

- C. Specific to moveable equipment, DFDM rules typically apply to the initial purchase of the equipment when done during new construction (i.e. appliances), but procurement rules apply to replacement equipment and anything the agency considers owned by them and not by DFDM, were the agency to vacate the property.

REFERENCE: Facilities Management [Website](#)
 Facilities Development [Website](#)
 Building Tenant Manual



Legal Authority
 Wis. Stats. 16.70(7); 16.72(3); 16.75(6)(c); 16.84(5); 16.845;
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