

PROCUREMENT INFORMATION MEMORANDUM

Date Issued: August 21, 2019

Number: 20-001

Effective Dates: Date Issued Until Modified or Retired

Subject: **Information Technology (IT) and Private Consultant Services Purchasing Updates**

I. REFERENCE

Executive Order 288

s. 16.71(1), (1m); 16.77; 16.78; 16.973 Wis. Stats

II. PURPOSE

On May 1, 2018, Executive Order 288 (hereinafter “Order”) was published to require all state agencies as defined in Wisconsin Statutes 230.03(3) to obtain the approval of the Department of Administration (DOA) Secretary prior to making Information Technology (IT)-related and private consulting purchases over \$150,000.

On August 1, 2018, agencies were required to comply with policy *PIM 18-003, Information Technology (IT) and Private Consultant Services Purchasing over \$150,000* and the request system for processing requests (collectively referred to as “\$150K program”).

Over the course of the past year, agencies have submitted and DOA has processed nearly 1,200 requests with only 5 requests being denied. Based on this historical record of agency compliance with procurement policies and the goals and objectives, we are making revisions to the current \$150K program. The purpose of this PIM is to communicate these important changes and redirect agencies to new policy and procedure for IT procurement and private consultant services purchasing.

III. OBJECTIVES, NEW IT PROCUREMENT POLICY

The updated program will continue to ensure each large IT/telecom and/or private consulting purchase:

- Aligns with enterprise information technology and telecommunications strategies
- Supports an established agency or enterprise need
- Does not duplicate services or activities that are otherwise provided by DET, STAR or another agency
- Will be procured, where possible, through a strategically sourced contract
- Is supported by an agency’s Secretary’s Office

The goals and objectives of the program have not changed. However, in order to achieve them in a more efficient and economical manner, DOA will implement a new procurement policy related to IT and telecommunication purchases which aligns with the threshold and statutory requirements set forth in §16.973, Wis. Stats. (\$1,000,000 or “high risk”). The new policy, *PRO-508, Information Technology (IT) and Telecommunications Procurements*, contains procedural requirements that align with the requirements of statute. For individual agency contracts, the State Bureau of Procurement has modified the procurement plan form to incorporate the requirements of this new policy.



In addition, the State Bureau of Procurement will achieve strategic sourcing goals in IT and telecommunications categories by analyzing where improvements or business process changes could be made on the most heavily leveraged enterprise contracts, including but not limited to:

- IT Staff Augmentation/Vendor Managed Services (VMS)
- Computer Hardware and Peripherals
- Voice Services, including VoIP
- Software
- Cloud Services

This will be done by establishing standards groups and user communities of major contract stakeholders from the agencies to discuss the contracts and establish business rules for better use of those contracts.

IV. IMPLEMENTATION

Effective immediately, agencies will no longer submit any new \$150K requests to DOA. Authority to approve requests submitted under Executive Order 288 has been delegated by the DOA Secretary to agency heads. For requests entered into the system as of August 21, 2019, they will be processed using the existing \$150K program approval processes. All requests submitted after August 21, may be withdrawn from the RPA tool.

On August 15, the revised State Procurement Manual was published. This new manual contains refreshed procurement policy for all matters, [including IT and telecom \(i.e. PRO-508\)](#). The new procurement manual section for IT and telecom will become officially effective along with the rest of the manual.

The transition to a new IT procurement policy will be accomplished by September 16, 2019.

V. DELIVERABLES

DOA (SBOP, DET and State Budget Office) will review data for requests processed since August 1, 2018 to date and provide a summary report to agencies by December 31, 2019 (target) on the \$150K program, including recommendations for business process improvement and key performance indicators across the enterprise.

