



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-508

Section EXCEPTIONS, WAIVERS AND SPECIAL HANDLING	Effective 6/21/22	Replaces PRO-508 9-16-19
Title INFORMATION TECHNOLOGY (IT) AND TELECOMMUNICATIONS PROCUREMENTS		Page 1 of 5

SCOPE: The purpose of this policy is to establish pre-approval requirements and official procedure for certain information technology (IT) and telecommunications procurement contracts.

Agencies are advised that the scope of this policy covers only those approvals that overlap between the Division of Enterprise Technology (Division) and the State Bureau of Procurement (Bureau). Agencies are responsible for ensuring any other policies set by the Division that are unrelated to procurement are also complied with.

POLICY: The Department of Administration, Division of Enterprise Technology (Division), develops policy and procedure to ensure a coordinated cost-effective approach to information technology and telecommunications system acquisition and use, and reviews acquisitions in these categories to ensure operational efficiency and consistency with goals and objectives. The scope of IT and telecommunications are defined in PRO-101, Procurement Definitions and Thresholds.

Pursuant to §16.971(2), the Division manages procedures to ensure agency IT and telecommunication purchases are timely, cost-effective, and good management practices are employed in IT contracting.

For large IT or telecommunications contracts, or for those that are vital to the functions of an agency, the Division also ensures those purchases are made in alignment with the statewide strategic IT plan and established standards. See PRO-101 for the large IT/high-risk and telecommunication purchasing thresholds.

The Division, in partnership with the Bureau, exercises certain review and approval processes for IT and telecommunications procurements. The procedures outlined herein apply to transactions within specified thresholds whether or not they are made against existing contracts.



Legal Authority
Wis. Stats. 16.71(1m); 16.78; 16.97

Agencies Affected: Executive branch agencies, excluding
University of Wisconsin System Board of Regents and
University of Wisconsin-Madison

Authorized:
Cheryl Edgington, Director
State Bureau of Procurement



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- PROCEDURE: I. Telecommunications Purchases
- A. When the estimated annual amount for a purchase or change in service results in new costs over the telecommunication purchase threshold, the agency must complete and submit form DOA-6497: Telecommunications System Study Report.
 - B. The Division will send a written response to the agency. If approved, when the subsequent purchase is being made under an existing contract, the agency may proceed with the purchase.
 - C. When the agency intends to conduct a solicitation, use another entity’s contract, or request a waiver of bidding for the purchase, the agency will include the TSSR with its procurement plan or Request for Purchasing Authority (RPA). See PRO-201, Procurement Plans and PRO-210, Request for Purchasing Authority (RPA) Policy and Procedure.
 - D. The agency will retain in its procurement file a signed copy of the TSSR.
- II. IT Purchases
- A. When the agency is making a purchase that meets the definition of a large, high-risk project, the agency will ensure applicable purchases are included in the annual IT reporting required by DET under the authority of §16.976(1).
 - B. Where a procurement plan is required for an IT purchase, the agency will ensure a technical contact is identified on the plan



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and will otherwise complete the IT-related sections of a procurement plan. See PRO-201, Procurement Plans.

III. Software Purchases

- A. In addition to the requirements of section II, software or cloud-based service purchases in all dollar amounts will be made only in a manner that protects the state’s data, is cost effective, and mitigates contractual risk.
- B. Agencies are not allowed to develop or purchase software that overlaps with the scope of modules covered by the STAR Enterprise Resource Planning (ERP) system without prior approval of DOA. See PIM-17001: Purchasing of Software Related to STAR Functionality.

IV. Contract Terms and Conditions

- A. Agencies will establish procedures to ensure that software or cloud-based terms and conditions are reviewed and, if necessary, negotiated, with the same level of diligence employed with other state contract terms and conditions.
- B. Under the authority of §16.973(13), for contracts involving a large, high risk IT project, as defined by the Division of Enterprise Technology under the authority of §16.973(10) or for contracts at the large, high-risk IT procurement threshold, agencies will include a stipulation requiring the vendor to submit to the department for approval any order or amendment that would change the scope of the contract and have the effect of increasing the contract price.



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- C. The stipulation shall authorize the department to review the original contract and the order or amendment to determine the following and, if necessary, to negotiate with the vendor regarding any change:
 - 1. Whether the work proposed in the order or amendment is within the scope of the original contract.
 - 2. Whether the work proposed in the order or amendment is necessary.

- D. The department or any agency may exclude the stipulation in IV, B and C if all the following conditions are satisfied:
 - 1. Including such a stipulation would negatively impact contract negotiations or significantly reduce the number of bidders on the contract.
 - 2. If the exclusion is sought by the agency, the agency must submit to the department a plain-language explanation of the reasons it was excluded and the alternative provisions that will be included to ensure that the contract will be completed on time and within budget.
 - 3. If the exclusion is sought by the department, the department will prepare an explanation per IV, D, 2.
 - 4. The department submits for approval by the Joint Committee on Information Policy and Technology (JCIPT) any exclusion request and alternative contract provisions. If JCIPT does not contact the department within 14 working



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days of receiving the request, the exclusion and alternative contract provisions shall be deemed approved.

- E. Agencies shall submit for review and approval by DOA those contracts subject to the requirement in IV, B following the process outlined in PIM 22-001, Large, High-Risk IT Contract Review and Approval Process.
- F. For open-ended contracts, agencies must submit to the department quarterly reports documenting the amount expended on the IT development project. An open-ended contract is an IT contract that includes one or both of the following:
 1. Stipulations that provide that the supplier will deliver IT products or services but does not specify the maximum payment amount;
 2. Stipulations that provide that the supplier shall be paid an hourly wage but that do not set a maximum limit on the number of hours required to complete the IT project.

REFERENCE: Telecommunications System Study Report (TSSR) (form DOA-6497)
PIM 22-001 Large, High-Risk IT Contract Review and Approval Process



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