SERIAL CONTRACTING

AUTHORITY:

Wis. Stats. 16.75(1)(b) & (c)
16.75(6)(c)
16.77

SCOPE:
- to define serial contracting
- to establish a policy related to serial contracting

DEFINITION:
"Serial contracting" is the practice of a procuring unit issuing a series of purchase orders, or using the purchasing card for purchases, to the same vendor for the same commodity or service without the benefit of a competitive process or a waiver as required under state purchasing policies and procedures.

POLICY:

I. Serial contracting/purchasing is prohibited.

II. Pursuant to s. 16.77, Wis. Stats., any state employee who contracts for the purchase of materials or services contrary to a statute or to State Bureau of Procurement policies and procedures may be liable for the cost. If such materials or services are paid for out of public funds, the amount may be recovered in action filed by the Attorney General. Any procurement contract that is contrary to state statutes is void.

CONTENT:

I. The agency is responsible for ensuring that serial contracting is not used. By writing several smaller orders, or using the purchasing card, the agency avoids a competitive process or a waiver as required by procurement rules and thus circumvents the law. When multiple purchases are occurring/recurring in a short period of time, it indicates that split purchases and serial purchasing may be taking place.

II. At least annually, each agency with a central purchasing office will review the agency’s purchases to include purchasing card transactions to look for opportunities to eliminate serial contracting and to seek cost-saving measures associated with consolidating similar procurements under relevant contracts. The purchasing office will look for purchasing trends and take corrective action. In larger agencies, the review may occur at regional district or other segments or facilities as appropriate. Such efforts will include reporting findings to the central purchasing office.

III. When total transactions in excess of the limits have been identified, the agency procurement staff should determine if these types of purchases are likely to continue and take proper steps to comply with procurement rules. The central purchasing office is responsible for providing training to agency staff.
IV. The State Bureau of Procurement in cooperation with the Department of Administration State Controller’s Office will perform periodic reviews to determine compliance with paragraph II. above.

V. Reference material:

A. PRO-C-5, Bidding Policy and Procedure, Official Sealed Bid
B. PRO-C-8, Simplified Bidding
C. PRO-C-12, Competitive Negotiation (Request for Proposal)
D. PRO-C-13, Noncompetitive Negotiation (Sole Source)
E. PRO-E-8, Prior Approval of Purchases/Unauthorized Purchases