

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

Section CONTRACTING FOR SERVICES		Agencies Affected ALL	Number PRO-I-4
Title JUSTIFICATION OF NEED			Effective 10-14-14
			Replaces 7-29-10
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AUTHORITY: > [Wis. Stats. 16.705\(1\)\(2\)](#)
[Wis. Adm. Code Chapter Adm. 10.05](#)

SCOPE: - to establish that the department or its agents may contract for services which can be performed more economically or efficiently by such contract, 16.705(1), Wis. Stats
- to establish the content to justify the need for contracting for services

CONTENT: I. The justification of need to procure contractual services over \$25,000 includes:

- A. A justification for the request written in clear, nontechnical language that can be understood by persons who may not be directly involved in, or familiar with, the specific request, with all acronyms fully defined;
- B. A reference to the federal law or regulation or state law which requires or authorizes such contractual services (if applicable);
- C. A description of the services to be performed, a list of any items to be delivered, complete schedules and timetables, and any other specific conditions to be required of the contractor;
- D. A statement showing why the services can be performed more economically or efficiently by contract rather than by current state employees or by hiring permanent, project or limited term employees. The consideration of costs will include, but not be limited to, the costs of salaries, fringe benefits, training and unemployment compensation payments; (For procurements over \$50,000, see [PRO-I-15](#), Cost Benefit Analysis, for details for official cost benefit analysis requirement.)
- E. A statement showing why it is not possible to have the services performed by another state agency; and
- F. A statement indicating that competitive bidding will be used or a justification for using the proposed alternative when competitive bidding is not used.

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- II. The agency (or Consolidated Agency Purchasing Services as appropriate) will distribute the justification of need as outlined below.
- A. When a Request for Purchasing Approval/Authority (RPA) is required for the procurement, the agency will submit the following documents with the RPA package to the Bureau of Procurement for processing. (See [PRO-C-2](#), Request for Purchasing Approval/Authority (RPA) Policy and Procedure.)
1. Justification of need letter
 2. Cost benefit analysis (See [PRO-I-15](#), Cost Benefit Analysis.)
- B. When an RPA is not required for the procurement, the justification of need letter will be kept on file with the originating agency.

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Authorized:



Rick S. Hughes, Director
State Bureau of Procurement