



July 30, 2021

Adam Steen
Director - Department of Administrative Services
1305 E Walnut
Des Moines, IA 50319

REQUESTS FOR "WAIVER OR VARIANCE"

Pursuant to 11 IAC 118.16, the General Services Enterprise requests a waiver to 11 IAC 118.11 (3), with respect to the 6- year limitation, including all optional renewals, on the duration of a service contract related to waste and recycling collection services for Capitol Complex and otherselect State operated locations, contracted by Department of Administrative Services CentralProcurement.

11 IAC 118.11 (3) specifically provides:

"118.11 (3) A service contract should be competitively selected on a regular basis so that a state agency obtains the best value for the funds spent, avoids inefficiencies, waste or duplication and may take advantage of new innovations, ideas and technology. A service contract, including all optional renewals, shall not exceed a term of six years unless the state agency obtains a waiver of this provision pursuant to rule 11-118.16(8A)."

The six-year duration limitation established by 11 IAC 118.11 (3) was intended to reinforce the competitive bidding requirements established in chapter 11 by requiring agencies to renew contracts on a somewhat regular basis, including engaging in competitive selection processes that test the marketplace. The rules further authorize the DAS Director to waive the requirements of this rule for good cause. Rule 11 IAC 118.16(3) specifically recognizes that the six-year limitation may not be appropriate in all circumstances and provides an example of good cause when "showing that a requirement or provision of a rule should be waived because the requirement or provision would likely result in an unintended, undesirable, or adverse consequence or outcome."

During early FY21, Central Procurement performed a competitive solicitation twice in an effort to get a replacement contract in place. DAS was unable to negotiate terms and conditions with the current vendor and no other bids were received. As the service is critical to support a clean and healthy work environment, a one year waiver was granted to allow DAS to research all available options. As a result, DAS began discussions with the City of Des Moines for the service. However, due to the opening of a new facility, the City is unable to begin service for the State until FY23.

1. *Request.* A waiver of the "six year term limitation on service contracts" for the purpose of allowing Central Procurement to negotiate an extension of the current contract to allow time to negotiate with the City to begin services in FY23.

- a. Justification. The current contract was originally sourced through a formal competitive RFP process, DAS Central Procurement has completed 2 competitive solicitations in an effort to execute a timely replacement contract, and the City cannot begin providing services until FY23.
- b. Benefit. The renewal extension will allow continuity of a critical service until the City can begin work.

Thank you in advance for your consideration of this request. Please do not hesitate to contact me if you need any additional information.

Charlee Cross

Charlee Cross, COO, General Services Enterprise

7/30/2021

Date

Approved based on the justification provided.

ASC 8/2/21

Adam Steen, Director