



June 5, 2025

Director Adam Steen
Iowa Department of Administrative Services
1305 E Walnut St, 3rd Floor
Des Moines, IA 50319

Re: Request for Rule Waiver

Director Steen,

Pursuant to Iowa Administrative Code rule 11-118.16(2), the Iowa Department of Revenue (IDR) hereby requests a waiver from the requirements of Iowa Administrative Code rule 11-118.11(3) regarding the maximum duration of service contracts with respect to the following agreement:

- Fairfax Imaging-RFP# 0713625117-June 15, 2019
- Fairfax Imaging-MA-005-16026-September 24, 2021

Descriptions of Contracts:

Fairfax Imaging-RFP# 0713625117-June 15, 2019

Software solution that enables data capture, document imaging, and forms processing for all paper tax returns and payments. The Department processes approximately 2 million returns and payments through this system annually.

Fairfax Imaging-MA-005-16026-September 24, 2021

Maintenance agreement to support OPEX imaging machines used in conjunction with the Fairfax Imaging software.

For the reasons discussed below, IDR submits that good cause exists for waiving the six-year requirement in Iowa Administrative Code rule 11-118.11(3) and extending each of the above contracts through and to include November 30, 2027.

Request for waiver:

IDR is nearing the end of its multi-year modernization program, involving the implementation of a new application taking over functions of several outdated software programs. In 2019, IDR submitted and DAS approved a waiver extending the end date for a number of contracts, including the above listed contracts, to November 30, 2025

IDR is now requesting to extend the above contracts by 2 additional years. After evaluating the current state of the relevant hardware and software, IDR has determined that the best course of action is to put forth a request for proposal. With the completion of Rollout 5, and the other requests for proposal that are currently in progress, IDR does not anticipate completing the competitive procurement process prior to the expiration of these contracts.

Therefore, IDR is requesting a waiver, allowing IDR to extend the above contracts by two additional years. This will provide the necessary time for IDR to procure and implement the technology solution which fulfills IDR's needs in its post-modernization work and meets the technology standards imposed by the Internal Revenue Service and DOM DoIT.

This waiver request meets the requirements of Iowa Code section 17A.9A(2) because:

- Strict application of the rule will prevent IDR from extending the Contracts. Losing the systems and support provided under the Contracts could result in critical failures within IDR's processes, limiting IDR's ability to collect revenue for the State and creating an undue hardship on IDR and its constituents.
- Approval of this waiver would not prejudice the substantial legal rights of any person.
- The term-limit provision of Iowa Administrative Code rule 11-118.11(3) is not specifically mandated by statute or another provision of law.
- Waiver of the rule will provide substantially equal protection of the public health, safety, and welfare as it will ensure proper vendor support to systems, allowing IDR to support the continuity of State of Iowa government by collecting revenue.

Respectfully submitted,

Signature

Date

Mary Mosiman

Iowa Department of Revenue

Waiver approval:

Adam Steen

Signature

Date

6.9.25

Adam Steen

Iowa Department of Administrative Services