

CERTIFICATE

STATE OF WISCONSIN )  
 ) SS  
 WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD )

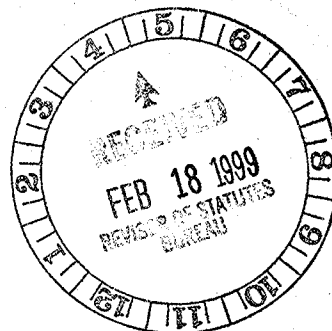
I, Edward Chin, Director of the Wisconsin Technical College System Board and custodian of the official records, certify that the annexed rules, Clearinghouse Rule 98-104 relating to general district policies; district budget, audit, and finance; contracts for services; and high school reporting requirements, were duly approved by this board on November 18, 1998.

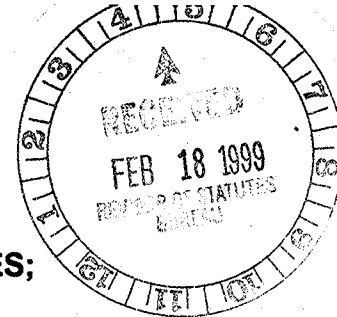
I further certify that this copy has been compared by me with the original on file with this board and that it is a true copy of the original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Wisconsin Technical College System Board at 310 Price Place in the city of Madison, this 17<sup>th</sup> day of February, 1999.

*Edward Chin*

Edward Chin, Director  
 Wisconsin Technical College System Board





**ORDER OF THE  
WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD  
ADOPTING RULES RELATING TO GENERAL DISTRICT POLICIES;  
DISTRICT BUDGET, AUDIT AND FINANCE;  
CONTRACT FOR SERVICES; and  
HIGH SCHOOL STUDENT REPORTING REQUIREMENTS**

The Wisconsin Technical College System Board proposes an order to amend 6.05(2)(c), (2)(d), (2)(f), (2)(g), (2)(j)(intro.), (2)(m); to repeal and recreate TCS 6.05(2)(intro.), (2)(h), and (2)(l); to create 6.05(2)(a) (title), (2)(b) (title), (2)(c) (title), (2)(d) (title), (2)(e) (title), (2)(f) (title), (2)(g) (title), (2)(i) (title), (2)(j) (title), (2)(k) (title), and (2)(m) (title), relating to procurement policies and procedures; to amend TCS 7.03(1), relating to district budget, audit and finance; to amend TCS 8.06(1) and (2), relating to contracts for services; to amend Ch. TCS 9 (title), 9.01(1), 9.02(7), 9.03(1) (intro.), (1)(a), (1)(b), (1)(c)1. and (1)(c)2.; and repeal and recreate 9.03(3), relating to district reporting of student participation in compulsory school attendance, postsecondary options and technical preparation programs.

**ANALYSIS PREPARED BY THE TECHNICAL COLLEGE SYSTEM BOARD**

Statutory authority: ss. 38.04(11)(a)2., 38.04(14)(a), and 227.11(2), Wis. Stats.  
Statutes interpreted: ss. 38.04(11), 38.12(5), 38.12(5m), 38.12(7), 38.14(3), and 38.28, Wis. Stats.

*General district policies—Procurement (TCS 6.05).* The current rule regarding technical college (WTCS) district procurement policies was originally promulgated in 1984 based on federal procurement guidelines and regulations to provide consistency for all purchases regardless of funding source. In recent years, changes at both the federal and state levels have led to higher threshold amounts for competitive procurement requirements. The proposed rule amendment would not only reflect these changes, but also make several improvements to the procurement process.

TCS 6.05 requires that each WTCS district board adopt, at a minimum, certain policies and procedures on procurement. In general, such policies and procedures must require: (1) competitive bid or selection procedures if the total cost of the procurement exceeds \$10,000; (2) the solicitation of written quotes from at least 2 prospective vendors if the total cost is between \$3,000 and \$10,000; and (3) a procedure established by the district board if the total cost is below \$3,000 (small procurements). In addition, all district contracts for public construction must be accomplished through the use of competitive bids if the estimated cost exceeds \$10,000 (as required under §38.18, Wis. Stats.).

The proposed rule amendment would: (1) increase the level for competitive bid or selection procedures to procurements in excess of \$25,000; (2) increase the solicitation of written quotes levels to procurements between \$10,000 and \$25,000 and require quotes from at least 3 vendors; and (3) increase the small procurement level to \$10,000. The \$10,000 competitive bid level for public construction contracts would remain unchanged.

This proposal would bring the WTCS district procurement thresholds more in-line with current federal and state regulations. The federal standard for competitive procurement is now \$100,000. The current purchasing law applicable to state agencies requires competitive procurement when the estimated cost of the transaction exceeds \$25,000 and a simplified procedure established by the state Department of Administration is used for transactions of \$25,000 or less (essentially quotes from at least 3 vendors without any formal bid procedures).

TCS 6.05 also requires that all procurements within a 30-day period from a single contractor or from multiple contractors (involving similar procurements) be considered in the aggregate in determining the method of procurement used by the district. The proposed amendment would replace this 30-day aggregation rule with a requirement that a district board's procurement policies include an annual review to determine if a more competitive procurement process should be used in succeeding years. This review would be conducted based on a report that aggregates multiple purchases of similar goods, supplies and services procured without competitive bids or selection procedures. The district board would be required to take formal action on this report and such action would have to be reflected in the board's minutes.

TCS 6.05 allows sole source procurement in certain circumstances including where cooperative purchasing under §16.73, Wis. Stats., is utilized. Such cooperatives involve joint purchasing agreements among a group of municipalities or between the state Department of Administration and a group of municipalities. The proposed rule amendment would modify the list of sole source procurements to include cooperative purchasing associations recognized by the State Director as having procurement policies that are substantially equivalent to those of the WTCS.

Finally, the proposed amendment would require that each district board disclose the evaluation criteria related to competitive selection procedures in the specifications provided to prospective vendors. This change will ensure that vendors are fully aware of the criteria and relative weight each criterion will receive in the selection process.

*District budget, audit and finance—Accounting standards (TCS 7.03).* The current rule requires WTCS districts to comply with accounting standards established by the National Council on Governmental Accounting (NCGA) and incorporates these standards into the rule by reference to the source document. At the time this rule was promulgated (September 1983), the NCGA was the authoritative source of generally accepted accounting principles for state and local governments. However, shortly

thereafter, the authority to establish governmental accounting standards was transferred to the Governmental Accounting Standards Board (GASB). The proposed rule amendment would recognize this change in authority by adopting and incorporating by reference the GASB accounting standards.

*Contract for services—Reporting standards (TCS 8.06).* The current rule interprets § 38.14(3)(e), Wis. Stats., which requires each WTCS district board to submit to the WTCS Board a report identifying all contracts under which the district board provided services. However, the rule reflects the statutory language prior to 1989 which required each district board to submit its contract report monthly and on forms provided by the WTCS Board. 1989 Wisconsin Act 31 changed the requirement to an annual report due by December 1st and specified that the report be submitted in a form determined by the WTCS Board. The proposed rule amendment would eliminate the monthly reporting requirement; establish the December 1st annual reporting date; specify that the report would be submitted electronically, in the format specified by the Board; and clarify the contents of the report.

*High school student reporting requirements (TCS 9).* The current rule interprets section 38.04 (11)(a)2., Wis. Stats., by requiring WTCS districts to annually, by June 15, submit a report to the WTCS Board on the number of high school students participating in the compulsory school attendance, postsecondary options and technical preparation programs. However, the budget for WTCS districts operates on a fiscal year basis ending June 30 of each year of the biennium. Furthermore, §38.04(11)(a), Stats., directs the WTCS Board to establish common use of the fiscal year for both operations and data reporting. Therefore, the June 15th reporting date is not compatible with the closing dates established for WTCS data reporting purposes. The proposed rule amendment would change the annual reporting date to August 15th.

TCS 9 also requires each WTCS district to report the number of high school students enrolled in a secondary course for which advanced standing or transcribed credit may be granted by the college under the technical preparation program. However, advanced standing is not automatic for high schools students and may not be granted unless the student applies for admission to a technical college and specifically requests advance standing based on the course being taken by that student. Similarly, transcribed credit is granted at the time of completion of the course. The proposed rule amendment would clarify that WTCS districts would report high school student participation in advanced standing and transcribed credit courses once these forms of credit have been granted to the student by the technical college.

Finally, the proposed amendment would provide the appropriate cross-references to the new youth options program under §118.55, Wis. Stats., which replaces the postsecondary enrollments option program under §118.37, Wis. Stats., as a result of 1997 Wisconsin Act 27.

## **TEXT OF RULE**

**SECTION 1.** TCS 6.05(2) (intro.) is repealed and recreated to read:  
TCS 6.05(2) **POLICIES AND PROCEDURES.** Each district board shall adopt procurement policies and procedures that, at a minimum do all of the following:

**SECTION 2.** TCS 6.05(2)(a) (title) is created to read:  
TCS 6.05(2)(a) Delegation.

**SECTION 3.** TCS 6.05(2)(b) (title) is created to read:  
TCS 6.05(2)(b) Code of conduct.

**SECTION 4.** TCS 6.05(2)(c) (title) is created to read:  
TCS 6.05(2)(c) Competitive bids.

**SECTION 5.** TCS 6.05(2)(c) is amended to read:  
TCS 6.05(2)(c) Competitive bids. Require that all procurements where the total cost exceeds \$10,000 ~~\$25,000~~ and public construction under ~~par. (L) ss. 38.18 and 62.15(1),(11) and (14), Stats.,~~ where the total cost exceeds \$10,000 be accomplished through the use of competitive bids except as provided by policies and procedures adopted under pars. (d), and (e), and (i).

**SECTION 6.** TCS 6.05(2)(d) (title) is created to read:  
TCS 6.05(2)(d) Sole source procurement.

**SECTION 7.** TCS 6.05(2)(d) is amended to read:  
TCS 6.05(2)(d) Sole source procurement. Provide for sole source procurement where the district board determines that there is only one source for the required supply, service, equipment or construction item; where the required supply, service, equipment or construction item is to be purchased from another governmental body; or where cooperative purchasing under s. 16.73, Stats., is utilized or a cooperative purchasing association is recognized by the state director that has a competitive purchasing process that is substantially equivalent to the minimum requirements set forth in this section. The district board may delegate the power for authorizing sole source procurement to the district director who may with the approval of the district board redelegate this responsibility to other employees of the district.

**SECTION 8.** TCS 6.05(2)(e) (title) is created to read:  
TCS 6.05(2)(e) Competitive selection.

**SECTION 9.** TCS 6.05(2)(f) (title) is created to read:  
TCS 6.05(2)(f) Solicitation of written quotes.

**SECTION 10.** TCS 6.05(2)(f) is amended to read:

TCS 6.05(2)(f) Solicitation of written quotes. Except as required provided under pars. (d), (e), and (i), require that all procurements where the total cost equals or exceeds ~~\$3,000~~ \$10,000 and does not exceed ~~\$10,000~~ \$25,000 be accomplished through the solicitation of written quotations from a minimum of ~~2~~ 3 contractors or proposed contractors.

**SECTION 11.** TCS 6.05(2)(g) (title) is created to read:

TCS 6.05(2)(g) Procurements less than \$10,000.

**SECTION 12.** TCS 6.05(2)(g) is amended to read:

TCS 6.05(2)(g) Procurements less than \$10,000. Establish a procedure for all procurements where the total cost is less than ~~\$3,000~~ \$10,000.

**SECTION 13.** TCS 6.05(2)(h) is repealed and (2)(h) is recreated to read:

TCS 6.05(2)(h) Annual review. Require an annual review, based on a report that aggregates multiple purchases of similar goods, supplies, and services of all procurements made under pars. (f) and (g), to determine if a more competitive procurement process should be used in succeeding years. The district board shall take formal action on this report and such action shall be reflected in the district board's proceedings.

**SECTION 14.** TCS 6.05(2)(i) (title) is created to read:

TCS 6.05(2)(i) Emergency procurement.

**SECTION 15.** TCS 6.05(2)(j) (title) is created to read:

TCS 6.05(2)(j) Records required.

**SECTION 16.** TCS 6.05(2)(j)(intro.) is amended to read:

TCS 6.05(2)(j) Records required. Require that records be created and retained for all procurements where the total cost equals or exceeds ~~\$3,000~~ \$10,000. These records shall include:

1. The rationale for the method of procurement.
2. The rationale for selection or rejection of any contractor or proposed contractor.
3. The basis for the cost or price.

**SECTION 17.** TCS 6.05(2)(k) (title) is created to read:

TCS 6.05(2)(k) Audits.

**SECTION 18.** TCS 6.05(2)(L) is repealed and (2)(L) is recreated to read:

TCS 6.05(2)(L) Disclosure of evaluation criteria. Require that evaluation criteria related to bids and competitive selection procedures be disclosed in the specifications provided to prospective vendors.

**SECTION 19.** TCS 6.05(2)(m) (title) is created to read:  
TCS 6.05(2)(m) Adherence to federal regulations.

**SECTION 20.** TCS 6.05(2)(m) is amended to read:  
TCS 6.05(2)(m) Adherence to federal regulations. Require that all federally funded procurements funded by federal funds be made in accordance with according to the appropriate federal regulations.

**SECTION 21.** TCS 7.03(1) is amended to read:  
TCS 7.03(1) ADOPTION OF STANDARDS BY REFERENCE. (1) Pursuant to s. ~~227.025~~ 227.21, Stats., the attorney general and revisor of statutes have consented to the incorporation by reference of ~~Statement 1, Governmental Accounting and Reporting Principles, The National Council on Governmental Accounting, Municipal Finance Officers Association of the United States and Canada, 180 North Michigan Avenue, Chicago Illinois 60601~~ the Codification of Governmental Accounting and Financial Reporting Standards, Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116.

**SECTION 22.** A Note following s. TCS 7.03(1) is created to read:

**Note:** The standards under sub. (1) may be obtained by contacting the Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116.

**SECTION 23.** TCS 7.03(4) is repealed.

**SECTION 24.** TCS 8.06(1) is amended to read:  
TCS 8.06(1) ~~Monthly,~~ The district board shall submit to the board a report as required under s. 38.14(3)(e), Stats.

**SECTION 25.** TCS 8.06(2) is amended to read:  
TCS 8.06(2) ~~Annually by August 31~~ December 1 and ~~on forms provided in a form determined~~ by the board the district board shall report to the board the reimbursed and non-reimbursed costs for each accounting function, the type of service rendered under each contract, and if the contract involves instruction for credit, the ~~number of students served under each contract and the total credits granted~~ course, section, and location number of each course offered under each contract.

**SECTION 26.** Chapter TCS 9 (title) is amended to read:

CHAPTER TCS 9 (title)  
DISTRICT REPORTING OF STUDENT PARTICIPATION STUDENTS  
PARTICIPATING IN COMPULSORY SCHOOL ATTENDANCE, POSTSECONDARY  
YOUTH OPTIONS AND TECHNICAL PREPARATION PROGRAMS: REQUIREMENTS  
AND PROCEDURES

**SECTION 27.** TCS 9.01 is amended to read:

TCS 9.01 PURPOSE. This chapter establishes standards the format and procedures pursuant to s. 38.04(11)(a)2., Stats., for districts to report the number of students participating in district courses under ~~the compulsory education provisions of s. ss. 118.15(1)(b), (cm) and (d), 118.34, and 118.55(7r), Stats., and the number of students participating in the postsecondary enrollment options program under the provisions of s. 118.37, Stats., and the number of students participating in technical preparation programs under s. 118.34, Stats.,~~ including the number of courses taken for advanced standing in a technical college district's associate degree or vocational diploma program and for postsecondary credit.

**SECTION 28.** TCS 9.02(7) is amended to read:

TCS 9.02(7) "~~Postsecondary enrollment~~ Youth options program" means enrollment under the provisions of s. ~~118.37~~ 118.55(7r), Stats.

**SECTION 29.** TCS 9.03(1) (intro.) is amended to read:

TCS 9.03(1) Annually, by ~~June~~ August 15, technical college districts shall compile a report for the board containing the data elements of sub. (2) to report participation in technical college courses or programs for the following students:

**SECTION 30.** TCS 9.03(1)(a) is amended to read:

TCS 9.03(1)(c)1. Students attending a technical college of the district under the compulsory school attendance ~~provisions of s. 118.15(1)(b), (cm) and (d), Stats.~~

**SECTION 31.** TCS 9.03(1)(b) is amended to read:

TCS 9.03(b) Students attending a technical college of the district under the ~~postsecondary enrollment youth~~ options program ~~provisions of s. 118.37, Stats.~~

**SECTION 32.** TCS 9.03(1)(c)1. is amended to read:

TCS 9.03(1)(c)1. Students ~~enrolled in~~ who have completed a secondary course, authorized through an articulation agreement, for which advanced standing ~~may be~~ has been granted by a technical college district under the technical preparation program, ~~s. 118.34, Stats.~~

**SECTION 33.** TCS 9.03(1)(c)2. is amended to read:

TCS 9.03(1)(c)2. Students ~~enrolled in a secondary~~ who have completed a ~~postsecondary~~ course for which transcribed credit ~~may be~~ has been granted by the technical college and the school district under the technical preparation program ~~provisions of s. 118.34, Stats.~~

**SECTION 34.** TCS 9.03(3) is repealed and recreated to read:

TCS 9.03(3) Personally identifiable information collected under sub. (2) shall be used solely for determining student participation in technical college courses or programs under ss. 118.15(1)(b), (cm) and (d), 118.34, and 118.55(7r), Stats., including those



courses taken for advanced standing in a technical college district's associate degree or vocational diploma program and for postsecondary credit.

**SECTION 35. INITIAL APPLICABILITY.**

These rule changes first apply to transactions that are initiated after the effective date.

**SECTION 36. EFFECTIVE DATE.**

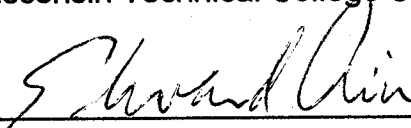
These rules shall take effect on the first day following the date of publication in the Wisconsin Administrative Register as provided in s. 227.22(2) (intro.), Stats.

**FISCAL ESTIMATE**

The functions required by these rules can be absorbed within existing staff. Therefore, there is no fiscal effect on the agency.

Date: November 18, 1998

Wisconsin Technical College System Board

A handwritten signature in cursive script, appearing to read "Edward Chin", is written over a horizontal line.

Edward Chin, Director



STATE OF WISCONSIN  
DEPARTMENT OF JUSTICE

JAMES E. DOYLE  
ATTORNEY GENERAL

September 2, 1998

114 East, State Capitol  
P.O. Box 7857  
Madison, WI 53707-7857

Burneatta L. Bridge  
Deputy Attorney General

Mr. Edward Chin  
State Director  
Wisconsin Technical College System Board  
310 Price Place  
Madison, WI 53707

Dear Mr. Chin:

On behalf of the Wisconsin Technical College System Board you have asked the Revisor of Statutes and the Attorney General to consent to the Board's incorporating by reference Governmental Accounting and Financial Reporting Standards published by the Governmental Accounting Standards Board (GASB).

Under section 227.21 of the Wisconsin statutes, to avoid unnecessary expense, an agency may, with the consent of the Revisor of Statutes and the Attorney General, adopt standards established by technical societies and organizations of recognized national standing.

We consent to the proposed incorporation by reference. The GASB is an organization of recognized national standing; the proposed rule is of limited public interest. The cost to publish the more than 2,700 pages would be unwarranted; and the incorporated standards are readily available in published form. As required by law, the material must also be available at the Office of the Commissioner of Insurance and must be filed with the Revisor of Statutes and the Secretary of State.

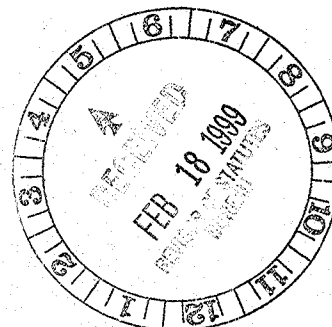
Sincerely,

James E. Doyle  
Attorney General

Bruce Munson  
Revisor of Statutes

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# Wisconsin Technical College System Board

Edward Chin, State Director

February 17, 1999

Mr. Bruce Munson  
Revisor of Statutes Bureau  
Suite 800  
131 West Wilson Street  
Madison, WI 53703-3233

Dear Mr. Munson:

Enclosed for filing and publication is a certified copy of an Order of the Wisconsin Technical College System Board (Clearinghouse Rule 98-104) amending chs. TCS 6, 7, 8, & 9, Wis. Admin. Code, relating to general district policies; district budget, audits, and finance; contracts for services; and high school reporting requirements. An additional copy of the Order is enclosed for use as a printer's copy. Since these rules amend a number of sections in the Code, I have also included a computer disk of the material.

Finally, § TCS 7.03(1), Wis. Admin. Code, as amended, incorporates the "Codification of Governmental Accounting and Financial Reporting Standards," published by the Governmental Accounting Standards Board (GASB). You and the Attorney General approved consent for incorporation by reference of this standard on September 2, 1998. A copy of your letter of approval authorizing incorporation is enclosed.

Please contact me at (608) 267-9540 with any questions.

Very truly yours,

Jesús G. Q. Garza  
Legal Counsel

Enclosures (5)

cc: Edward Chin, State Director  
Dan Clancy, Asst. State Director  
Pete Peterson, WTCSB

