

December 1999

## STATE POLICIES REGARDING PRIVATIZATION ACTIVITIES

North Dakota Century Code Chapter 54-44.4 provides for state purchasing practices. It establishes policies that executive branch agencies must follow when purchasing materials, furniture, fixtures, printing, insurance, and other commodities. The chapter, however, specifically excludes professional services and services for the maintenance or servicing of equipment.

While the Legislative Assembly has not provided general policies or guidelines for agencies to comply with when contracting for services, the following statutory provisions have been enacted by the Legislative Assembly which provide specific guidance relating to the purchase of certain services:

1. North Dakota Century Code Section 54-59-05(4) - Requires each executive branch agency to submit to the Information Technology Department a written request for the lease, purchase, or other contractual acquisition of information technology. Information technology includes hardware, software, services, and supporting infrastructure to manage and deliver information using voice, data, and video. As a result of this provision, the Information Technology Department has instituted the following policy relating to information technology services and contracts:

### **Information Technology Services/ Contracts:**

Contracts and service agreements for the purchase or lease of information technology services from vendors shall be reviewed by ISD. All contracts or service agreements exceeding the limits as stated in the Purchase Approval Limits section of this guideline (\$25,000) shall be sent to the Information Technology Planning section of ISD with a copy to the Legislative Council. A letter of approval must be obtained from ISD before proceeding on the contract/service agreement.

- A. Pre-approval of the acquisition of technology service using the request for proposal (RFP):  
Prior to issuing the RFP, send a copy of the RFP to ISD along with a cover letter explaining how the service requested in the RFP fits into the agency's information technology plan and list the information technology standards that apply. Substantial changes in the scope

of the RFP must be approved by ISD prior to signing the contract.

OR

- B. Pre-approval of the acquisition of technology service without an RFP:  
Submit a letter describing the technology service to be acquired, how the service fits into the agency's information technology plan and list the information technology standards that apply. Substantial changes in the scope of services to be acquired must be approved by ISD prior to signing the contract/agreement.

OR

- C. Contracts/Agreements:

Prior to signing the contract/agreement, send a copy of the contract/agreement to ISD with a cover letter explaining how the contract/agreement fits into the agency's information technology plan and list the information technology standards that apply.

2. North Dakota Century Code Section 44-08-01 - Requires a state entity authorized to accept bids to give preference to a resident North Dakota bidder when accepting bids for the provision of professional services, including research and consulting services.
3. North Dakota Century Code Section 46-02-09 - Provides that except for the printing of bills and resolutions, House and Senate journals, Session Laws, reports prepared and submitted to the Governor and Secretary of State, and agency biennial reports, all other printing projects exceeding \$750, not done by Central Services, must be let by competitive bidding or by solicitation of at least two quotes.
4. North Dakota Century Code Section 54-44.4-07 - Encourages agencies, when purchasing newsprint printing services, to specify the use of soybean-based ink.
5. North Dakota Century Code Section 54-46.1-01 - Allows the state records administrator and the Office of Management and Budget to contract for microfilming services if it is determined the services can be provided more efficiently and economically through a contract with a private company.

Although there are no general privatization policies or rules in place for all state agencies to utilize when contracting for services, some larger agencies, including the Department of Transportation and the

Department of Human Services, have instituted internal policies that these agencies use when contracting for services.