

Red Tape Review Rule Report (Due: September 1, 20 26)

Department Name:	Iowa Communications Network (ICN)	Date:	5/13/2026	Total Rule Count:	5
IAC #:	751	Chapter/ SubChapter/ Rule(s):	Chapter 5	Iowa Code Section Authorizing Rule:	8D.3(3)b, 8D.11
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The chapter describes the purchasing structure and guidelines in which the statewide network is administered throughout the State.

Is the benefit being achieved? Please provide evidence.

Yes. The qualitative impact is positive; the rulemaking simplifies the regulatory environment by removing obsolete language and providing clearer guidance on the agency’s purchasing structure. It successfully replaces rigid, outdated bidding limits with modernized tiers and streamlines the vendor appeal process.

What are the costs incurred by the public to comply with the rule?

There is no direct cost associated with the proposed rulemaking.

What are the costs to the agency or any other agency to implement/enforce the rule?

There are no costs to the State or the agency associated with this rulemaking.

Do the costs justify the benefits achieved? Please explain.

Yes. This rulemaking ensures the agency has a basic structure and has no costs associated with it.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The agency seeks to implement these rules in a minimally intrusive and minimally prescriptive manner while still fulfilling the responsibilities of maintaining a well-run state communications network. No other methods were considered as the proposed rulemaking is necessary to comply with Executive Order 10's mandate to streamline and modernize existing rules.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

Yes. 751—Chapter 5 (Entire legacy chapter). The previous iteration of the chapter contained overly restrictive procurement mandates, archaic bidding thresholds, and lengthy custom dispute processes. The new chapter eliminates this obsolete language.

RULES PROPOSED FOR REPEAL (list rule number[s]):

Rescind 751—Chapter 5 in its entirety

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

Adopt the following new chapter in lieu thereof:

CHAPTER 5 Purchasing

751—5.1(8D) Applicability of competitive bidding.

5.1(1) Thresholds. The commission shall use the following competitive bidding thresholds for the purchase of goods and services.

a. Direct purchasing, tier 1. The commission may purchase goods and services costing less than \$15,000 without competitive bidding, using reasonable efforts to obtain the best price and value.

b. Informal competition, tier 2. The commission shall use informal competition, soliciting quotes from at least three vendors, for purchases where:

(1) The estimated cost is between \$15,000 and \$50,000; or

(2) The estimated value of a multiyear contract in the aggregate, including renewals, does not exceed \$150,000.

c. Formal competition, tier 3. The commission shall use formal competitive bidding for purchases where:

(1) The estimated cost exceeds \$50,000; or

(2) The estimated value of a multiyear contract in the aggregate, including renewals, exceeds \$150,000.

5.1(2) Determination of cost. The estimated total cost of a purchase shall be the aggregate cost of the purchase, including freight and installation, but excluding the cost of any existing hardware or software

maintenance renewals if such renewals are sole-source by nature. Contracts shall not be artificially divided to avoid competitive bidding thresholds.

5.1(3) Exemptions. Competitive bidding is not required for:

a. Sole source. When the executive director or designee determines that:

(1) The goods or services are available from only a single source;

(2) When immediate action is required to prevent a service outage, protect network security, or avoid immediate threat to public health, safety, or welfare;

(3) When the procurement is for the network and must be compatible with existing systems and compatibility is the overriding consideration;

(4) When the procurement is for the upgrade, maintenance, or renewal of existing software or hardware;

(5) The goods or services involve work of such a specialized nature or related to a specific geographic location that only a single source, by virtue of experience, expertise, proximity to the project, or ownership of intellectual property rights, could satisfactorily provide the service;

(6) The commission is purchasing directly from the Original Equipment Manufacturer (OEM); or

(7) The commission is hiring legal counsel, expert witnesses, or consultants to assist in legal proceedings, including testifying or assisting in the preparation of quasijudicial or judicial proceedings.

b. Shared contracts. When the commission purchases from contracts let by the department of administrative services, the department of management, the federal government, or other governmental entities.

751—5.2(8D) Methods of procurement.

5.2(1) Informal competition. For procurements requiring informal competition under rule 751—5.1(1)“b”.

a. The commission shall attempt to solicit quotes or proposals from at least three qualified vendors.

b. The solicitation may be conducted via electronic mail or telephone.

c. Public notice is not required.

5.2(2) Formal competition. For procurements requiring formal competition under rule 751—5.1(1)c.

a. Notice. The commission shall also comply with legal requirements for notifying targeted small businesses. Notice of the solicitation shall be posted on the state’s centralized bidding website or the commission’s website not less than ten days prior to the submission deadline.

b. Evaluation.

(1) When an Invitation to Bid is used, the contract shall be awarded to the lowest cost, responsible bidder who meets the specifications.

(2) When a Request for Proposals is used, the contract shall be awarded to the vendor offering the best value based on the evaluation criteria identified in the solicitation.

c. Negotiation. The commission reserves the right to negotiate with the highest-ranked vendor or request a best and final offer (BAFO) from finalists.

5.2(3) Auctions. The commission may purchase goods or services through:

a. Electronic auctions. Including reverse auctions where vendors bid down the price in real-time.

b. Standard auctions. When purchasing new or used equipment or materials, provided the auction is conducted by a reputable organization.

5.2(4) Purchasing cooperatives and consortiums. The commission may join public or private purchasing cooperatives or consortiums to reduce costs for the network and authorized users. The commission may purchase goods and services through these entities without conducting a separate competitive bidding process, provided the cooperative or consortium utilized a competitive procurement procedure.

751—5.3(8D) Master Agreements.

5.3(1) Purpose. To reduce administrative costs and improve efficiency, the commission may enter into master agreements (blanket purchase agreements) for goods or services that are purchased repeatedly.

5.3(2) Competition. A master agreement shall be established through any manner deemed appropriate by the commission, using the methods of procurement identified within rule 751—5.2(8D) or sole source as allowed by 5.1(3).

5.3(3) Ordering. Once a master agreement is established, individual purchase orders may be issued to the contracted vendor without further competition for the duration of the agreement.

751—5.4(8D) Agency rights and vendor performance.

5.4(1) Rejection of bids. The commission reserves the right to reject any or all bids or proposals at any time prior to the execution of a contract. The commission may reject a bid for any reason, including but not limited to:

- a.* The financial insecurity of the vendor.
- b.* Failure to meet the specifications or terms of the solicitation.
- c.* Evidence of unfair bidding procedures or collusion.
- d.* Cancellation of the project or insufficient funds.
- e.* The best interests of the commission will be served by rejection.

5.4(2) Suspension and debarment. The commission may suspend or debar a vendor from participating in future solicitations if the vendor has demonstrated a failure to perform or other serious misconduct.

a. **Causes.** Causes for suspension or debarment include:

- (1).* Material failure to perform in accordance with the terms of a previous contract;
- (2).* Failure to deliver goods or services on time;
- (3).* Attempts to influence the decision of any commission employee involved in the procurement process;
- (4).* Debarment by the federal government or another state agency;

b. **Process.** The commission shall notify the vendor of the intent to suspend or debar and provide an opportunity to respond. The suspension or debarment shall be for a specific period of time commensurate with the severity of the offense.

751—5.5(8D) Vendor Appeals. The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. 7—Chapter 2506 applies to contested case proceedings conducted by the agency, including vendor appeals.

These rules are intended to implement sections 8D.3(3)b and 8D.11.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	15
Proposed word count reduction after repeal and/or re-promulgation	2,250
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	55

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

Yes. We recommend a comprehensive update to Iowa Code Chapter 8D to modernize the statute, streamline legacy code, and align the agency's authorizing framework with current technology and state government structures.