

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-3025/1</b>	Introduction Number <b>AB-0285</b>
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**Description**  
 bidding procedures for highway improvements

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.395 (3) (cq)	

<b>Agency/Prepared By</b> DOT/ Shawn Smith (608) 261-6120	<b>Authorized Signature</b> Joan Meier (608) 267-6978	<b>Date</b> 6/12/2019
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## Fiscal Estimate Narratives

DOT 6/12/2019

LRB Number	19-3025/1	Introduction Number	AB-0285	Estimate Type	Original
<b>Description</b> bidding procedures for highway improvements					

### Assumptions Used in Arriving at Fiscal Estimate

The department forecasts our costs to be \$30,000.00 per year to re-let the projects that are single bid and greater than 10% over the estimate.

The department bases its project estimates largely on historical data and recent trend data. However, rapid changes in market conditions can unexpectedly influence bid prices. Currently, the department can factor-in these issues prior to making an award recommendation, and it will reject the project and re-let if program leaders believe rebidding will result in better pricing. In addition to these discretionary opportunities, this bill requires re-letting or approval by an outside party. The department estimates that the delay associated with the suggested process could postpone a project for up to a year. Additionally, it is possible that this process will not achieve the state goal of having more than one bidder. This state relies on private enterprise contractors for building transportation projects. As a result, market conditions influence the number of bidders and bid prices.

### Long-Range Fiscal Implications