

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3350/1	Introduction Number SB-284
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Description
 bidding procedures for highway improvements

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Yes No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory
 Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory
 Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<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)	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOT 6/12/2019

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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