DOA:......Thornton, BB0276 – Eliminate cost–benefit analysis under state procurement of contractual services

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau
STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, DOA must approve and monitor contractual services that agencies purchase. No agency may purchase contractual services that involve an estimated expenditure of more than $25,000 without first conducting a uniform cost–benefit analysis. Also, each agency entering into a contract must submit to DOA written justification for the contract, and DOA must be satisfied that the justification conforms to current law before it can approve the contract. In addition, the Office of State Employment Relations must review contracts to do all of the following: ensure that the purchasing agency properly uses the services of state employees; evaluate the feasibility of using limited term appointments prior to entering into a contract for contractual services; and ensure that the contract does not conflict with any collective bargaining agreement covering state employees. This bill repeals these provisions.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.004 (15) (bm) of the statutes is repealed.

SECTION 2. 16.70 (3g) of the statutes is renumbered 84.01 (13) (a) and amended to read:

84.01 **(13)** (a) ~~"Cost–benefit~~ In this subsection, "cost–benefit analysis" means a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of a service performed by state employees and resources with the total cost, quality, technical expertise, and timeliness of the same service obtained by means of a contract for contractual services.

SECTION 3. 16.705 (2) of the statutes is repealed.

SECTION 4. 16.705 (3) of the statutes is repealed.

SECTION 5. 16.705 (8) of the statutes is repealed.

SECTION 6. 16.75 (6) (bm) of the statutes is amended to read:

16.75 **(6)** (bm) If the secretary determines that it is in the best interest of this state to do so, he or she may waive any requirement under subs. (1) to (5) and ss. 16.705 (1) ~~and (2) to (8)~~, (5), (6), and (7) and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by the department of children and families under s. 49.143, if the department of children and families presents the secretary with a process for the procurement of contracts under s. 49.143 and the secretary approves the process.

SECTION 7. 84.01 (13) of the statutes is renumbered 84.01 (13) (b) and amended to read:

84.01 **(13)** (b) The department may engage such engineering, consulting, surveying, or other specialized services as it deems advisable. Any engagement of services under this subsection is exempt from ss. 16.70 to 16.75, 16.755 to 16.82, and 16.85 to 16.89, but ss. 16.528, 16.752, 16.753, and 16.754 apply to such engagement.

Any engagement involving an expenditure of $3,000 or more shall be by formal contract approved by the governor. The department shall conduct a uniform cost–benefit analysis, ~~as defined in s. 16.70 (3g),~~ of each proposed engagement under this subsection that involves an estimated expenditure of more than $25,000 in accordance with standards prescribed by rule of the department. The department shall review periodically, and before any renewal, the continued appropriateness of contracting pursuant to each engagement under this subsection that involves an estimated expenditure of more than $25,000.

SECTION 9301. Initial applicability; Administration.

(1) COST BENEFIT ANALYSES. The treatment of sections 16.004 (15) (bm), 16.70 (3g), 16.705 (2), (3), and (8), 16.75 (6) (bm), and 84.01 (13) of the statutes first applies to contracts entered into on the effective date of this subsection.

(END)