



## Fiscal Estimate Narratives

DOA 3/21/2006

LRB Number	05-0588/2	Introduction Number	AB-1111	Estimate Type	Original
<b>Description</b> Collection of used wireless telephones and purchase or lease of wireless telephones by state agencies					

### Assumptions Used in Arriving at Fiscal Estimate

#### Procurement:

This bill would require state agencies to purchase or lease wireless telephones from vendors that have in place a plan to reuse, recycle or properly dispose of wireless telephones. To comply with this requirement, the department would add a section specifying this requirement to the standard terms and conditions required in all state contracts. This would entail minimal cost that could be absorbed by the department. In addition, each bid would require review to ensure the bidder either directly complies with the disposal requirement or has offered equipment from a producer(s) that complies with the disposal requirements. Some contracts may require additional negotiation to establish specific procedures for the disposal such as pickup or delivery points, packaging, and responsibility for erasing sensitive information.

#### Disposal:

Madison based agencies and the UW Madison generally use the UW SWAP program to dispose of electronic equipment including wireless telephones. UW SWAP staff batch the used wireless telephone equipment and sell it to second hand equipment vendors. The vendor is required to erase sensitive or personally identifiable information before reselling or disposing of the wireless phones. UW SWAP estimates that 70% to 80% of the phones are resold and the rest recycled. This bill does not appear to preclude continuation of this procedure. However, if agencies opt to use a producer's disposal program, there may be additional disposal costs. Specifically, if equipment must be sorted by producer, packaged and shipped to multiple collection points, state disposal costs could increase. The current state-wide contract for cellular phone service requires agencies and the UW to lease rather than buy the phones and requires the vendor to maintain, replace and dispose of them based on the terms of the contract. If specific wireless telephone disposal procedures are promulgated under the provisions of Chapter 287, DOA will include these procedures in the lease contract.

### Long-Range Fiscal Implications

Unknown