

Fiscal Estimate Narratives

DOT 6/6/2005

LRB Number	05-0796/2	Introduction Number	SB-56	Estimate Type	Original
Subject					
Contractual service procurements					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, the Substitute Senate Amendment 1 to this bill would require cost-benefit analysis be completed for each contract for engineering or related services exceeding \$25,000.

The Department of Transportation executed 1,611 contracts and work orders during FY 04. 630 of those contracts exceeded \$25,000 in value. The total value of the all contracts executed during FY04 was \$113,708,124. Contracts and work orders over \$25,000 had a total value \$107,166,489 for FY04.

The Department estimates that it will take 2-8 hours to perform an analysis of each contract plus one hour per contract to review and approve the analysis. It is estimated that the average time per contract will be 5 hours including review and approval. It would take 3,140 hours to do cost analysis to evaluate 30 contracts and work orders over \$25,000. Based on average chargeable hours for engineering staff of 1,484 per FTE, it would take 2.1 FTE to perform the analysis. The average annual cost of an engineering position is \$103,454 including fringe benefits and overhead costs.

The bill requires the Department to develop standards for performing the cost-benefit analysis and promulgation of an administrative rule. The Department estimates it will take a minimum of 200 hours of staff time to develop the cost-benefit methodology and promulgate an administrative rule.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0796/2		Introduction Number SB-56	
Subject			
Contractual service procurements			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$14,000 salary, fringe and overhead cost for 200 hours to develop cost benefit analysis methodology and promulgate rules.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$217,253	
(FTE Position Changes)		(2.1 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$217,253	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		217,253	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$217,253	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Randy Knoche (608) 266-1824		Carol Buckmaster (608) 267-6979	6/6/2005