

Fiscal Estimate - 2005 Session

 Original  Updated  Corrected  Supplemental

LRB Number 05-2125/1		Introduction Number SB-98	
Subject Procurement of state contractual services from domestic sources			
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div>			
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div> 5. Types of Local Government Units Affected <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 </div> </div>			
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		Affected Ch. 20 Appropriations	
Agency/Prepared By DOA/ Mary Massey (608) 267-2999		Authorized Signature Martha Kerner (608) 266-1359	
		Date 3/22/2005	

Fiscal Estimate Narratives

DOA 3/23/2005

LRB Number	05-2125/1	Introduction Number	SB-98	Estimate Type	Original
Subject					
Procurement of state contractual services from domestic sources					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires that all contractual services purchased by executive branch agencies be performed within the United States.

The Department of Administration does not track service location for centrally managed contracts nor are agencies required to report this information on agency managed contracts. Nevertheless, the department estimates that the majority of direct services are provided by US based workers. However, there is a growing national trend for large IT and banking organizations to subcontract for call center, programming, and back-office services.

In general the following types of cost increases would occur as the result of this bill:

1. The lowest bidder may not be awarded the contract.
2. Increased time to review all subcontracts to determine if the work is performed in the US at the time of award and throughout the life of the contract.
3. Time and cost of lengthening the administrative procurement process to assess these factors.

In addition to the above, Wisconsin is currently a signatory to the World Trade Organization Government Procurement Agreement (WTOGPA). Under this agreement preferences in favor of the United States must be eliminated from all contracts over a certain threshold. The provisions of this bill could put the state in violation of this agreement.

The University of Wisconsin has a number of programs where they are a part of an international consortium and act as the lead research agency. In this role they routinely procure services from international companies and research institutions. The bill could impact the UW's ability to enter into these agreements.

Long-Range Fiscal Implications

Unknown