

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-2043/1</b>	<b>Introduction Number</b> <b>AB-186</b>
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**Subject**  
 Procurement of state contractual services from domestic sources

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<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
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**Local:**

No Local Government Costs  
 Indeterminate

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	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	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    0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DOA/ Mary Massey (608) 267-2099	<b>Authorized Signature</b> Martha Kerner (608) 266-1359	<b>Date</b> 3/22/2005
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**Fiscal Estimate Narratives**

**DOA 3/23/2005**

LRB Number <b>05-2043/1</b>	Introduction Number <b>AB-186</b>	Estimate Type <b>Original</b>
<b>Subject</b> 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