Fiscal Estimate - 2009 Session

\boxtimes	Original		Updated		Corrected		Supple	mental				
LRB	Number	09-0995/3		Introd	uction Numb	ber S	B-008					
Description State procurement of contractual services												
Fiscal	Effect											
Local:		e Existing tions Existing	Reve Decre Reve	ease Existing	to abs	ase Costs sorb within Yes ease Costs	agency					
	Indeterminate 1. Increase Permiss 2. Decrease	e e Costs sive Mandato	3. Increa	ase Revenue issive	datory To	of Local nment Uni wns counties chool stricts	ts Affect Village Others WTCS District	Cities				
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS												
Agend	y/Prepared	Ву		Authorized S	ignature			Date				
DOA/ Dawn Soletski (608) 266-6497				Martha Kerne	1/22/2009							

Fiscal Estimate Narratives DOA 1/22/2009

LRB Number 09-0995/3	Introduction Number	SB-008	Estimate Type	Original						
Description										
State procurement of contractual services										

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, with limited, specified exceptions.

The Department of Administration does not track service locations 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 U.S. 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.

Long-Range Fiscal Implications

Unknown.