



2011 SENATE BILL 573

March 15, 2012 – Introduced by Senators LASSA and VINEHOUT, cosponsored by Representatives JORGENSEN, ROYS, TURNER and RINGHAND. Referred to Committee on Senate Organization.

1 **AN ACT** *to amend* 16.705 (2); and *to create* 16.42 (1) (h), 16.42 (1) (i) and 16.46
2 (10) of the statutes; **relating to:** state contractual services and cost–benefit
3 analyses.

Analysis by the Legislative Reference Bureau

This bill requires executive branch state agencies, except for the Department of Transportation (DOT) and the University of Wisconsin System (UW System), to submit to the Department of Administration (DOA) and the Legislative Fiscal Bureau, by September 15 of each even–numbered year, and requires the secretary of administration to include in the biennial budget report, all of the following:

1. Information on the number of contracted positions, including the number of service hours and recurring service rate payments, providing services for the agency that are paid from the agency’s base level funding and an identification of the appropriation or appropriations used to fund the contracted positions.

2. The total amount of agency base level funding used to pay for the contracted positions; and the amount of funding requested for contracted positions and an identification of the appropriation or appropriations that will be used to fund the contracted positions.

3. Information on cost–benefit analyses or continued appropriateness analyses, including whether the agencies contracted for the services or used a state employee and the actual cost of completing the services.

This bill requires DOT and the UW System to submit to DOA and the Legislative Fiscal Bureau, by September 15 of each even–numbered year, and

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requires the secretary of administration to include in the biennial budget report, the total amount budgeted and requested for contract expenditures, an identification of the appropriation or appropriations used to fund the contract expenditures, and the total amount of base level funding used to pay for the contract expenditures.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 16.42 (1) (h) of the statutes is created to read:

2 16.42 **(1)** (h) Except for the department of transportation and the University of
3 Wisconsin System, all of the following:

4 1. The total amount of contracted positions, including the number of service
5 hours and recurring service rate payments, providing services for the agency that are
6 paid from the agency's base level funding and an identification of the appropriation
7 or appropriations used to fund the contract expenditures. In preparing this
8 information, agencies shall use actual salary and service hour data, if available. If
9 such data are not available, the agency may use estimates. Any estimate relying on
10 state employee salary data for comparable work shall be accompanied by a detailed
11 statement explaining why the use of state employee salary data is necessary and why
12 such use does not misrepresent the salaries paid for contracted positions.

13 2. The total amount of agency base level funding used to pay for the contracted
14 positions under subd. 1.

15 3. The amount of funding requested for contracted positions identified under
16 subd. 1. and an identification of the appropriation or appropriations that will be used
17 to fund the contracted positions.

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1 4. If the agency conducts a cost–benefit analysis under s. 16.705 (2) (a) for
2 services to be provided for the agency that are paid from the agency’s base level
3 funding, all of the following:

4 a. Whether the cost–benefit analysis resulted in use of contractual services or
5 the services of a state employee and the factors the agency used in making that
6 determination.

7 b. If the agency contracted for the services, the cost provided in the contract
8 and, whether the services were done by contract or by state employee, the actual cost
9 to the agency of completing the services.

10 5. If the agency conducts a continued appropriateness analysis under s. 16.705
11 (2) (a) for services to be provided for the agency that are paid from the agency’s base
12 level funding, the factors the agency used to determine whether to continue the
13 contractual services or use a state employee and any difference in cost between the
14 previous continued appropriateness analysis, if one exists, or the original
15 cost–benefit analysis, if no previous continued appropriateness analysis has been
16 done, and the current continued appropriateness analysis.

17 **SECTION 2.** 16.42 (1) (i) of the statutes is created to read:

18 16.42 (1) (i) For the department of transportation and the University of
19 Wisconsin System, the total amount budgeted and requested for contract
20 expenditures, an identification of the appropriation or appropriations used to fund
21 the contract expenditures, and the total amount of base level funding used to pay for
22 these contract expenditures.

23 **SECTION 3.** 16.46 (10) of the statutes is created to read:

24 16.46 (10) (a) Except as provided in par. (b), all of the following:

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1 1. A statement of the number of contracted positions providing services for each
2 state agency that are paid from the agency's base level funding and an identification
3 of the appropriation or appropriations used to fund the contracted positions.

4 2. A statement of the total amount of each state agency's base level funding
5 used to pay for the contracted positions.

6 3. A statement of the amount of funding requested by state agencies for
7 contracted positions and an identification of the appropriation or appropriations that
8 will be used to fund the contracted positions.

9 (b) For purposes of this subsection, only the information specified in s. 16.42
10 (1) (i) is required for the department of transportation and the University of
11 Wisconsin System.

12 (d) If the state agency conducts a cost-benefit analysis under s. 16.705 (2) (a)
13 for services to be provided for the agency that are paid from the agency's base level
14 funding, all of the following:

15 1. A statement on whether the cost-benefit analysis resulted in the state
16 agency using contractual services or the services of a state employee and the factors
17 the state agency used in making that determination.

18 2. If the state agency contracted for services, the cost provided in the contract
19 and, whether the services were done by contract or by state employee, the actual cost
20 to the state agency of completing the services.

21 (e) If the state agency conducts a continued appropriateness analysis under s.
22 16.705 (2) (a), the factors the state agency used to determine whether to continue the
23 contractual services or to use a state employee to perform the services and any
24 difference in cost between the previous continued appropriateness analysis, if one

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1 exists, or the original cost–benefit analysis, if no previous continued appropriateness
2 analysis has been done, and the current continued appropriateness analysis.

3 **SECTION 4.** 16.705 (2) of the statutes is amended to read:

4 16.705 (2) (a) The department shall promulgate rules for the procurement of
5 contractual services by the department and its designated agents, including but not
6 limited to rules prescribing approval and monitoring processes for contractual
7 service contracts, a requirement for agencies to conduct a uniform cost–benefit
8 analysis of each proposed contractual service procurement involving an estimated
9 expenditure of more than \$25,000 in accordance with standards prescribed in the
10 rules, and a requirement for agencies to review periodically, and before any renewal,
11 the continued appropriateness of contracting under each contractual services
12 agreement involving an estimated expenditure of more than \$25,000.

13 (b) Each officer requesting approval to engage any person to perform
14 contractual services shall submit to the department written justification for such
15 contracting which shall include a description of the contractual services to be
16 procured, justification of need, justification for not contracting with other agencies,
17 a specific description of the scope of contractual services to be performed, and
18 justification for the procurement process if a process other than competitive bidding
19 is to be used. Each officer shall also provide any information needed to comply with
20 s. 16.42 (1) (h) 4. and 5.

21 (c) The department may not approve any contract for contractual services
22 unless it is satisfied that the justification for contracting conforms to the
23 requirements of this section and ss. 16.71 to 16.77.

24 (END)