

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4651/1	Introduction Number SB-564
Description vendors at state correctional institutions	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.410(1)(a)	
Agency/Prepared By DOC/ Jordyn Rosario (608) 240-5415	Authorized Signature Paulina De Haan (608) 240-5056
Date 10/6/2021	

Fiscal Estimate Narratives

DOC 10/6/2021

LRB Number	21-4651/1	Introduction Number	SB-564	Estimate Type	Original
Description vendors at state correctional institutions					

Assumptions Used in Arriving at Fiscal Estimate

The Department of Corrections had been contracting for the hobby and personal property program with Union Supply Group (USG), J.L. Marcus, and Access. The new hobby and personal property contract with USG is set to begin on October 1, 2021, which was the result of the DOC utilizing the State's competitive procurement process known as a Request for Proposal (RFP). This bill requires the DOC to contract with no fewer than three vendors to provide hobby, religious, and other personal property items for sale to inmates in state correctional institutions. Under the bill, DOC must allow an inmate, or a third party on behalf of an inmate, to purchase the items and must give inmates equal access to all vendors that DOC contracts with for this purpose. The bill also specifies the DOC must ensure that at least one of the vendors offers a storefront in the city of Milwaukee where a third party may place an order for items to be delivered to an inmate. The DOC shall complete all activities that it determines are necessary to implement s. 301.323 no later than 30 days after the effective date of this bill.

The DOC is required to utilize the established statewide formal RFP process to determine what vendor(s) will receive a contract for the personal property program. In addition to the procurement process, there is a committee with fifteen permanent members that meets two times per year (every six months) to review items offered by each vendor for safety and security concerns. In addition to the permanent members, ad hoc members are regularly invited for specialty items (e.g., an employee within the DOC's Bureau of Health Services (BHS) for health-related items). The fifteen committee members and any invited ad hoc and/or procurement members convene in one physical location every six months.

Due to current state procurement laws, the DOC could not complete all required activities within 30 days. Based upon the current established statewide procurement process, if it were legally possible, in order to meet the 30-day requirement of this bill, it is estimated that a minimum of 500 hours will be needed for the Procurement Manager to complete the procurement process which includes a new solicitation and new contracts for each awarded vendor. For each awarded vendor, there would be a review process held for the items offered in their respective catalog per the new contracts. For the two co-chairs of the committee, a minimum of 125 hours per co-chair per vendor of their time outside of their regular job duties as indicated by their classification will need to be dedicated to the review process. For the remaining thirteen permanent members, a minimum of 40 hours each per vendor of their time outside of their regular job duties as indicated by their classification is dedicated to the review process. For all ad hoc members, approximately 40 hours per vendor of their time outside of their regular job duties as indicated by their classification is dedicated to the review process.

Due to the time commitment of the procurement and review processes that will be necessary for each of the three vendors, the DOC will have to backfill three permanent positions—a Procurement Specialist-Senior, a Corrections Program Supervisor, and a Correctional Management Services Director—within a 30-day implementation with an estimated seven LTEs for the member of procurement and the two co-chairs of the committee. Three Procurement Specialists – Senior (0.25 LTEs) to backfill 500 hours, two Corrections Program Supervisors (0.20 LTEs) to backfill 375 hours, and two Correctional Management Services Directors (0.20 LTEs) to backfill 375 hours would cost an estimated \$51,200 GPR. This bill would significantly shorten the timeline for the procurement process. Given the number of hours some of the tasks associated with the procurement process are expected to take (as detailed above), it is improbable the Department will be able to complete the entire process in the 30-days the bill mandates. Additionally, this estimate is based upon the assumption that there would be no obstacles, issues, or legal concerns that could impact the extreme timeline, which is highly unlikely.

Overtime costs will also increase for the thirteen (non-chair) permanent committee members and ad hoc members during the 30-day period to account for their time reviewing items for the personal property program. A variety of classifications sit on the committee of thirteen permanent members. Some of these classifications are Correctional Officers and Sergeants, Institutional Compliant Examiners, and Financial Program Supervisors. At 40 hours per member per vendor, the thirteen permanent committee members spend a

minimum of 520 hours per vendor reviewing items for the personal property program. Overtime costs for 520 hours per vendor would cost, on average across the various classifications, approximately \$11,600 GPR and for three vendors would cost approximately \$34,800 GPR. Similarly, a variety of classifications are invited as ad hoc members of the committee. Some of these classifications include Financial Managers, Wardens, Inmate Appeal Examiners, and Correctional Services Managers. At 40 hours per vendor (across the ad hoc members), the ad hoc members spend a minimum of 40 hours per vendor reviewing items for the personal property program. Overtime costs for 40 hours per vendor would cost, on average across various classifications, approximately \$1,100 GPR and for three vendors would cost \$3,300 GPR. Overtime for the thirteen permanent committee members and the ad hoc members in total (for three vendors) would cost an estimated \$38,100 GPR within the 30-day period.

In addition to the additional staffing and overtime costs, the entire committee meets in a physical location to review potential products for each vendors' catalog. Therefore, travel and meal costs would need to be accounted for. At 40 hours per meeting per vendor, an estimated five-day work week would be needed per vendor which would also necessitate lodging. Committee members would travel to the DOC Central Office for the review process, and currently those members are located throughout the state of Wisconsin from as close as Dodge Correctional Institution to as far as Stanley Correctional Institution. Using current state travel reimbursement rates, and assuming reviews for three vendors, mileage, meals, and lodging would cost approximately \$4,800, \$9,000, and \$14,400 GPR respectively or approximately \$28,200 GPR. Depending on the location of the ad hoc members, costs associated with travel, meals, and lodging could increase.

As noted above, the impact to the state would be an increase to an existing appropriation of approximately \$117,500 and to LTE positions, which the Department will be unable to absorb into its budget.

Long-Range Fiscal Implications