

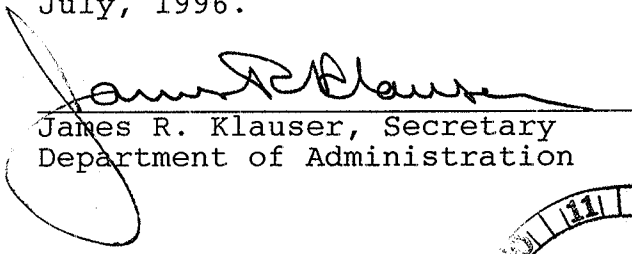
Clearinghouse Rule 95-234

STATE OF WISCONSIN)
DEPARTMENT OF ADMINISTRATION) ss.

I, James R. Klauser, Secretary of the Department of Administration and custodian of the official records, certify that the annexed rule, relating to Bidders List Registration Fee and Subscription Service, was duly approved and adopted by this Department on July 11, 1996.

I further certify that this copy has been compared by me with the original on file in this Department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 101 East Wilson Street in the City of Madison, this 11th day of July, 1996.


James R. Klauser, Secretary
Department of Administration



9-1-96 95-234

ORDER OF THE DEPARTMENT OF ADMINISTRATION

The Wisconsin Department of Administration proposes an order to create Chapter Adm 9.

Analysis prepared by the Department of Administration:

Statutory Authority: ss. 16.701, 16.702(1), (3) and 16.004, Stats.

Statutes Interpreted: ss. 16.701 and 16.702, Stats.

The proposed rule establishes a bidders list registration fee to be paid by vendors who request to be placed on a bidders list pursuant to s. 16.7015, Stats., in connection with transactions in excess of the amount indicated in s. 16.75(1)(c), Stats. The proposed rule also establishes a fee for a subscription service provided by the department to prospective vendors regarding state procurement opportunities and other relevant procurement information. The revenue generated from these fees will be used for state information technology development projects.

TEXT OF RULE:

SECTION 1: Chapter Adm 9 is created to read:

Chapter Adm 9

BIDDERS LIST REGISTRATION FEE AND SUBSCRIPTION SERVICE

Adm 9.01 AUTHORITY. This chapter is promulgated under the authority of ss. 16.701, 16.702(1) and (3), and 16.004, Stats., to implement ss. 16.701 and 16.702, Stats.

Adm 9.02 PURPOSE. The purposes of this chapter are to:

(1) Establish a bidders list registration fee to be paid by vendors requesting to be placed on a list maintained under s. 16.7015.

(2) Establish a fee for providing a subscription service containing current information of interest to prospective vendors concerning state procurement opportunities.

Adm 9.03 DEFINITIONS. In this chapter:

(1) "Department" means the department of administration.

(2) "Subscription service" means an electronic service provided by the department of administration to prospective vendors regarding state procurement opportunities, statistical information relating to state procurements, or other relevant procurement information.

(3) "Vendor" means any private business entity which is a party to a procurement transaction under s. 16.75, Stats., and has a separate federal employer identification number (FEIN), or social security number for those businesses not having a FEIN.

Adm 9.04 FEE. Every vendor who requests to be placed on a bidders list maintained under s. 16.7015, Stats., and who is placed on such a list for any portion of that fiscal year in connection with transactions in excess of the amount indicated in s. 16.75(1)(c), Stats., shall pay a bidders list registration fee as provided in s. Adm 9.05.

Adm 9.05 BIDDERS LIST REGISTRATION FEE. (1) Except as provided by sub. (2), the bidders list registration fee shall be \$125 per year.

(2) The following classes of providers shall pay a bidders list registration fee of \$65 per year:

(a) Minority businesses certified by the department of development under s. 560.036(2), Stats.

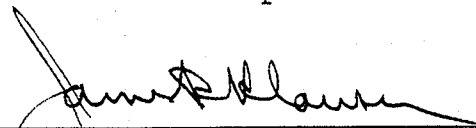
(b) Work centers qualified to participate in the program established by s. 16.752, Stats.

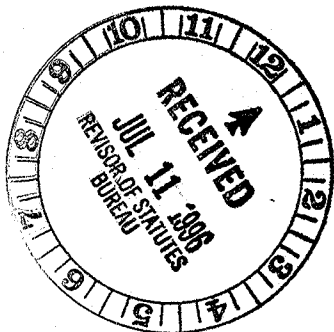
Adm 9.06 SUBSCRIPTION FEE. The fee for any electronic subscription service provided by the department shall be \$100 per year for each location. A vendor shall not be required to pay a subscription fee for any year in which the vendor has paid a bidders list registration fee if the subscription is for only one location.

Adm 9.07 REFUNDS. If the department or any agency fails to place a vendor, who has paid the bidders list registration fee, on a bidders list and a vendor is not notified of a request for bids or proposals, then the vendor shall be given a refund of the fee if the vendor makes an application for such refund. Failure to notify a vendor as provided in s. 16.7015, Stats., shall not require the department or any agency to take any other action beyond refund of the fee.

This rule shall take effect on the first day of the month commencing after the date of publication as provided in s. 227.22(2)(intro.), Stats.

Dated: 11. July 1996


James R. Klauser
Secretary
Department of Administration



Final Regulatory Flexibility Analysis:

1. Types of small businesses that will be affected by the rule:

Small businesses requesting to be placed on a list maintained under s. 16.7015, Stats., in connection with transactions in excess of the amount indicated in s. 16.75(1)(c), Stats., will be obligated to pay a bidders list registration fee. Also small businesses that wish to subscribe to an electronic service provided by the department regarding state procurement opportunities and other relevant procurement information will pay a subscription fee.

2. Reason for failing to include in the rule any of the methods specified in s. 227.114(2), Stats.:

The fees in the rule are not mandatory, they are voluntary. A vendor can bid without paying either the registration fee or the subscription fee.

3. Summary of issues raised by small businesses during the hearing of the rule, any changes in proposed rule as a result of alternatives suggested by small businesses and the reasons for rejecting any alternatives suggested by small businesses:

Issue: Add exceptions for small, minority or disadvantaged businesses.

Response: The rule was amended to make the fees voluntary and the bidders list registration fee for minority businesses and work centers will be significantly lower than the same fee for other vendors.

Issue: Do not pay a fee until a sale is actually made or until a contract is executed.

Response: The rule was amended to make the fees voluntary.

Issue: Substantially reduce the amount of the fees.

Response: The rule was amended to substantially reduce fees.

4. Reporting, bookkeeping, and other procedures required for compliance with the rule:

None.

5. Nature and cost of other measures and investments that will be required for compliance with the rule:

None.

6. Additional cost, if any, to the agency of administering or enforcing a rule which includes any of the methods specified under s. 227.114(2), Stats.:

None.

7. Impact on public health, safety and welfare, if any, caused by including in the rule any of the methods specified under s. 227.114(2), Stats.:

None.

FISCAL ESTIMATE
DOA-2048 N(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Adm 9
Amendment No. if Applicable

Subject

Bidders List Registration Fee and Subscription Service

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.505(1)(r) and 20.870(1)(q)

Assumptions Used in Arriving at Fiscal Estimate

Sections 16.701 and 16.702, Stats., originally created in 1995 Wisconsin Act 27 and amended by 1995 Assembly Bill 1048, authorize DOA to provide a bidders list registration fee and subscription service fee to provide funds for state information technology development projects. The rule creates a bidders list registration fee and subscription service fee which would provide an estimated \$4.3 million in revenue, based on fees from 35,000 vendors.

The revenue will be deposited in the segregated appropriation s. 20.870(1)(q) fee revenue, a segregated fund appropriation. The allocation of the revenues to specific agency level appropriations for I/T development projects is subject to determination by the legislature as outlined in 1995 Act 27.

Administrative costs of collecting the bidders list registration fee and subscription service fee and creation of a data base of vendors who do business with the State of Wisconsin are estimated at approximately \$132-150,000 SEG annually. The general costs known at this point relate to creating and maintaining a mailing list of vendors, doing a mass one-time mailing to inform state vendors about the program, and to collect, deposit and otherwise account for the bidders list registration fee. There is also cost to enter data into a data base that will be accessible by the State Bureau of Procurement, state agency purchasing officials and by vendors themselves. Development of the data base will enable the department to offer the subscription service as outlined in the administrative rule.

Long-Range Fiscal Implications

Annual revenues and costs of administration are likely to be similar, based on information at this time.

Agency/Prepared by: (Name & Phone No.)

Paul McMahon 266-1359

Authorized Signature/Telephone No.

Linda J. Seemeyer
Linda J. Seemeyer 266-3508

Date

May 21, 1996

FISCAL ESTIMATE WORKSHEET

1995 Session

Detailed Estimate of Annual Fiscal Effect original updated
 DOA-2047 (R10/92) corrected suppl.

LRB or Bill#/Adm. Rule#
 ADM 9

Amendment No.

Subject:
Bidders List Registration Fee and Subscription Service

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect)

II. Annualized Costs:	Annualized Fiscal impact on State Funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries & Fringes	\$0	
(FTE Postion Changes)		
State Operations - Other Costs	\$132 - 150.000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$132 - 150.000	\$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS		
SEG/SEG-S	\$132 - 150.000	
III. State Revenues-	Increased Revenue	Decreased Revenue
Complete this only when proposal will increase or decrease state revenues (tax increase, decreased fees)		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S (vendor registration fee and subscription fee)	\$4.300.000	
TOTAL State Revenues	\$4.300.000	\$0

NET ANNUALIZED FISCAL IMPACT:

	STATE	LOCAL
NET CHANGE IN COSTS	\$132 - 150.000	
NET CHANGE IN REVENUES	\$4.300.000	

Agency/Prepared by:(Name & Phone No.) Paul McMahon (266-1359)	Authorized Signature /Phone No. Linda Seemeyer 	Date May 22, 1996
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