



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0841/P2
MCP:cjs:rs

DOA:.....Bong, BB0286 – Definition of contractual services

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Current law permits DOA, or its agents, to enter into contracts for services, which include all services and material to be furnished in connection with services. Under current law, DOA is required to promulgate rules for the procurement of contractual services, including rules requiring agencies to conduct a cost-benefit analysis of proposed contractual service procurements of more than \$50,000, and rules requiring agencies to review the continued appropriateness of each contractual services agreement of more than \$50,000.

This bill clarifies that the term “contractual services” does not include information technology products or services that are delivered using a subscription and central hosting delivery model. The bill also eliminates the requirement for DOA to promulgate rules requiring agencies to conduct a cost-benefit analysis of proposed contractual service procurements of more than \$50,000, and rules requiring agencies to review the continued appropriateness of each contractual services agreement of more than \$50,000.

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

SECTION 1. 16.70 (3) of the statutes is amended to read:

16.70 (3) "Contractual services" includes all services, materials to be furnished by a service provider in connection with services, and any limited trades work involving less than \$30,000 to be done for or furnished to the state or any agency, but does not include information technology products or services delivered from a central hosting location on a subscription basis.

SECTION 2. 16.70 (3g) of the statutes is repealed.

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

16.705 (2) (a) The department shall promulgate rules for the procurement of contractual services by the department and its designated agents, including but not limited to rules prescribing approval and monitoring processes for contractual service contracts; ~~except as provided in par. (b), a requirement for agencies, except for the University of Wisconsin System, to conduct a uniform cost-benefit analysis of each proposed contractual service procurement involving an estimated expenditure of more than \$50,000 in accordance with standards prescribed in the rules; and, except as provided in par. (b), a requirement for agencies, except for the University of Wisconsin System, to review periodically, and before any renewal, the continued appropriateness of contracting under each contractual services agreement involving an estimated expenditure of more than \$50,000.~~

****NOTE: This is reconciled s. 16.705 (2) (a). This paragraph has been affected by drafts with the following LRB numbers: -0841 and -0971.

SECTION 4. 16.705 (2) (b) of the statutes is repealed.

SECTION 5. 16.705 (8) (intro.) and (b) of the statutes are consolidated, renumbered 16.705 (8) and amended to read:

16.705 (8) The department shall, annually on or before October 15, submit to the governor, the joint committee on finance, the joint legislative audit committee and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3), a report concerning the number, value and nature of contractual service procurements authorized for each agency during the preceding fiscal year. The report shall also include, with respect to contractual service procurements by agencies for the preceding fiscal year:—(b) Recommendations, recommendations for elimination of unneeded contractual service procurements and for consolidation or resolicitation of existing contractual service procurements.

SECTION 6. 16.705 (8) (a) of the statutes is repealed.

SECTION 7. 84.01 (13) of the statutes is renumbered 84.01 (13) (b) and amended to read:

84.01 (13) (b) The department may engage such engineering, consulting, surveying, or other specialized services as it deems advisable. Any engagement of services under this subsection is exempt from ss. 16.70 to 16.75, 16.755 to 16.82, and 16.85 to 16.89, but ss. 16.528, 16.752, 16.753, and 16.754 apply to such engagement. Any engagement involving an expenditure of \$3,000 or more shall be by formal contract approved by the governor. The department shall conduct a uniform cost-benefit analysis, as defined in s. 16.70 (3g), of each proposed engagement under this subsection that involves an estimated expenditure of more than \$300,000 in accordance with standards prescribed by rule of the department. The department shall review periodically, and before any renewal, the continued appropriateness of contracting pursuant to each engagement under this subsection that involves an estimated expenditure of more than \$300,000.

SECTION 8. 84.01 (13) (a) of the statutes is created to read:

84.01 (13) (a) In this subsection, “cost-benefit analysis” means a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of a service performed by state employees and resources with the total cost, quality, technical expertise, and timeliness of the same service obtained by means of a contract for contractual services.

(END)