



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Senate Bill 56

**Senate Substitute
Amendment 1**

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Under *current law*, the Department of Administration (DOA) or its agents may generally (with some exceptions) contract for services if the services can be performed more economically or efficiently by such contract than by state employees. Following the end of each fiscal year, DOA must report to the Governor, the Joint Committee on Finance, the Joint Legislative Audit Committee, and the appropriate legislative standing committees concerning the number, value, and nature of contractual service procurements authorized for each agency during the preceding fiscal year.

Senate Substitute Amendment 1 requires DOA to promulgate rules to:

- Prescribe uniform procedures for determining whether services are appropriate for contracting.
- Require agencies (the bill also requires the Department of Transportation, for which specialized services contracts are otherwise generally not subject to state laws governing contractual services contracts) to conduct a uniform cost-benefit analysis (defined to include cost, quality, technical expertise, and timeliness) of each proposed contractual service procurement involving an estimated expenditure of more than \$25,000 in accordance with standards prescribed in the rules.
- Require agencies (again, the bill also requires the Department of Transportation—see above) to review periodically, and before any renewal, the continued appropriateness of contracting under each contractual services agreement involving an estimated expenditure of more than \$25,000.

In addition, *Senate Substitute Amendment 1* requires that the report described in the first paragraph above include a summary of the cost-benefit analyses prepared by state agencies in the preceding fiscal year and recommendations for elimination of unneeded contractual service procurements and for consolidation or resolicitation of existing contractual service procurements.

Finally, *Senate Substitute Amendment 1* adds to current law a requirement that each fiscal estimate prepared for a bill indicate whether any increased costs incurred by the state under the bill can be mitigated through the use of contractual service contracts let in accordance with competitive procedures.

Legislative History

On April 5, 2005, Senator Cowles introduced Senate Substitute Amendment 1. On April 6, 2005, the Senate Committee on Veterans, Homeland Security, Military Affairs, Small Business, and Government Reform voted to supersede prior action of the committee on Senate Bill 56 (it had previously introduced and adopted three Senate amendments to Senate Bill 56) and to recommend adoption of Senate Substitute Amendment 1 and passage of the bill as amended, both on votes of Ayes, 5; Noes, 0.

MO:RW:tlu