



## 2011 SENATE BILL 569

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 renumber and amend* 16.705 (2); *to amend* 16.705 (8) (a); and *to*  
2            *create* 16.705 (2) (a) 3. of the statutes; **relating to:** audits on cost-benefit  
3            analyses and continued appropriateness reviews when state agencies contract  
4            for services and granting rule-making authority.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the Department of Administration (DOA) or any state agency to which DOA delegates purchasing authority may contract for services if the services can be performed more efficiently or economically by contract than by state employees. If a state agency enters into or renews a contract for services that involves an estimated expenditure of more than \$25,000, the agency must conduct either a uniform cost-benefit analysis, for a new contract, or a continued appropriateness review, for a contract renewal. Under this bill, each contracting agency must perform periodic audits on its cost-benefit analyses and continued appropriateness reviews and on its subsequent contracts.

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

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

**SENATE BILL 569****SECTION 1**

1           **SECTION 1.** 16.705 (2) of the statutes is renumbered 16.705 (2) (a) (intro.) and  
2 amended to read:

3           16.705 **(2)** (a) (intro.) The department shall promulgate rules for the  
4 procurement of contractual services by the department and its designated agents,  
5 including but not limited to rules the following:

6           1. Rules prescribing approval and monitoring processes for contractual service  
7 contracts, ~~a.~~

8           2. A requirement for agencies to conduct a uniform cost-benefit analysis of each  
9 proposed contractual service procurement involving an estimated expenditure of  
10 more than \$25,000 in accordance with standards prescribed in the rules, and a  
11 requirement for agencies to review periodically, and before any renewal, the  
12 continued appropriateness of contracting under each contractual services  
13 agreement involving an estimated expenditure of more than \$25,000.

14           (b) Each officer requesting approval to engage any person to perform  
15 contractual services shall submit to the department written justification for such  
16 contracting which shall include a description of the contractual services to be  
17 procured, justification of need, justification for not contracting with other agencies,  
18 a specific description of the scope of contractual services to be performed, and  
19 justification for the procurement process if a process other than competitive bidding  
20 is to be used. The department may not approve any contract for contractual services  
21 unless it is satisfied that the justification for contracting conforms to the  
22 requirements of this section and ss. 16.71 to 16.77.

23           **SECTION 2.** 16.705 (2) (a) 3. of the statutes is created to read:

24           16.705 **(2)** (a) 3. A requirement that each agency that contracts for services  
25 under this section perform periodic audits on cost-benefit analyses and continued

