



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

---

April 26, 2007

Joint Committee on Finance

Paper #300

### Procurement Activity Website (Ethics Board)

#### *Base Agency*

[LFB 2007-09 Budget Summary: Page 145, #2]

---

#### **CURRENT LAW**

On June 2, 2006, the provisions of 2005 Wisconsin Act 410 became law. Act 410 generally requires each state agency to provide specified information for posting on the Ethics Board's website regarding each solicitation for bids or competitive sealed proposals, and each proposed order or contract of the agency for which bids or competitive sealed proposals will not be solicited that qualifies as a "major expenditure." This reporting and posting requirement also applies to an original order or contract that does not initially qualify as a "major expenditure," but qualifies as a "major expenditure" following a contract change order. A "major expenditure" means an expenditure of \$10,000 or more, or, when considering ongoing purchases, expenditures that total \$10,000 or more over the course of the state biennium.

For each covered solicitation, contract, or order, the required Internet posting must include: (a) a brief description of the purpose of the solicitation, contract, or order; (b) the name of the agency to which the materials, supplies, equipment, or contractual services are to be provided; (c) a contact person within the agency from whom further information may be obtained; (d) the date of the solicitation and, if the contract has been entered into or the order has been placed, the date of that action; (e) a brief description and the date of any change order; and (f) the estimated expenditures to be made under the contract or order, including any changes thereto, or if the contract or order is for continuing purchases the estimated expenditures to be made under the contract or order in the current fiscal biennium.

An agency must post this information within 24 hours of the time of initial solicitation or commencement of negotiations, or within 24 hours of the time that the information becomes

available if the information is not available at the time of solicitation or commencement of negotiations. An agency must maintain a required Internet posting on the Internet until at least 90 days following the time of award of the contract or placement of the order or 90 days following the date of any change order, whichever is later.

Act 410 requires the Ethics Board to maintain an Internet website on which required agency postings under the act can be posted and accessed. The information on the website must be accessible directly or by linkage from a single page on the Internet.

## **GOVERNOR**

Provide \$20,000 GPR annually for maintenance costs and upgrades to the Board's procurement activity website.

## **DISCUSSION POINTS**

1. Following the passage of Act 410, the Ethics Board modified its existing website in order to comply with the requirements of the act. The Board's modified website currently: (a) provides links to state contract information detailed on the Department of Administration's (DOA) VendorNet System including links to the system's homepage, to summary information of recent contract awards identified under VendorNet, and to state procurement contracts identified under VendorNet; (b) provides links to recent state construction contract awards and architects and engineers selected for various state projects as identified by DOA's Division of State Facilities; (c) provides links to requests for proposals and requests for information for various state office space needs as identified by DOA's Bureau of Portfolio Management; (d) provides links to various procurement information provided by the Department of Transportation on its website; (e) provides links to various procurement information provided by the University of Wisconsin-Madison on its website; (f) displays selected agency filings or links to agency websites, by agency, on solicitations, contracts, or orders that meet the "major expenditure" threshold for reporting; and (g) purchase order and solicitation submissions to the Board by date.

2. On December 1, 2006, the Ethics Board submitted a s. 13.10 request to the Joint Committee on Finance for additional unspecified funding to enhance the procurement activity website required under Act 410. On that same date, the Ethics Board submitted a request for information technology (IT) contract services with a series of IT vendors on the state vendor list. The Board request identified that the successful vendor would create a database and website at which government officials, vendors, the press, and the public could access information about every state contract, purchase, and solicitation of bids or proposals that involves an annual expenditure of \$25,000 or more, or if a contract or order is for continuing purchases, an expenditure of \$25,000 or more during a fiscal biennium. [Board staff indicates that this higher \$25,000 threshold was chosen to permit the Board to initially enhance the website with fewer transactions, and to ultimately expand the website to report on all covered transactions of \$10,000 or more once the system was

successfully reporting on all such transactions of \$25,000 or more.]

3. The Board identified that the website would need to be able to search the following categories of data by item or service purchased, potential value, agency, date of announcement, and due date: (a) all requests for bids and proposals; (b) state contracts for goods and services awarded without competitive bidding; (c) state contracts for goods and services awarded by a simplified bidding procedure; and (d) procurement change orders. The Board indicated that the completed database and website would also need to create an on-line, password protected reporting tool for data entry by personnel at each state agency. Along with its request for IT contract services, the Board also provided to potential vendors mockups of proposed web pages. The Board further indicated that, "The mockups are just drafts and may not represent what the final page will look like."

4. Through December 8, 2006, the Board received responses from five vendors, with a low estimate of \$16,400 for website enhancement, and a high estimate of \$50,000 for website enhancement. The remaining three vendors' estimates were \$24,500, \$27,500, and \$30,000 respectively. The average estimate for website enhancement was \$29,700. Ethics Board staff believed that it would be reasonable to provide \$30,000 for enhancement of the database. At the December 14, 2006, meeting of the Joint Committee on Finance under s. 13.10 of the statutes, the Committee provided \$30,000 GPR to the Ethics Board from the Committee's GPR supplemental appropriation to permit the Board to retain an information technology vendor to enhance the functionality of the Board's procurement activity website.

5. Ethics Board staff indicates that since mid-December, Board staff have been refining draft display and input pages for, and consulting with state agencies regarding, the proposed enhancement to the procurement activity website. Board staff solicited bids for the proposed enhancement on March 30, 2007, with bids due to the Board on April 13, 2007. Board staff further indicates that they still anticipate completing the website enhancement by the end of the 2006-07 state fiscal year.

6. In the Ethics Board's 2007-09 agency budget request, the Board indicated that it intended to complete certain enhancements to the procurement activity website by the end of 2006-07. In anticipation of ongoing maintenance and upgrade costs for the new website, the Board requested an additional \$20,000 GPR annually in expenditure authority. Under the provisions of SB 40, the Governor recommends providing this increased expenditure authority to the Board.

7. Ethics Board staff indicated that this estimate of ongoing maintenance and upgrade costs for the new website was based on costs incurred by the Board for its "Eye on Lobbying" and "Eye on Financial Relationships" websites. The costs incurred by the Board for its "Eye on Financial Relationships" website have been primarily development costs to date, as opposed to ongoing maintenance and upgrade costs. Over the last four completed state fiscal years, the Board has expended, on average, \$11,300 annually for maintenance and upgrade costs associated with its "Eye on Lobbying" website. Based on this recent expenditure experience, the Committee could consider reducing ongoing maintenance and upgrade expenditure authority for the procurement

activity website to \$11,300 GPR annually, from the recommended \$20,000 GPR annually.

8. If funding is not provided, any maintenance and enhancement costs for the website in the 2007-09 biennium would need to be addressed utilizing base resources.

### ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$20,000 GPR annually to the Ethics Board for maintenance costs and upgrades to the Board's procurement activity website.

<b>ALT 1</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
GPR	\$0	\$40,000

2. Reduce funding for maintenance costs and upgrades to the Board's procurement activity website by \$8,700 GPR annually, to reflect recent Board history with comparable costs for its "Eye on Lobbying" website. Under this alternative, the Ethics Board would be provided \$11,300 GPR annually in expenditure authority for these costs.

<b>ALT 2</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
GPR	-\$17,400	\$22,600

3. Maintain current law.

<b>ALT 3</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
GPR	-\$40,000	\$0

Prepared by: Paul Onsager