

## Chapter Trans 515

### CONTRACTUAL SERVICE PROCUREMENT

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**Note:** Chapter Trans 515 was created as an emergency rule effective July 1, 2006.

**Trans 515.01 Purpose and scope.** The purpose of this chapter is to create standards and procedures for conducting a cost-benefit analysis before contracting out for any service involving an estimated expenditure of more than \$25,000, as required under s. 84.01 (13), Stats.

**History:** CR 06-077: cr. Register March 2007 No. 615, eff. 4-1-07.

**Trans 515.02 Definitions.** In this chapter, “department” means the department of transportation.

**History:** CR 06-077: cr. Register March 2007 No. 615, eff. 4-1-07.

**Trans 515.03 Cost-benefit analysis.** (1) ANALYSIS REQUIRED. The department shall complete a uniform cost-benefit analysis of each proposed contractual service procurement under s. 84.01 (13), Stats., involving an estimated expenditure of more than \$25,000 annually. Each cost-benefit analysis shall include the information set forth in subs. (2) to (6).

(2) SERVICE OVERVIEW. A cost-benefit analysis shall provide the following:

(a) A justification for the request written in clear, non-technical language that can be understood by persons who may not be directly involved in or familiar with the proposed service, with all acronyms fully defined.

(b) A list and description of any federal mandates, state statutes or administrative rules that dictate how the proposed service must be performed.

(3) TOTAL COST. Each proposed contractual service procurement under s. 84.01 (13), Stats., shall include a total cost component. For each proposed contractual service procurement under s. 84.01 (13), Stats., involving an estimated expenditure of more than \$25,000 annually, the department shall complete a detailed cost-benefit analysis showing that the proposed service can be performed more economically or efficiently by contract rather than by current state employees or by hiring permanent, project or limited term employees. The consideration of relevant costs shall

include, but not be limited to, wage and salary costs, fringe benefits costs, administrative overhead costs, other operating costs, material costs, insurance costs, facility costs, contract price, contract monitoring, and one-time conversion costs. The department shall use the cost-benefit methodology set forth in chapter 8 of the department’s Facilities Development Manual.

**Note:** To request the cost-benefit methodology set forth in the Facilities Development Manual, please contact the Department of Transportation, Bureau of Highway Development, Roadway Development Section, P.O. Box 7916, Madison, WI 53707-7916 or (608) 266-9349.

(4) QUALITY. A description of the proposed service to be performed, a list of items to be delivered, any specific conditions to be required of the contractor, and how the department will ensure that the contractor will provide services and quality as promised without financial losses to the state.

(5) TECHNICAL EXPERTISE. (a) *Capacity*. A description whether department employees have the capacity to perform the proposed service.

(b) *Expertise*. A description whether department employees have the expertise to perform the proposed service.

(6) TIMELINESS. (a) *Timeliness*. A complete schedule and timetable for the proposed service.

(b) *Project term*. A statement indicating whether the proposed service is a short-term project or is a long-term need for the department.

**History:** CR 06-077: cr. Register March 2007 No. 615, eff. 4-1-07.

**Trans 515.04 Continued appropriateness of contracting.** The department shall review periodically, and before any renewal, the continued appropriateness of contracting under each contractual service agreement under s. 84.01 (13), Stats., involving an estimated annual expenditure of more than \$25,000.

**History:** CR 06-077: cr. Register March 2007 No. 615, eff. 4-1-07.

**Trans 515.05 Effective date.** The requirements of this rule apply to all contracts for which solicitation of interest date is after June 30, 2006.

**History:** CR 06-077: cr. Register March 2007 No. 615, eff. 4-1-07.