**Cost Benefit Analysis Documentation**

*Required for private entity contracts with the total dollar amount exceeding $50,000 and has a term of more than 6-months as required by La. R.S. 39:1497(B)*

Contractor Name:

Brief Description of the Proposed Contract Services:

1. Can DNR staff perform the proposed services? Yes No
2. If the answer to question 1 was yes, why are the services being contracted out?
3. Can another state agency provide these services? Yes No
4. If the answer to either question 1 or question 3 was yes, provide an analysis justifying why obtaining these services from the private sector is more cost effective than by utilizing Departmental staff or by another governmental agency.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | State Employee | Contractor | Savings |
| Base Salary |  |  |  |
| Payroll Additive Rate |  |  |  |
| **Adjusted Salary** |  |  |  |
| Hours per Week |  |  |  |
| **Weekly Salary** |  |  |  |
| Total Contract Weeks |  |  |  |
| **Total Direct Labor Cost** |  |  |  |
| Other Cost (Described Below) |  |  |  |
| **Total Cost** |  |  |  |

1. What is the average cost of these services in the private sector?
2. Are these charges reasonable? Yes No

I hereby certify that the evidence presented above has been conducted for the reference proposed contract. This analysis indicates that obtaining such services from the private sector is more cost effective than providing such services by DNR staff or by another state agency.

 (Signature of Project Manager) (Date)

**Cost Benefit Analysis Documentation**

*Required for private entity contracts with the total dollar amount exceeding $50,000 and has a term of more than 6-months as required by La. R.S. 39:1497(B)*

Contractor Name: Dr. Pepper, LLC

Brief Description of the Proposed Contract Services: The Pipeline Division within the Office
of Conservation needs to monitor the Stonekey pipeline that will be laid in northern Louisiana.

Specialized training will be required to monitor this new pipeline.

1. Can DNR staff perform the proposed services? Yes No
2. If the answer to question 1 was yes, why are the services being contracted out?
The Pipeline Division only has one employee (the Division Head; TS-320) who has the specialized training necessary to use the equipment, and the cost associated with sending them out in the field would be substantially higher than contracting the service out.
3. Can another state agency provide these services? Yes No
4. If the answer to either question 1 or question 3 was yes, provide an analysis justifying why obtaining these services from the private sector is more cost effective than by utilizing Departmental staff or by another governmental agency.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | State Employee | Contractor | Savings |
| Base Salary | $39.64 | $47.50 |  |
| Payroll Additive Rate | 56.50% | N/A |  |
| **Adjusted Salary** | **$62.04** | **$47.50** |  |
| Hours per Week | 30 | 30 |  |
| **Weekly Salary** | **$1,862.20** | **$1,425.00** |  |
| Total Contract Weeks | 48 | 48 |  |
| **Total Direct Labor Cost** | **$89,337.60** | **$68,400.00** |  |
| Other Cost (Described Below) | $0.00 | $1,000 |  |
| **Total Cost** | **$89,337.60** | **$69,400.00** | **$19,937.60** |

Dr. Pepper has over 34 years of experience with pipelines, 17 of which was spent doing pipeline inspections for the State of Montana. Before retiring from the State of Montana, Dr. Pepper’s main job function was running the Agency Pipeline Unit. Dr. Pepper will incur, no more than,

$1,000 in travel related cost for the duration of the contract. This contract would provide the Department with a savings of **$19,937.60**

1. What is the average cost of these services in the private sector? $84,000
2. Are these charges reasonable? Yes No

I hereby certify that the evidence presented above has been conducted for the reference proposed contract. This analysis indicates that obtaining such services from the private sector is more cost effective than providing such services by DNR staff or by another state agency.

 (Signature of Project Manager) (Date)