



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0822/P4
MPG:jek&kjf

DOA:.....Stinebrink, BB0106 - Building program thresholds.

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under this bill, the building commission may authorize money from the state building trust fund to be available for any project costing \$900,000 or less, and the building commission may authorize the design and construction of any building, the acquisition of land, or the repair or improvement of any building, structure, or facility that costs more than \$900,00 only if the project is enumerated in the state building program. Under current law, each of those thresholds is set at \$760,000.

Subject to limited exceptions, the bill also prohibits the state from entering into a contract for the construction of or addition to any building in connection with a building project involving a cost that exceeds \$250,000 without the approval of the building commission. Current law sets that threshold at \$185,000.

Also, under the bill, the secretary of administration is required to establish a committee for each construction project under the department's supervision, except certain emergency projects, for the purpose of selecting an architect or engineer for the project. If the estimated cost of a construction project is \$6,800,000 or more, the selection committee must use a request-for-proposal process established by the department to select an architect or engineer for the project based on qualifications.

Finally, the bill requires that DOA adjust on an annual basis all of the above and other thresholds based on the percentage increase or decrease in construction costs.

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

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

SECTION 1. 13.48 (3) of the statutes is amended to read:

13.48 (3) STATE BUILDING TRUST FUND. In the interest of the continuity of the program, the moneys appropriated to the state building trust fund under s. 20.867 (2) (f) shall be retained as a nonlapsing building depreciation reserve. Such moneys shall be deposited into the state building trust fund. At such times as the building commission directs, or in emergency situations under s. 16.855 (16) (b), the governor shall authorize releases from this fund to become available for projects and shall direct the department of administration to allocate from this fund such amounts as are approved for these projects. In issuing such directions, the building commission shall consider the cash balance in the state building trust fund, the necessity and urgency of the proposed improvement, employment conditions and availability of materials in the locality in which the improvement is to be made. The building commission may authorize any project costing ~~\$760,000~~ \$900,000, subject to adjustment under s. 16.40 (20m), or less in accordance with priorities to be established by the building commission and may adjust the priorities by deleting, substituting or adding new projects as needed to reflect changing program needs and unforeseen circumstances. The building commission may enter into contracts for the construction of buildings for any state agency, except a project authorized under sub. (10) (c), and shall be responsible for accounting for all funds released to projects. The building commission may designate the department of administration or the agency for which the project is constructed to act as its representative in such accounting.

SECTION 2. 13.48 (6) of the statutes is amended to read:

13.48 (6) REVIEW OF PROJECTS. All reports submitted as provided by sub. (4) shall be reviewed by the building commission, which shall make its report as soon after November 20 as is possible. Such report shall include specific recommendations and establish priorities for the next 3 biennia from among all projects submitted which the building commission deems essential and shall recommend additional appropriations if necessary for the execution thereof. The building commission shall include in the report any projects proposed by the state fair park board involving a cost of not more than \$250,000, subject to adjustment under s. 16.40 (20m), together with the method of financing proposed for those projects by the board, without recommendation. The building commission shall include in its report an appraisal and recommendation of available and alternative methods of financing buildings for the use of state agencies and shall file copies of its report with the governor-elect.

SECTION 3. 13.48 (7) of the statutes is amended to read:

13.48 (7) BIENNIAL RECOMMENDATIONS. The building commission shall prepare and formally adopt recommendations for the long-range state building program on a biennial basis. The building commission shall include in its report any projects proposed by the state fair park board involving a cost of not more than \$250,000, subject to adjustment under s. 16.40 (20m), together with the method of financing those projects proposed by the board, without recommendation. Unless a later date is requested by the building commission and approved by the joint committee on finance, the building commission shall, no later than the first Tuesday in April of each odd-numbered year, transmit the report prepared by the department of administration under s. 16.40 (20) and the commission's recommendations for the

succeeding fiscal biennium that require legislative approval to the joint committee on finance in the form of proposed legislation prepared in proper form.

SECTION 4. 13.48 (10) (a) of the statutes is amended to read:

13.48 **(10)** (a) Except as provided in par. (c), no state board, agency, officer, department, commission, or body corporate may enter into a contract for the construction, reconstruction, remodeling of, or addition to any building, structure, or facility, in connection with any building project which involves a cost in excess of ~~\$185,000~~ \$250,000, subject to adjustment under s. 16.40 (20m), without completion of final plans and arrangement for supervision of construction and prior approval by the building commission. This section applies to the department of transportation only in respect to buildings, structures, and facilities to be used for administrative or operating functions, including buildings, land, and equipment to be used for the motor vehicle emission inspection and maintenance program under s. 110.20.

SECTION 5. 13.48 (10) (b) 5. of the statutes is amended to read:

13.48 **(10)** (b) 5. Contracts for construction of any building, structure or facility for the state fair park board involving a cost of not more than \$250,000, subject to adjustment under s. 16.40 (20m).

SECTION 6. 13.48 (29) of the statutes is amended to read:

13.48 **(29)** ~~SMALL~~ SIMPLIFIED POLICIES AND PROCEDURES FOR CONSTRUCTION PROJECTS. Except as otherwise required under s. 16.855 (10m), the building commission may prescribe simplified policies and procedures to be used in lieu of the procedures provided in s. 16.855 for any construction project ~~that does not require prior approval of the building commission under sub. (10) (a) involving a cost of not more than \$185,000~~, except projects specified in sub. (10) (c).

SECTION 7. 16.40 (20m) of the statutes is created to read:

16.40 (20m) CONSTRUCTION COSTS. Annually, by December 31, the department shall adjust the dollar amounts specified in ss. 13.48 (3), (6), (7), and (10) (a) and (b) 5., 16.867 (2), 16.87 (3), and 20.924 (1) (a) and (b), rounding up to the nearest \$50,000, based on the percentage increase or decrease in construction costs during the preceding 12 months. The department shall determine that percentage using the appropriate cost index published in the Engineering News-Record, or its successor.

SECTION 8. 16.867 of the statutes is created to read:

16.867 Selection of architects and engineers. (1) The secretary shall establish a committee under s. 15.04 (1) (c) for each construction project under the department's supervision, except an emergency project approved under s. 16.855 (16) (b) 2., for the purpose of selecting an architect or engineer for the project.

(2) If the estimated cost of a construction project under the department's supervision is \$6,800,000, subject to adjustment under s. 16.40 (20m), or more, the selection committee appointed under sub. (1) shall use a request-for-proposal process established by the department to select an architect or engineer for the project based on qualifications.

SECTION 9. 16.87 (3) of the statutes is amended to read:

16.87 (3) Except as provided in sub. (4), a contract under sub. (2) is not valid or effectual for any purpose until it is endorsed in writing and approved by the secretary or the secretary's ~~designated assistant~~ designee and, if the contract involves an expenditure over ~~\$60,000~~ \$250,000, subject to adjustment under s. 16.40 (20m), approved by the governor. ~~The governor may delegate the authority to approve any contract requiring his or her approval under this subsection that involves an expenditure of less than \$150,000 to the secretary or the secretary's designee.~~ Except as provided in sub. (4), no payment or compensation for work done

under any contract involving \$2,500 or more, except a highway contract, may be made unless the written claim is audited and approved by the secretary or the secretary's designee. Any change order to a contract requiring approval under this subsection requires the prior approval by the secretary or the secretary's designated assistant designee and, if the change order involves an expenditure over \$60,000 \$250,000, subject to adjustment under s. 16.40 (20m), the approval of the governor ~~or, if the governor delegates his or her authority to approve contracts under this subsection and the change order involves an expenditure of less than \$150,000, the approval of the secretary or the secretary's designee.~~

SECTION 10. 20.924 (1) (a) of the statutes is amended to read:

20.924 (1) (a) Shall authorize the design and construction of any building, structure or facility costing in excess of \$760,000 \$900,000, subject to adjustment under s. 16.40 (20m), regardless of funding source, only if that project is enumerated in the authorized state building program.

SECTION 11. 20.924 (1) (b) of the statutes is amended to read:

20.924 (1) (b) Shall authorize the acquisition of land, or the repair, remodeling or improvement to any existing building, structure or facility costing in excess of \$760,000 \$900,000, subject to adjustment under s. 16.40 (20m), regardless of funding source, only if that project is enumerated in the authorized state building program. This paragraph does not apply to the acquisition of land by the building commission in the city of Madison within a block number specified in s. 13.48 (18). This paragraph does not apply to projects authorized under s. 16.858.

SECTION 9301. Initial applicability; Administration.

(1) STATE BUILDING PROGRAM THRESHOLDS.

(a) The treatment of sections 13.48 (3) and 20.924 (1) (a) and (b) of the statutes first applies to authorizations occurring on the effective date of this paragraph.

(b) The treatment of sections 13.48 (10) (a) and 16.87 (3) of the statutes first applies to contracts entered into, or extended, modified, or renewed, on the effective date of this paragraph.

(END)