



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 237
[2017 Assembly Bill 675]

State Construction Projects

2017 Wisconsin Act 237 increases cost thresholds and makes certain other changes relating to state construction projects.

THRESHOLDS FOR STATE BUILDING PROGRAM AND STATE BUILDING COMMISSION APPROVAL

Prior law authorized the State Building Commission to approve the use of state building trust fund moneys for projects costing \$760,000 or less. Prior law also prohibited the State Building Commission from authorizing certain projects, including the design and construction of any building, structure, or facility, or the acquisition of land, or the repair, remodeling, or improvement to any existing building, costing in excess of \$760,000, regardless of funding source, unless the project is enumerated in the authorized state building program.¹ **The Act** increases both of those thresholds to **\$1 million**.

In addition, **prior law** required State Building Commission approval before a state board, agency, officer, or department enters 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** (or \$250,000, in the case of State Fair Park). **The Act** increases the cost threshold for such approvals to **\$300,000**.

¹ Generally, the state building program is included in a biennial budget act and may be amended during the biennium through legislation.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

EXCEPTIONS TO SINGLE-PRIME CONTRACTING REQUIREMENTS

The Act also makes changes relating to single-prime contracting requirements.² **Prior law** required the Department of Administration (DOA) to let all construction projects that exceed \$185,000 through single-prime contracting. **The Act** increases the threshold for that single-prime contracting requirement to \$300,000.

The Act also creates an exception to the single-prime contracting requirement for certain projects for which at least 85% of the estimated construction cost of the project is for work that involves the trade that is the primary business of a single-trade contractor. The Act defines “single-trade contractor” to mean a contractor whose primary business is the performance of mechanical, electrical, plumbing, or fire protection work. The Act requires DOA to develop and implement an open and public bidding process for such projects, for purposes of contracting with the lowest qualified responsible bidder. Specifically, DOA must post the names of all single-trade bidders, together with the amount of each bid, within 48 hours after the deadline for receiving such bids, and must notify bidders of contract awards within 30 days of that deadline.³

SELECTION COMMITTEE FOR PROJECTS UNDER DOA’S SUPERVISION

Finally, the Act requires DOA to establish a selection committee for each project under the department’s supervision, for the purposes of selecting an architect or engineer for the project. If the estimated cost of a construction project under DOA’s supervision is \$7.4 million or more, the Act requires the selection commission to use a request-for-proposal process established by DOA to select an architect or engineer for the project.

Effective date: April 5, 2018

Prepared by: Anna Henning, Senior Staff Attorney

April 19, 2018

AH:mcm;ty

² “Single prime contracting” means bidding and contracting through a process in which only a general prime contractor has a contractual relationship with the state and all mechanical, electrical, or plumbing subcontractors are subcontractors to the general prime contractor. [s. 16.855 (1g) (e), Stats.]

³ With respect to contracts entered into by the University of Wisconsin-System, the Act requires the Board of Regents to perform the responsibilities that the Act otherwise requires DOA to perform regarding contracts with single-trade contractors.