



2007 ASSEMBLY BILL 134

March 5, 2007 - Introduced by Representatives GOTTLIEB, FRISKE, JESKEWITZ, KAUFERT, MURSAU, NASS, A. OTT, OWENS, STONE, TOWNSEND, VOS, PETROWSKI and HONADEL, cosponsored by Senators PLALE, COWLES, DARLING, S. FITZGERALD, GROTHMAN, KAPANKE, OLSEN, ROESSLER and SCHULTZ. Referred to Committee on Transportation.

1 **AN ACT** *to amend* 84.013 (4) (a) and 84.06 (1m); and *to create* 84.06 (1r) of the
2 statutes; **relating to:** engineering work for certain Department of
3 Transportation highway projects.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Transportation (DOT) may prepare plans and specifications and perform engineering work for any highway improvement within its jurisdiction. DOT may also contract with third parties for the performance of engineering work.

This bill requires DOT to employ value engineering for any highway improvement project that has total project costs in excess of \$5 million or that otherwise meets criteria established by DOT. "Value engineering" means the systematic application of recognized techniques by a multidisciplined team to identify the function of a product or service, establish a worth for that function, generate alternatives through the use of creative thinking, and provide the needed functions to accomplish the original purpose of the project, reliably, and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project. DOT must assure that a value engineering study and analysis is performed on each applicable project. Any value engineering study and analysis related to engineering work performed by a third-party consultant may not be performed by the same consultant unless that consultant maintains separate and distinct organizational separation of its value engineering and design sections. The secretary of transportation may, for compelling reasons, waive the employment of

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value engineering on a project for which it is otherwise required. DOT must annually submit a report to the governor and legislature related to DOT's employment of value engineering.

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:

1 **SECTION 1.** 84.013 (4) (a) of the statutes is amended to read:

2 84.013 (4) (a) Subject to s. ss. 13.489 (1m) and 84.06 (1r), in preparation for
3 future major highway projects, the department may perform preliminary
4 engineering and design work and studies for possible major highway projects not
5 listed under sub. (3), but no major highway may be constructed unless the project is
6 listed under sub. (3) or approved under sub. (6).

7 **SECTION 2.** 84.06 (1m) of the statutes is amended to read:

8 84.06 (1m) PLANS. The Subject to sub. (1r), the department may prepare plans,
9 estimates, and specifications and undertake and perform all surveys, investigations,
10 and engineering work for any highway improvement within its jurisdiction. When
11 provision has been made for the necessary funds for any such highway improvement
12 and, if federal aid is to be utilized, when the project has been approved by the proper
13 federal authorities, the department may proceed as provided in this section, with due
14 regard to any applicable federal requirement or regulation.

15 **SECTION 3.** 84.06 (1r) of the statutes is created to read:

16 84.06 (1r) VALUE ENGINEERING FOR CERTAIN PROJECTS. (a) In this subsection,
17 “value engineering” has the meaning given in 23 CFR 627.3.

18 (b) The department shall employ value engineering for any highway
19 improvement project under sub. (1m) that has total project costs in excess of \$5

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1 million or that otherwise meets criteria established by the department under par. (c),
2 and shall assure that a value engineering study and analysis is performed on each
3 such project. Any value engineering study and analysis related to engineering work
4 performed by a consultant under contract with the department under s. 84.01 (13)
5 may not be performed by the same consultant unless that consultant maintains
6 separate and distinct organizational separation of its value engineering and design
7 sections.

8 (c) The department shall establish criteria for determining which projects, in
9 addition to those having total project costs in excess of \$5 million, on which the
10 department will employ value engineering.

11 (d) After review and for compelling reasons, the secretary may waive the
12 requirement under par. (b) for any project. Any such waiver shall be in writing, state
13 the reasons for the waiver, and apply only to a single project.

14 (e) Annually, the department shall submit a report to the governor, and to the
15 appropriate standing committees of the legislature under s. 13.172 (3), on the
16 department's employment of value engineering under par. (b), the criteria
17 established by the department under par. (c), and all waivers made under par. (d).
18 All project information included in any report required under this paragraph shall
19 be reported on both a cumulative basis from the inception of the project and on an
20 updated basis for the period since the department's last report under this paragraph.
21 The report under this paragraph shall also include all of the following information:

- 22 1. The number of value engineering studies conducted.
- 23 2. The cost of conducting the studies.
- 24 3. The estimated construction cost of the projects studied.
- 25 4. The total number of study recommendations.

