



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0743/2
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2011 ASSEMBLY BILL 21

February 8, 2011 - Introduced by Representatives CLARK, MOLEPSKE JR, ROYS, BERCEAU, TURNER, FIELDS, D. CULLEN, POPE-ROBERTS, STASKUNAS, BARCA, HINTZ, JORGENSEN and VRUWINK, cosponsored by Senators HANSEN, ERPENBACH and TAYLOR. Referred to Committee on Homeland Security and State Affairs.

1 **AN ACT to renumber** 16.754 (1) (a) and 16.754 (2); **to amend** 16.72 (2) (c), 16.754
2 (title), 16.754 (2) (title) and 16.754 (3) (intro.); and **to create** 16.754 (1) (am),
3 16.754 (2) (a), 16.754 (2m) and 66.0145 of the statutes; **relating to:** state
4 procurement of products and services from businesses located in this state and
5 setting a goal for local government to purchase a certain percentage of products
6 and services from businesses located in this state.

Analysis by the Legislative Reference Bureau

Current law generally authorizes the Department of Administration (DOA) to purchase, or delegate the authority to purchase, all necessary materials and contractual services for all state agencies. With some exceptions, orders or contracts must be awarded to the lowest bidder. This bill creates an exception to require DOA and any agency making purchases to attempt to ensure that at least 20 percent of the total amount expended for such procurement in each fiscal year is from Wisconsin-based businesses and that, in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses will not be lower than it was in the previous fiscal year. To measure compliance with this exception, this bill requires DOA to collect data from a person who bids for a contract regarding the person's principal place of business. DOA must submit to the legislature a plan on how DOA will compile and use the data it collected.

This bill also sets a goal that at least 20 percent of the aggregate value of the annual purchases of products and services by a local governmental unit (which

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includes cities, villages, towns, counties, and special purpose districts, which include schools and technical college districts) will be from Wisconsin-based businesses. A further goal is that, in any year, the percentage of the aggregate value of routine purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year.

For further information see the *state and local* 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.** 16.72 (2) (c) of the statutes is amended to read:

2 16.72 (2) (c) To the extent possible, the department shall write specifications
3 so as to permit the purchase of materials manufactured in the United States, as
4 defined in s. 16.754 (1) (b), or the purchase of local products or services, as defined
5 in s. 66.0145 (1) (b).

6 **SECTION 2.** 16.754 (title) of the statutes is amended to read:

7 **16.754** (title) **Preference for local products and services and**
8 **American-made materials.**

9 **SECTION 3.** 16.754 (1) (a) of the statutes is renumbered 16.754 (1) (ar).

10 **SECTION 4.** 16.754 (1) (am) of the statutes is created to read:

11 16.754 (1) (am) "Local product or service" has the meaning given in s. 66.0145
12 (1) (b).

13 **SECTION 5.** 16.754 (2) (title) of the statutes is amended to read:

14 16.754 (2) (title) PURCHASE PREFERENCE PREFERENCES.

15 **SECTION 6.** 16.754 (2) of the statutes is renumbered 16.754 (2) (b).

16 **SECTION 7.** 16.754 (2) (a) of the statutes is created to read:

17 16.754 (2) (a) The department, any other designated purchasing agent under
18 s. 16.71 (1), and any agency making purchases under s. 16.74 shall attempt to ensure

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1 that at least 20 percent of the total amount expended under this subchapter in each
2 fiscal year is for local products or services and it shall be a further goal that the
3 percentage of the total amount expended in any fiscal year for local products or
4 services will not be lower than the percentage of the total amount expended in the
5 previous fiscal year for local products or services.

6 **SECTION 8.** 16.754 (2m) of the statutes is created to read:

7 16.754 (2m) DATA. (a) For purposes of measuring compliance with sub. (2) (a),
8 the department shall collect from a person who responds to a proposal or submits a
9 bid for a contract information regarding the person's principal place of business.

10 (b) The department shall prepare, and, no later than May 2012, submit to the
11 chief clerk of each house of the legislature for distribution to the legislature under
12 s. 13.172 (2), a plan on how the department will compile and use the data collected
13 under par. (a).

14 **SECTION 9.** 16.754 (3) (intro.) of the statutes is amended to read:

15 16.754 (3) EXEMPTIONS. (intro.) Subsection (2) (b) does not apply if the
16 materials are purchased for the purpose of commercial resale or for the purpose of
17 use in the production of goods for commercial sale. Subsection (2) (b) does not apply
18 to the purchase of stationery and printing materials. Subsection (2) (b) does not
19 apply if the department determines, under s. 16.75 (1) (a) 2., that the foreign nation
20 or subdivision thereof in which the vendor is domiciled does not give preference to
21 vendors domiciled in that nation or subdivision in making governmental purchases.
22 Subsection (2) (b) does not apply if the department or other person having
23 contracting authority in respect to the purchase determines that:

24 **SECTION 10.** 66.0145 of the statutes is created to read:

