



2007 SENATE BILL 256

August 30, 2007 – Introduced by Senator RISSER. Referred to Committee on Ethics Reform and Government Operations.

- 1 **AN ACT relating to:** expenditure of \$73,562.70 from the general fund in payment
2 of a claim against the state made by Landwehr Construction, Inc.

Analysis by the Legislative Reference Bureau

This bill directs expenditure of \$73,562.70 from the general fund in payment of a claim against the Department of Administration (DOA) by Landwehr Construction, Inc. The claimant entered into a contract with DOA for construction work to be performed in connection with the demolition of Ames Hall at the University of Wisconsin–River Falls in 2004. As a part of this job, the claimant was required to remove floor tile and foundation black tar/felt that contained asbestos. The bidding documents stated that certain asbestos removal work would be performed by the state and other such work was the responsibility of the contractor. The documents required the contractor to include in its bid an allowance of \$60,000 for labor and materials related to recycling of concrete floor slabs. The claimant only included an allowance of \$10,000 in its bid because it understood that the remainder would be returned to it when the relevant material was recycled. DOA contends that the documents provided for the allowance in order to fund the unknown costs of removing and recycling the material containing asbestos for which the contractor was responsible, and the claimant was not entitled to the return of any money. The claimant claimed \$73,562.70 representing its costs for a subcontractor to perform this work (\$52,066.80), plus the costs of tree removal, equipment, and supervision of the work. DOA asserts that at most the claimant would be entitled to \$48,251.40, representing the claimant's payments to its subcontractor (\$44,885.00) plus a markup of 7.5 percent. The Claims Board recommended denial of this claim on May 24, 2006 (see 2005 *Senate Journal*, p. 871).

