

1999 DRAFTING REQUEST

Bill

Received: **02/11/1999**

Received By: **kuesejt**

Wanted: **As time permits**

Identical to LRB:

For: James Kreuser (608) 266-5504

By/Representing: **Kreuser**

This file may be shown to any legislator: NO

Drafter: **kuesejt**

May **Contact:**

Alt. Drafters:

Subject: **State Government - state bldg pr**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

State to pay costs of certain unsuccessful bidders

Instructions:

State to pay costs of bid submittal by any person who loses contract under s. 16.855 (10m), stats. to minority business.

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|-----------------------|-----------------------|------------------------|----------------|----------------------------|----------------------------|-----------------|
| /? | kuesejt 04/27/1999 | gilfokm 04/27/1999 | | _____ | | | State |
| /1 | | | jfrantze 04/27/1999 | _____ | lrb_docadmin 04/27/1999 | | State |
| /2 | kuesejt 06/29/1999 | gilfokm 06/29/1999 | kfollet 06/30/1999 | _____ | lrb-docadmin 06/30/1999 | lrb-docadmin 0812411999 | |
| | | | | _____ | lrb-docadmin 06/30/1999 | | |

Vers. Drafted Reviewed Typed Proofed Submitted ~~Jacketed~~ Required

lrb_docadmin
06/30/1999

FE Sent For: 08/24/1999
"12"

<END>

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| | | | | _____ | lrb-docadmin 06/30/99 | | |
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|--------------|----------------|-------------------|--------------|----------------|------------------|-----------------|-----------------|
| 1? | kuesejt 4/27 | 1-4-27-99 King | 4/27 | 4/27 | | | |

FE Sent For:

<END>

1999

Date (time) needed

wanted wed 4/28

LRB - 2196,1

BILL

WPO: Initial cap
Krauser on Request Sheet
JTK: King

Use the appropriate components and routines developed for bills.

AN ACT . . . [generate catalog] *to repeal . . . ; to renumber . . . ; to consolidate and renumber . . . ; to renumber and amend . . . ; to consolidate, renumber and amend . . . ; to amend . . . ; to repeal and recreate . . . ; and to create . . .* of the

statutes; relating to: *payment of bid preparation costs incurred by certain bidders for state construction work and making an appropriation.*

[NOTE: See section 4.02 (2) (br), Drafting Manual, for specific order of standard phrases.]

Analysis by the Legislative Reference Bureau

For the 3 titles used in an analysis, in the component bar:

For the main heading [old =M], execute: create → anal: → title: → head

For the subheading [old =S], execute: create → anal: → title: → sub

For the sub-subheading [old =P], execute: create → anal: → title: → sub-sub

attached

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

SECTION #.

1
2
3
4



Analysis

AA

Currently, with certain exceptions, the department of administration (DOA) must let state construction work by bid and must award contracts for that work to the lowest qualified responsible bidder. One exception permits DOA to award a contract to a minority business if the business submits a bid that is no more than 5% higher than the bid submitted by the lowest qualified responsible bidder. A "minority business" is a business that is performing a useful business function and that is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons who are lawfully admitted to the United States for permanent residence. A "minority group member" is a black, Hispanic, American Indian, Eskimo, Aleut, native Hawaiian, Asian Indian or person of Asian Pacific origin, as defined in rules of the department of commerce.

3

This bill provides that if DOA awards a contract for state construction work to a minority business that submitted a higher bid than the bid submitted for that work by another qualified responsible bidder, DOA must reimburse each qualified responsible bidder that submitted a lower bid for the reasonable bid preparation costs incurred by that bidder. Under the bill, any reimbursable costs that are paid by DOA are charged to the project budget for the construction project in connection with which the work was bid, thereby reducing funds available from the project budget for other expenses.

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

if the bidder submits to DOA a statement of the bidder's reasonable costs

SECTION 1. 16.855 (10m) (d) of the statutes is created to read:

16.855 (10m) (d) If the department awards a contract for construction work to a minority business that submitted a higher bid than the bid submitted for that work by another qualified responsible bidder, the department shall provide written notification of the award to each qualified responsible bidder for the work who submitted a lower bid. Any bidder receiving that notice may then submit to the department a statement of ~~its~~ ^{the bidder's} reasonable costs directly incurred by the bidder in preparing its bid, on a form prescribed by the department. The department may require verification of any cost identified by a bidder on its statement. From the appropriation under s. 20.505 (1) (kc), the department shall then pay to each such bidder the reasonable costs incurred by the bidder in preparing its bid, as identified in the bidder's statement.

(End)



Wanted soon

1999 BILL

1 **AN ACT** to create 16.855 (10m) (d) of the statutes; **relating to:** payment of bid
2 preparation costs incurred by certain bidders for state construction work and
3 making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, with certain exceptions, the department of administration (DOA) must let state construction work by bid and must award contracts for that work to the lowest qualified responsible bidder. One exception permits DOA to award a contract to a minority business if the business submits a bid that is no more than 5% higher than the bid submitted by the lowest qualified responsible bidder. A "minority business" is a business that is performing a useful business function and that is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons who are lawfully admitted to the United States for permanent residence. A "minority group member" is a black, Hispanic, American Indian, Eskimo, Aleut, native Hawaiian, Asian Indian or person of Asian Pacific origin, as defined in rules of the department of commerce.

This bill provides that, if DOA awards a contract for state construction work to a minority business that submitted a higher bid than the bid submitted for that work by another qualified responsible bidder, DOA must reimburse each qualified responsible bidder that submitted a lower bid for the reasonable bid preparation costs incurred by that bidder, if the bidder submits to DOA a statement of the bidder's reasonable costs. Under the bill, any reimbursable costs that are paid by DOA are charged to the project budget for the construction project in connection with which

one or more other

the lowest^{est}

ers

JTK

BILL

the work was bid, thereby reducing funds available from the project budget for other expenses.

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. 16.855 (10m) (d) of the statutes is created to read:

2 16.855 (10m) (d) If the department awards a contract for construction work to
 3 a minority business that submitted a higher bid than the bid submitted for that work
 4 by ^{one or more other} ~~another~~ qualified responsible ^{bidders} bidder, the department shall provide written
 5 notification of the award to ^{the} ~~each~~ qualified responsible bidder for the work who
 6 submitted ^{the lowest} ~~a lower~~ bid. ~~Any bidder receiving that notice,~~ ^{That bidder} may then submit to the
 7 department a statement of the bidder's reasonable costs directly incurred by the
 8 bidder in preparing its bid, on a form prescribed by the department. The department
 9 may require verification of any cost identified by a bidder on its statement. From the
 10 appropriation under s. 20.505 (1) (kc), the department shall then pay to ^{the} ~~each~~ such
 11 bidder ^{submitting the statement} ~~the~~ reasonable costs incurred by the bidder in preparing its bid, as identified
 12 in the ~~bidder's~~ ^{bidder's} statement.

13

(END)

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

Date: 6/30/99

To: Representative Kreuser

Relating to LRB drafting number: LRB-2 196

Topic

State to pay costs of certain unsuccessful bidders

Subject(s)

State Government - state bldg pr

1. **JACKET** the draft for introduction Tim Kreuser

in the Senate or **the Assembly** (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT. See** the changes indicated or attached _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction Tim Kreuser

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Jeffery T. Kuesel, Managing Attorney
Telephone: (608) 266-6778

Done
08-24-99
gmb



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION, (608) 266-3561
LEGAL FAX: (608) 264-8522

REFERENCE SECTION: (608) 266-0341
REFERENCE FAX: (608) 266-5648

February 22, 2000

MEMORANDUM

To: Rep. James Kreuser
Room 208 North, Capitol

From: Jeff Kuesel
Managing Attorney

Subject: Assembly Bill 727, relating to payment of bid preparation costs incurred by certain bidders for state construction work

It has come to my attention that there is an error in the analysis to AB-727. In the last sentence of the second paragraph, it is stated that any reimbursable bid preparation costs paid by DOA are charged to the project budget for the construction project in connection with which the work was bid.

In fact, the draft provides for the costs to be charged to the program revenue appropriation for state building construction services, which is derived from charges against all projects. Therefore, under the draft, any charges for bid preparation costs incurred by a project would not necessarily affect the level of services provided in connection with that project, but would affect the overall level of state building construction services provided by DOA.

cc: Don Dyke, Leg. Council Staff

Dick Wagner, DOA

Bill file