

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/17/99

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus 6-1452

By/Representing: Tompach

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: **Munis - miscellaneous
Counties
Munis - sewerage districts
Education - libraries**

Extra Copies:

Pre Topic:

ARC:.....Tompach - Am. # 16 ,

Topic:

Local governments may use design-build construction process, raise competitive bid threshold

Instructions:

See Attached. Same as 1999 LRB -2222/2

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>
/?	shoveme 06/21/99	gilfokm 06/21/99		_____			
/1			jfrantze 06/21/99	_____	lrb_docadmin 06/21/99		
/2	shoveme 06/22/99	ygeller 06/22/99	martykr 06/22/99	_____	lrb_docadmin 06/22/99		

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/1		<i>1/2 6/22 jg</i>	jfrantze 06/21/99	_____	lrb_docadmin 06/21/99		

12 MES 6/22

*km 52 ch b /
Jun 22*

FE Sent For:

<END>

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1?	shoveme	1-6-21-99 King	6/21	8/6/99 6/21			

11MES 6/21/99

FE Sent For:

<END>

Budget Amendments 1999- 2000

Statement of Intent

Building Program. Authorize local government bodies let public works projects under the design build construction process; change threshold amounts that require competitive bidding under public works projects and provide an exemption from competitive bidding requirements.

Legislator

Hahn

Amendment#

16

Staff contact

Heather

Status

Pass

Agency

Building Program

Tax Cut

Summary

Under current law, before a contract for construction with a value between \$5,000 and \$20,000 may be let by a county, a class I notice of the proposed construction must be given by the county board. The same requirement applies to a municipality (2nd, 3rd or 4th class city, or village or town) for projects between \$5,000 and \$10,000. County projects over \$20,000 and municipal projects over \$10,000 must meet other requirements, such as letting the contract to the lowest responsible bidder.

This amendment authorizes municipalities, 1st class cities (only Milwaukee) counties, metropolitan sewerage districts technical colleges and federated public library systems to let a construction contract over \$500,000 using the design-build construction process, where a single entity provides engineering, design and construction services.

The governing unit using design-build must use a two-stage selection process. In the first stage, the governing unit must publish a notice of the project and then select 5 or fewer design build teams to compete for the project.

In the second stage of the process, the governing unit must choose from the 5 or fewer teams. The unit must interview each team and allow them to make a presentation. The criteria used in make the final decision may include the quality of the proposed design, compliance with the design specifications, estimated cost of the project and a guaranteed maximum price for the project. If the local unit contracts with one of the teams, that design-build team must obtain bonding to guarantee completion of the project.

This amendment also increases the threshold amount that requires competitive bidding to \$30,000 for counties, municipalities and sewerage districts, and exempts them from the process for projects where materials or labor is donated.

Fiscal Impact

No state fiscal impact

ARC Analyst

Matt Tompach



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0699/1
MES...Kg...

R MNR

ARC:.....Tompach - Am. # 16 , Local governments may use design-build construction process, raise competitive bid threshold

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 ⁷⁶¹ 1. Page, line ²¹: after that line insert:

3

~~END~~





1999 ASSEMBLY BILL

1 **AN ACT to amend** 59.52 (29) (a), 60.47 (2) (a), 60.47 (2) (b), 60.47 (5), 61.55, 62.03
2 (1), 62.15 (1), 66.24 (5) (d), 66.904 (2) (a) and 66.904 (2) (e); and **to create** 59.52
3 (29) (c) to (e), 60.47 (2m), 62.15 (1m), 66.24 (5) (e) and 66.904 (2) (am) of the
4 statutes; **relating to:** authorizing cities, villages, towns, counties,
5 metropolitan sewerage districts, technical colleges and federated public
6 libraries to let public works contracts under the design-build construction
7 process, changing the threshold amounts that require competitive bidding
8 under public works contracts and providing an exemption from competitive
9 bidding requirements.

Analysis by the Legislative Reference Bureau

In general, under current law, before a contract for public construction with a value that exceeds \$5,000 but does not exceed \$20,000 may be let by a county, a class 1 notice of the proposed construction must be given by the county board. Also under current law, before a contract for public construction with a value that exceeds \$5,000 but does not exceed \$10,000 may be let by a municipality (2nd, 3rd or 4th class city, or a village or town), a class 1 notice of the proposed construction must be given by the municipality's governing body. Before a contract for public construction with a

ASSEMBLY BILL

value that exceeds \$20,000 may be let by a county, or exceeds \$10,000 in the case of a municipality, certain other requirements, such as a lowest responsible bidder requirement, must be met. A county board, by a three-fourths vote of its membership, may also authorize the county itself to perform any class of public work if the estimated cost of the work exceeds \$20,000.

This bill authorizes municipalities, 1st class cities (presently only Milwaukee), counties, metropolitan sewerage districts, technical colleges and federated public library systems to let a contract for public construction, the estimated cost of which exceeds \$500,000, using the design-build construction process, which is defined as a procurement process under which the engineering, design and construction services are provided by a single entity.

If a local governmental unit wishes to construct a public work using the design-build construction process, the local governmental unit must use a two-stage selection process. Under the first stage, the local governmental unit must publish a notice that includes a project statement that describes the space needs and design goals for the project, detailed submission requirements, selection procedures and the composition of the selection panel.

Following receipt of the bids, the local governmental unit must select five or less design-build teams to participate in the second stage of the selection process. The selection of the finalist teams in the first stage of the process must be based on factors that include the background, experience and qualifications of the members of the teams and the quality of the initial proposal.

In the second stage of the selection process, the local governmental unit must choose from among the five or less finalist teams if the unit determines that at least one of the finalists will be able to construct the public work in a way that is satisfactory to the unit. The local governmental unit must conduct interviews of each team, and each team must make a presentation. The criteria to be used in making a final selection may include the quality of the proposed design, the extent to which a proposal demonstrates compliance with the project statement, the estimated cost of the project and a guaranteed maximum price for the project. If the local governmental unit enters into a contract with one of the teams, that design-build team must obtain bonding to guarantee completion of the project.

The bill also increases the threshold amount that requires competitive bidding on public works contracts to \$30,000 for counties, municipalities and sewerage districts, and exempts from competitive bidding public works contracts in which the building materials or labor is donated.

For further information see the *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:

1577p
SECTION 1. 59.52 (29) (a) of the statutes is amended to read:

ASSEMBLY BILL

1 59.52 (29) (a) ~~All~~ Except as provided in par. (c) 2., all public work, including any
2 contract for the construction, repair, remodeling or improvement of any public work,
3 building, or furnishing of supplies or material of any kind where the estimated cost
4 of such work will exceed ~~\$20,000~~ \$30,000 shall be let by contract to the lowest
5 responsible bidder. Any public work, the estimated cost of which does not exceed
6 ~~\$20,000~~ \$30,000, shall be let as the board may direct. If the estimated cost of any
7 public work is between \$5,000 and ~~\$20,000~~ \$30,000, the board shall give a class 1
8 notice under ch. 985 before it contracts for the work or shall contract with a person
9 qualified as a bidder under s. 66.29 (2). A contract, the estimated cost of which
10 exceeds ~~\$20,000~~ \$30,000, shall be let and entered into under s. 66.29, except that the
11 board may by a three-fourths vote of all the members entitled to a seat provide that
12 any class of public work or any part thereof may be done directly by the county
13 without submitting the same for bids. This subsection does not apply to highway
14 contracts which the county highway committee or the county highway commissioner
15 is authorized by law to let or make.

16 ~~SECTION 59.52 (29) (c) to (e)~~ ^{1577 a} of the statutes are created to read:

17 59.52 (29) (c) 1. In this paragraph, "design-build construction process" means
18 a procurement process under which the engineering, design and construction
19 services are provided by a single entity.

20 2. Any public works contract described in par. (a), the estimated cost of which
21 exceeds \$500,000, may be let using the design-build construction process.

22 (d) If a county wishes to construct a public work using the design-build
23 construction process, the county shall use a selection process that contains the
24 following procedures:

ASSEMBLY BILL

1 1. The county shall issue a request for proposals from design–build teams by
2 publishing a class 1 notice under ch. 985. The notice shall include a project statement
3 that describes the space needs and design goals for the project, detailed submission
4 requirements, selection procedures, site information, an outline of specifications for
5 the project, a budget for the project, a project schedule, the composition of the
6 selection panel and the approximate amount of the bond that the county will require
7 under par. (e).

8 2. Following receipt of the proposals, the county shall select 5 or less
9 design–build teams to participate in the final stage of the selection process. The
10 selection of teams under this subdivision shall be based on factors that include the
11 background, experience and qualifications of the members of the teams; the financial
12 strength and surety capacity of the teams; the quality of the initial proposal; and the
13 past performance and current workload of the teams. The county selection panel
14 that selects the teams under this subdivision for the final selection process under
15 subd. 3. may include design and construction professionals who work for the county
16 or are hired by the county to assist in the selection, members of the county board and
17 representatives from the county entity that will use the facility that is to be
18 constructed under the selection process described in this paragraph.

19 3. The county shall make a final selection from among the teams selected under
20 subd. 2. if the county determines that at least one of the teams selected as a finalist
21 under subd. 2. will be able to construct the public work in a way that is satisfactory
22 to the county. The final selection shall be made following interviews and
23 presentations from the finalists, based on criteria that are published as a class 1
24 notice under ch. 985. The notice shall state the weight that is given to each criterion.
25 The criteria to be used in making a final selection under this subdivision may include

ASSEMBLY BILL

1 the quality of the proposed design, the construction approach to be used to complete
2 the project, the extent to which a proposal demonstrates compliance with the project
3 statement described under subd. 1., the proposed management plan for the project,
4 the estimated cost of the project and a guaranteed maximum price for the project.

5 (e) If the county selects a design-build team under par. (d) 3. and enters into
6 a contract for the construction of the project, the design-build team shall obtain
7 bonding, in an amount specified by the county, to guarantee completion of the project

8 according to the terms of the contract. "

✓ #. Page 763, line 23: after that 1580h line insert:

9 SECTION 60.47 (2) (a) of the statutes is amended to read:

10 60.47 (2) (a) No town may enter into a public contract with an estimated cost
11 of more than \$5,000 but not more than ~~\$10,000~~ \$30,000 unless the town board, or a
12 town official or employe designated by the town board, gives a class 1 notice under
13 ch. 985 before execution of that public contract.

14 SECTION ^{1580nc} 60.47 (2) (b) of the statutes is amended to read:

15 60.47 (2) (b) No town may enter into a public contract with a value of more than
16 ~~\$10,000~~ \$30,000 unless the town board, or a town official or employe designated by
17 the town board, advertises for proposals to perform the terms of the public contract
18 by publishing a class 2 notice under ch. 985. The town board may provide for
19 additional means of advertising for bids.

20 SECTION ^{1580nf} 60.47 (2m) of the statutes is created to read:

21 60.47 (2m) DESIGN-BUILD CONTRACTS. Any public contract under sub. (2), the
22 estimated cost of which exceeds \$500,000, may be let using the design-build
23 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
24 as it applies to counties, applies to towns.

25 SECTION ¹⁵⁸⁰ⁿⁱ 60.47 (5) of the statutes is amended to read:

ASSEMBLY BILL

1 60.47 (5) EXCEPTION FOR EMERGENCIES AND DONATED MATERIALS AND LABOR. This
 2 section is optional with respect to public contracts for the repair and construction of
 3 public facilities when damage or threatened damage to the facility creates an
 4 emergency, as declared by resolution of the town board, that endangers the public
 5 health or welfare of the town. This subsection no longer applies when the town board
 6 declares that the emergency no longer exists. This section is optional with respect
 7 to a public contract if the materials related to the contract are donated or if the labor
 8 that is necessary to execute the public contract is provided by volunteers. "

#. Page 764, line 25: ^{1585 m} after that line insert:

9 SECTION 61.55 of the statutes is amended to read:
 10 **61.55 Contracts involving over \$10,000; how let; exception.** All contracts
 11 for public construction, in any such village, exceeding \$10,000 ~~\$10,000~~ \$30,000, shall be let
 12 by the village board to the lowest responsible bidder in accordance with s. 66.29
 13 insofar as said section may be applicable. If the estimated cost of any public
 14 construction exceeds \$5,000, but is not greater than ~~\$10,000~~ \$30,000, the village
 15 board shall give a class 1 notice, under ch. 985, of the proposed construction before
 16 the contract for the construction is executed. This provision does not apply to public
 17 construction if the materials for such a project are donated or if the labor for such a
 18 project is provided by volunteers, and this provision and s. 281.41 are not mandatory
 19 for the repair and reconstruction of public facilities when damage or threatened
 20 damage thereto creates an emergency, as determined by resolution of the village
 21 board, in which the public health or welfare of the village is endangered. Whenever
 22 the village board by majority vote at a regular or special meeting declares that an
 23 emergency no longer exists, this exemption no longer applies. Any contract for public
 24 construction under this section, the estimated cost of which exceeds \$500,000, may

ASSEMBLY BILL

1 be let using the design-build construction process, as defined in s. 59.52 (29) (c) 1.
 2 Section 59.52 (29) (d) and (e), as it applies to counties, applies to villages.

3 **SECTION ¹⁵⁸⁷⁵ 62.03 (1)** of the statutes is amended to read:

4 62.03 (1) This subchapter, except ss. 62.071, 62.08 (1), 62.09 (1) (e) and (11) (j)
 5 and (k), 62.15 (1m) (b), 62.175 and 62.23 (7) (em) and (he), does not apply to 1st class
 6 cities under special charter.

7 **SECTION ^{1588c} 62.15 (1)** of the statutes is amended to read:

8 62.15 (1) CONTRACTS; HOW LET; EXCEPTION FOR DONATED MATERIALS AND LABOR. All
 9 public construction, the estimated cost of which exceeds \$10,000 \$30,000, shall be let
 10 by contract to the lowest responsible bidder; all other public construction shall be let
 11 as the council may direct. If the estimated cost of any public construction exceeds
 12 \$5,000 but is not greater than \$10,000 \$30,000, the board of public works shall give
 13 a class 1 notice, under ch. 985, of the proposed construction before the contract for
 14 the construction is executed. This provision does not apply to public construction if
 15 the materials for such a project are donated or if the labor for such a project is
 16 provided by volunteers. The council may also by a vote of three-fourths of all the
 17 members-elect provide by ordinance that any class of public construction or any part
 18 thereof may be done directly by the city without submitting the same for bids.

19 **SECTION ^{1588d} 62.15 (1m)** of the statutes is created to read:

20 62.15 (1m) DESIGN-BUILD CONTRACTS. (a) Any contract for public construction
 21 under sub. (1), the estimated cost of which exceeds \$500,000, may be let using the
 22 design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29)
 23 (d) and (e), as it applies to counties, applies to cities.

24 (b) Any contract for public construction, the estimated cost of which exceeds
 25 \$500,000, let by a 1st class city may be let using the design-build construction

ASSEMBLY BILL

1 785

13

process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e), as it applies

to counties, applies to 1st class cities. "

#. Page 88, line 15: after that line insert;

3

SECTION ~~11~~ 66.24 (5) (d) of the statutes is amended to read:

4

66.24 (5) (d) ~~Bids~~ ^{1617 p} Whenever plans and specifications for any facilities have

5

been completed and approved by the commission and by any other agency which

6

must approve the plans and specifications, and the commission has determined to

7

proceed with the work of the construction thereof, it shall advertise by a class 2 notice

8

under ch. 985, for bids for the construction of the facilities. Contracts for the work

9

shall be let to the lowest responsible bidder, except for contracts awarded under par.

10

(e), or the agency may reject any and all bids and if in its discretion the prices quoted

11

are unreasonable, the bidders irresponsible or the bids informal, it may readvertise

12

the work or any part of it. All contracts shall be protected by such bonds, penalties

13

and conditions as the district shall require. The commission may itself do any part

14

of any of the works.

15

SECTION ~~12~~ ¹⁶¹⁷⁹ 66.24 (5) (e) of the statutes is created to read:

16

66.24 (5) (e) *Design-build contracts*. Any contract for public construction

17

under this subsection, the estimated cost of which exceeds \$500,000, may be let using

18

the design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52

19

(29) (d) and (e), as it applies to counties, applies to districts. "

✓ # Page 806, line 20: after that line, insert;

20

SECTION ~~13~~ ^{1643 p} 66.904 (2) (a) of the statutes is amended to read:

21

66.904 (2) (a) Except for a contract awarded under par. (am) and except as

22

provided in par. (b), all work done and all purchases of supplies and materials by the

23

commission shall be by contract awarded to the lowest responsible bidder complying

24

with the invitation to bid, if the work or purchase involves an expenditure of \$7,500

25

\$30,000 or more. If the commission decides to proceed with construction of any sewer

ASSEMBLY BILL

1 after plans and specifications for the sewer are completed and approved by the
2 commission and by the department of natural resources under ch. 281, the
3 commission shall advertise by a class 2 notice under ch. 985 for construction bids.
4 All contracts and the awarding of contracts are subject to s. 66.29, except for a
5 contract awarded under par. (am).

6 SECTION ~~14~~^{1643~~29~~} 66.904 (2) (am) of the statutes is created to read:

7 66.904 (2) (am) Any contract for public construction under sub. (1), the
8 estimated cost of which exceeds \$500,000, may be let using the design-build
9 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
10 as it applies to counties, applies to the district.

11 SECTION ~~15~~^{1643~~r~~} 66.904 (2) (e) of the statutes is amended to read:

12 66.904 (2) (e) Paragraphs (a) ~~to~~ and (b) to (d) do not apply to contracts awarded
13 under s. 66.905. Paragraph (am) applies to contracts awarded under s. 66.905. //

14 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB 0699/12

MES:kg#

AM 19+

ARC:.....Tompach - Am. # 16 , Local governments may use design-build construction process, raise competitive bid threshold

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 761, line 21: after that line insert:

3 "SECTION 1577p. 59.52 (29) (a) of the statutes is amended to read:

4 59.52 (29) (a) ~~All~~ Except as provided in par. (c) 2., all public work, including any
5 contract for the construction, repair, remodeling or improvement of any public work,
6 building, or furnishing of supplies or material of any kind where the estimated cost
7 of such work will exceed ~~\$20,000~~ \$30,000 shall be let by contract to the lowest
8 responsible bidder. Any public work, the estimated cost of which does not exceed
9 ~~\$20,000~~ \$30,000, shall be let as the board may direct. If the estimated cost of any
10 public work is between \$5,000 and ~~\$20,000~~ \$30,000, the board shall give a class 1

1 notice under ch. 985 before it contracts for the work or shall contract with a person
2 qualified as a bidder under s. 66.29 (2). A contract, the estimated cost of which
3 exceeds ~~\$20,000~~ \$30,000, shall be let and entered into under s. 66.29, except that the
4 board may by a three-fourths vote of all the members entitled to a seat provide that
5 any class of public work or any part thereof may be done directly by the county
6 without submitting the same for bids. This subsection does not apply to highway
7 contracts which the county highway committee or the county highway commissioner
8 is authorized by law to let or make.

9 **SECTION 1577q.** 59.52 (29) (c) to (e) of the statutes are created to read:

10 59.52 (29) (c) 1. In this paragraph, "design-build construction process" means
11 a procurement process under which the engineering, design and construction
12 services are provided by a single entity.

13 2. Any public works contract described in par. (a), the estimated cost of which
14 exceeds \$500,000, may be let using the design-build construction process.

15 (d) If a county wishes to construct a public work using the design-build
16 construction process, the county shall use a selection process that contains the
17 following procedures:

18 1. The county shall issue a request for proposals from design-build teams by
19 publishing a class 1 notice under ch. 985. The notice shall include a project statement
20 that describes the space needs and design goals for the project, detailed submission
21 requirements, selection procedures, site information, an outline of specifications for
22 the project, a budget for the project, a project schedule, the composition of the
23 selection panel and the approximate amount of the bond that the county will require
24 under par. (e).

1 2. Following receipt of the proposals, the county shall select 5 or less
2 design-build teams to participate in the final stage of the selection process. The
3 selection of teams under this subdivision shall be based on factors that include the
4 background, experience and qualifications of the members of the teams; the financial
5 strength and surety capacity of the teams; the quality of the initial proposal; and the
6 past performance and current workload of the teams. The county selection panel
7 that selects the teams under this subdivision for the final selection process under
8 subd. 3. may include design and construction professionals who work for the county
9 or are hired by the county to assist in the selection, members of the county board and
10 representatives from the county entity that will use the facility that is to be
11 constructed under the selection process described in this paragraph.

12 3. The county shall make a final selection from among the teams selected under
13 subd. 2. if the county determines that at least one of the teams selected as a finalist
14 under subd. 2. will be able to construct the public work in a way that is satisfactory
15 to the county. The final selection shall be made following interviews and
16 presentations from the finalists, based on criteria that are published as a class 1
17 notice under ch. 985. The notice shall state the weight that is given to each criterion.
18 The criteria to be used in making a final selection under this subdivision may include
19 the quality of the proposed design, the construction approach to be used to complete
20 the project, the extent to which a proposal demonstrates compliance with the project
21 statement described under subd. 1., the proposed management plan for the project,
22 the estimated cost of the project and a guaranteed maximum price for the project.

23 (e) If the county selects a design-build team under par. (d) 3. and enters into
24 a contract for the construction of the project, the design-build team shall obtain

1 bonding, in an amount specified by the county, to guarantee completion of the project
2 according to the terms of the contract.”.

3 **2.** Page 763, line 23: after that line insert:

4 “SECTION 1580n. 60.47 (2) (a) of the statutes is amended to read:

5 60.47 (2) (a) No town may enter into a public contract with an estimated cost
6 of more than \$5,000 but not more than ~~\$10,000~~ \$30,000 unless the town board, or a
7 town official or employe designated by the town board, gives a class 1 notice under
8 ch. 985 before execution of that public contract.

9 SECTION 1580nc. 60.47 (2) (b) of the statutes is amended to read:

10 60.47 (2) (b) No town may enter into a public contract with a value of more than
11 ~~\$10,000~~ \$30,000 unless the town board, or a town official or employe designated by
12 the town board, advertises for proposals to perform the terms of the public contract
13 by publishing a class 2 notice under ch. 985. The town board may provide for
14 additional means of advertising for bids.

15 SECTION 1580nf. 60.47 (2m) of the statutes is created to read:

16 60.47 (2m) DESIGN-BUILD CONTRACTS. Any public contract under sub. (2), the
17 estimated cost of which exceeds \$500,000, may be let using the design-build
18 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
19 as it applies to counties, applies to towns.

20 SECTION 1580ni. 60.47 (5) of the statutes is amended to read:

21 60.47 (5) EXCEPTION FOR EMERGENCIES AND DONATED MATERIALS AND LABOR. This
22 section is optional with respect to public contracts for the repair and construction of
23 public facilities when damage or threatened damage to the facility creates an
24 emergency, as declared by resolution of the town board, that endangers the public

INS.
4-19

SECTION 1585m Am; 61.55 (title)
⑧ 61.55 (title) ⑧

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health or welfare of the town. This subsection no longer applies when the town board declares that the emergency no longer exists. This section is optional with respect to a public contract if the materials related to the contract are donated or if the labor that is necessary to execute the public contract is provided by volunteers.

3. Page 764, line 25: after that line insert:

SECTION 1585m. 61.55 of the statutes is amended to read:

⑦ plain → 61.55 (Contracts involving over \$10,000; how let; exception) All contracts
re-numbered 61.55 (1) and
Except as provided in sub. (2), all

for public construction, in any such village, exceeding \$10,000 ~~\$30,000~~, shall be let by the village board to the lowest responsible bidder in accordance with s. 66.29 insofar as said section may be applicable. If the estimated cost of any public construction exceeds \$5,000, but is not greater than \$10,000 ~~\$30,000~~, the village board shall give a class 1 notice, under ch. 985, of the proposed construction before the contract for the construction is executed. This provision does not apply to public construction if the materials for such a project are donated or if the labor for such a project is provided by volunteers, and this provision and s. 281.41 are not mandatory for the repair and reconstruction of public facilities when damage or threatened damage thereto creates an emergency, as determined by resolution of the village board, in which the public health or welfare of the village is endangered. Whenever the village board by majority vote at a regular or special meeting declares that an emergency no longer exists, this exemption no longer applies. Any contract for public construction under this section, the estimated cost of which exceeds \$500,000, may be let using the design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e), as it applies to counties, applies to villages.

SECTION 1587s. 62.03 (1) of the statutes is amended to read:

1585mc
Psec. 1 CR-161.55 (2)

plain

1 62.03 (1) This subchapter, except ss. 62.071, 62.08 (1), 62.09 (1) (e) and (11) (j)
2 and (k), 62.15 (1m)(b), 62.175 and 62.23 (7) (em) and (he), does not apply to 1st class
3 cities under special charter.

4 **SECTION 1588c.** 62.15 (1) of the statutes is amended to read:

*Except as
provided in sub. (1m)
all*

5 **62.15 (1) CONTRACTS; HOW LET. EXCEPTION FOR DONATED MATERIALS AND LABOR.** ~~At~~
6 public construction, the estimated cost of which exceeds ~~\$10,000~~ \$30,000, shall be let
7 by contract to the lowest responsible bidder; all other public construction shall be let
8 as the council may direct. If the estimated cost of any public construction exceeds
9 \$5,000 but is not greater than ~~\$10,000~~ \$30,000, the board of public works shall give
10 a class 1 notice, under ch. 985, of the proposed construction before the contract for
11 the construction is executed. This provision does not apply to public construction if
12 the materials for such a project are donated or if the labor for such a project is
13 provided by volunteers. The council may also by a vote of three-fourths of all the
14 members-elect provide by ordinance that any class of public construction or any part
15 thereof may be done directly by the city without submitting the same for bids.

16 **SECTION 1588d.** 62.15 (1m) of the statutes is created to read:

17 **62.15 (1m) DESIGN-BUILD CONTRACTS.** (a) Any contract for public construction
18 under sub. (1), the estimated cost of which exceeds \$500,000, may be let using the
19 design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29)
20 (d) and (e), as it applies to counties, applies to cities.

21 (b) Any contract for public construction, the estimated cost of which exceeds
22 \$500,000, let by a 1st class city may be let using the design-build construction
23 process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e), as it applies
24 to counties, applies to 1st class cities.”.

1 **4.** Page 785, line 13: after that line insert:

2 “**SECTION 1617p.** 66.24 (5) (d) of the statutes is amended to read:

3 66.24 (5) (d) *Bids.* Whenever plans and specifications for any facilities have
4 been completed and approved by the commission and by any other agency which
5 must approve the plans and specifications, and the commission has determined to
6 proceed with the work of the construction thereof, it shall advertise by a class 2 notice
7 under ch. 985, for bids for the construction of the facilities. Contracts for the work
8 shall be let to the lowest responsible bidder, except for contracts awarded under par.
9 (e), or the agency may reject any and all bids and if in its discretion the prices quoted
10 are unreasonable, the bidders irresponsible or the bids informal, it may readvertise
11 the work or any part of it. All contracts shall be protected by such bonds, penalties
12 and conditions as the district shall require. The commission may itself do any part
13 of any of the works.

14 **SECTION 1617q.** 66.24 (5) (e) of the statutes is created to read:

15 66.24 (5) (e) *Design-build contracts.* Any contract for public construction
16 under this subsection, the estimated cost of which exceeds \$500,000, may be let using
17 the design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52
18 (29) (d) and (e), as it applies to counties, applies to districts.”

19 **5.** Page 806, line 20: after that line insert:

20 “**SECTION 1643p.** 66.904 (2) (a) of the statutes is amended to read:

21 66.904 (2) (a) Except for a contract awarded under par. (am) and except as
22 provided in par. (b), all work done and all purchases of supplies and materials by the
23 commission shall be by contract awarded to the lowest responsible bidder complying
24 with the invitation to bid, if the work or purchase involves an expenditure of \$7,500

1 \$30,000 or more. If the commission decides to proceed with construction of any sewer
2 after plans and specifications for the sewer are completed and approved by the
3 commission and by the department of natural resources under ch. 281, the
4 commission shall advertise by a class 2 notice under ch. 985 for construction bids.
5 All contracts and the awarding of contracts are subject to s. 66.29, except for a
6 contract awarded under par. (am).

7 **SECTION 1643q.** 66.904 (2) (am) of the statutes is created to read:

8 66.904 (2) (am) Any contract for public construction under sub. (1), the
9 estimated cost of which exceeds \$500,000, may be let using the design-build
10 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
11 as it applies to counties, applies to the district.

12 **SECTION 1643r.** 66.904 (2) (e) of the statutes is amended to read:

13 66.904 (2) (e) Paragraphs (a) ~~to~~ and (b) to (d) do not apply to contracts awarded
14 under s. 66.905. Paragraph (am) applies to contracts awarded under s. 66.905."

15

(END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0699/2ins
MES:kgjf

1 INSERT 4-19

2 SECTION 1580ng. ✓ 60.47 (3) ^X of the statutes is amended to read:

3 60.47 (3) CONTRACTS TO LOWEST RESPONSIBLE BIDDER. ~~The~~ Except as provided in
4 sub. (2m), ✓ the town board shall let a public contract for which advertising for
5 proposals is required under sub. (2) (b) to the lowest responsible bidder. Section
6 66.29 applies to public contracts let under sub. (2) (b).

History: 1983 a. 532; 1989 a. 272.

(end ins)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0699/2
MES:jg&kg:km

ARC:.....Tompach - Am. #16, Local governments may use design-build construction process, raise competitive bid threshold

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 761, line 21: after that line insert:

3 "SECTION 1577p. 59.52 (29) (a) of the statutes is amended to read:

4 59.52 (29) (a) ~~All~~ Except as provided in par. (c) 2., all public work, including any
5 contract for the construction, repair, remodeling or improvement of any public work,
6 building, or furnishing of supplies or material of any kind where the estimated cost
7 of such work will exceed ~~\$20,000~~ \$30,000 shall be let by contract to the lowest
8 responsible bidder. Any public work, the estimated cost of which does not exceed
9 ~~\$20,000~~ \$30,000, shall be let as the board may direct. If the estimated cost of any
10 public work is between \$5,000 and ~~\$20,000~~ \$30,000, the board shall give a class 1

1 notice under ch. 985 before it contracts for the work or shall contract with a person
2 qualified as a bidder under s. 66.29 (2). A contract, the estimated cost of which
3 exceeds ~~\$20,000~~ \$30,000, shall be let and entered into under s. 66.29, except that the
4 board may by a three-fourths vote of all the members entitled to a seat provide that
5 any class of public work or any part thereof may be done directly by the county
6 without submitting the same for bids. This subsection does not apply to highway
7 contracts which the county highway committee or the county highway commissioner
8 is authorized by law to let or make.

9 **SECTION 1577q.** 59.52 (29) (c) to (e) of the statutes are created to read:

10 59.52 (29) (c) 1. In this paragraph, “design-build construction process” means
11 a procurement process under which the engineering, design and construction
12 services are provided by a single entity.

13 2. Any public works contract described in par. (a), the estimated cost of which
14 exceeds \$500,000, may be let using the design-build construction process.

15 (d) If a county wishes to construct a public work using the design-build
16 construction process, the county shall use a selection process that contains the
17 following procedures:

18 1. The county shall issue a request for proposals from design-build teams by
19 publishing a class 1 notice under ch. 985. The notice shall include a project statement
20 that describes the space needs and design goals for the project, detailed submission
21 requirements, selection procedures, site information, an outline of specifications for
22 the project, a budget for the project, a project schedule, the composition of the
23 selection panel and the approximate amount of the bond that the county will require
24 under par. (e).

1 2. Following receipt of the proposals, the county shall select 5 or less
2 design-build teams to participate in the final stage of the selection process. The
3 selection of teams under this subdivision shall be based on factors that include the
4 background, experience and qualifications of the members of the teams; the financial
5 strength and surety capacity of the teams; the quality of the initial proposal; and the
6 past performance and current workload of the teams. The county selection panel
7 that selects the teams under this subdivision for the final selection process under
8 subd. 3. may include design and construction professionals who work for the county
9 or are hired by the county to assist in the selection, members of the county board and
10 representatives from the county entity that will use the facility that is to be
11 constructed under the selection process described in this paragraph.

12 3. The county shall make a final selection from among the teams selected under
13 subd. 2. if the county determines that at least one of the teams selected as a finalist
14 under subd. 2. will be able to construct the public work in a way that is satisfactory
15 to the county. The final selection shall be made following interviews and
16 presentations from the finalists, based on criteria that are published as a class 1
17 notice under ch. 985. The notice shall state the weight that is given to each criterion.
18 The criteria to be used in making a final selection under this subdivision may include
19 the quality of the proposed design, the construction approach to be used to complete
20 the project, the extent to which a proposal demonstrates compliance with the project
21 statement described under subd. 1., the proposed management plan for the project,
22 the estimated cost of the project and a guaranteed maximum price for the project.

23 (e) If the county selects a design-build team under par. (d) 3. and enters into
24 a contract for the construction of the project, the design-build team shall obtain

1 bonding, in an amount specified by the county, to guarantee completion of the project
2 according to the terms of the contract.”.

3 **2.** Page 763, line 23: after that line insert:

4 “**SECTION 1580n.** 60.47 (2) (a) of the statutes is amended to read:

5 60.47 (2) (a) No town may enter into a public contract with an estimated cost
6 of more than \$5,000 but not more than ~~\$10,000~~ \$30,000 unless the town board, or a
7 town official or employe designated by the town board, gives a class 1 notice under
8 ch. 985 before execution of that public contract.

9 **SECTION 1580nc.** 60.47 (2) (b) of the statutes is amended to read:

10 60.47 (2) (b) No town may enter into a public contract with a value of more than
11 ~~\$10,000~~ \$30,000 unless the town board, or a town official or employe designated by
12 the town board, advertises for proposals to perform the terms of the public contract
13 by publishing a class 2 notice under ch. 985. The town board may provide for
14 additional means of advertising for bids.

15 **SECTION 1580nf.** 60.47 (2m) of the statutes is created to read:

16 60.47 (2m) DESIGN-BUILD CONTRACTS. Any public contract under sub. (2), the
17 estimated cost of which exceeds \$500,000, may be let using the design-build
18 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
19 as it applies to counties, applies to towns.

20 **SECTION 1580ng.** 60.47 (3) of the statutes is amended to read:

21 60.47 (3) CONTRACTS TO LOWEST RESPONSIBLE BIDDER. The Except as provided in
22 sub. (2m), the town board shall let a public contract for which advertising for
23 proposals is required under sub. (2) (b) to the lowest responsible bidder. Section
24 66.29 applies to public contracts let under sub. (2) (b).

1 **SECTION 1580ni.** 60.47 (5) of the statutes is amended to read:

2 60.47 (5) **EXCEPTION FOR EMERGENCIES AND DONATED MATERIALS AND LABOR.** This
3 section is optional with respect to public contracts for the repair and construction of
4 public facilities when damage or threatened damage to the facility creates an
5 emergency, as declared by resolution of the town board, that endangers the public
6 health or welfare of the town. This subsection no longer applies when the town board
7 declares that the emergency no longer exists. This section is optional with respect
8 to a public contract if the materials related to the contract are donated or if the labor
9 that is necessary to execute the public contract is provided by volunteers.”

10 **3.** Page 764, line 25: after that line insert:

11 **“SECTION 1585Lm.** 61.55 (title) of the statutes is amended to read:

12 **61.55 (title) Contracts involving over \$10,000 \$30,000; how let;**
13 **exception; design-build.**

14 **SECTION 1585m.** 61.55 of the statutes is renumbered 61.55 (1) and amended
15 to read:

16 61.55 (1) ~~All~~ Except as provided in sub. (2), all contracts for public construction,
17 in any such village, exceeding ~~\$10,000~~ \$30,000, shall be let by the village board to
18 the lowest responsible bidder in accordance with s. 66.29 insofar as said section may
19 be applicable. If the estimated cost of any public construction exceeds \$5,000, but
20 is not greater than ~~\$10,000~~ \$30,000, the village board shall give a class 1 notice,
21 under ch. 985, of the proposed construction before the contract for the construction
22 is executed. This provision does not apply to public construction if the materials for
23 such a project are donated or if the labor for such a project is provided by volunteers,
24 and this provision and s. 281.41 are not mandatory for the repair and reconstruction

1 of public facilities when damage or threatened damage thereto creates an emergency,
2 as determined by resolution of the village board, in which the public health or welfare
3 of the village is endangered. Whenever the village board by majority vote at a regular
4 or special meeting declares that an emergency no longer exists, this exemption no
5 longer applies.

6 **SECTION 1585mc.** 61.55 (2) of the statutes is created to read:

7 61.55 (2) Any contract for public construction under sub. (1), the estimated cost
8 of which exceeds \$500,000, may be let using the design–build construction process,
9 as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e), as it applies to counties,
10 applies to villages.

11 **SECTION 1587s.** 62.03 (1) of the statutes is amended to read:

12 62.03 (1) This subchapter, except ss. 62.071, 62.08 (1), 62.09 (1) (e) and (11) (j)
13 and (k), 62.15 (1m) (b), 62.175 and 62.23 (7) (em) and (he), does not apply to 1st class
14 cities under special charter.

15 **SECTION 1588c.** 62.15 (1) of the statutes is amended to read:

16 62.15 (1) CONTRACTS; HOW LET; EXCEPTION FOR DONATED MATERIALS AND LABOR. ~~All~~
17 Except as provided in sub. (1m), all public construction, the estimated cost of which
18 exceeds \$10,000 ~~\$30,000~~, shall be let by contract to the lowest responsible bidder; all
19 other public construction shall be let as the council may direct. If the estimated cost
20 of any public construction exceeds \$5,000 but is not greater than \$10,000 ~~\$30,000~~,
21 the board of public works shall give a class 1 notice, under ch. 985, of the proposed
22 construction before the contract for the construction is executed. This provision does
23 not apply to public construction if the materials for such a project are donated or if
24 the labor for such a project is provided by volunteers. The council may also by a vote
25 of three–fourths of all the members–elect provide by ordinance that any class of

1 public construction or any part thereof may be done directly by the city without
2 submitting the same for bids.

3 **SECTION 1588d.** 62.15 (1m) of the statutes is created to read:

4 62.15 (1m) DESIGN-BUILD CONTRACTS. (a) Any contract for public construction
5 under sub. (1), the estimated cost of which exceeds \$500,000, may be let using the
6 design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29)
7 (d) and (e), as it applies to counties, applies to cities.

8 (b) Any contract for public construction, the estimated cost of which exceeds
9 \$500,000, let by a 1st class city may be let using the design-build construction
10 process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e), as it applies
11 to counties, applies to 1st class cities.”

12 **4.** Page 785, line 13: after that line insert:

13 **“SECTION 1617p.** 66.24 (5) (d) of the statutes is amended to read:

14 66.24 (5) (d) *Bids.* Whenever plans and specifications for any facilities have
15 been completed and approved by the commission and by any other agency which
16 must approve the plans and specifications, and the commission has determined to
17 proceed with the work of the construction thereof, it shall advertise by a class 2 notice
18 under ch. 985, for bids for the construction of the facilities. Contracts for the work
19 shall be let to the lowest responsible bidder, except for contracts awarded under par.
20 (e), or the agency may reject any and all bids and if in its discretion the prices quoted
21 are unreasonable, the bidders irresponsible or the bids informal, it may readvertise
22 the work or any part of it. All contracts shall be protected by such bonds, penalties
23 and conditions as the district shall require. The commission may itself do any part
24 of any of the works.

1 **SECTION 1617q.** 66.24 (5) (e) of the statutes is created to read:

2 66.24 (5) (e) *Design-build contracts.* Any contract for public construction
3 under this subsection, the estimated cost of which exceeds \$500,000, may be let using
4 the design-build construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52
5 (29) (d) and (e), as it applies to counties, applies to districts.”.

6 **5.** Page 806, line 20: after that line insert:

7 “**SECTION 1643p.** 66.904 (2) (a) of the statutes is amended to read:

8 66.904 (2) (a) Except for a contract awarded under par. (am) and except as
9 provided in par. (b), all work done and all purchases of supplies and materials by the
10 commission shall be by contract awarded to the lowest responsible bidder complying
11 with the invitation to bid, if the work or purchase involves an expenditure of \$7,500
12 \$30,000 or more. If the commission decides to proceed with construction of any sewer
13 after plans and specifications for the sewer are completed and approved by the
14 commission and by the department of natural resources under ch. 281, the
15 commission shall advertise by a class 2 notice under ch. 985 for construction bids.
16 All contracts and the awarding of contracts are subject to s. 66.29, except for a
17 contract awarded under par. (am).

18 **SECTION 1643q.** 66.904 (2) (am) of the statutes is created to read:

19 66.904 (2) (am) Any contract for public construction under sub. (1), the
20 estimated cost of which exceeds \$500,000, may be let using the design-build
21 construction process, as defined in s. 59.52 (29) (c) 1. Section 59.52 (29) (d) and (e),
22 as it applies to counties, applies to the district.

23 **SECTION 1643r.** 66.904 (2) (e) of the statutes is amended to read:

