

**2001 DRAFTING REQUEST**

**Senate Amendment (SA-SSA1-SB55)**

Received: 07/24/2001

Received By: kuesejt

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 6-8744

By/Representing: Mason

This file may be shown to any legislator: NO

Drafter: kuesejt

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Addl. Drafters:

Subject: State Government - miscellaneous

Extra Copies:

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**Pre Topic:**

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LFB:.....Mason -

**Topic:**

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State procurement law modifications

**Instructions:**

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Restore material deleted by LRBb0052/1.

**Drafting History:**

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<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 07/24/2001	wjackson 07/25/2001					
/1			pgreensl 07/25/2001		gretskl 07/25/2001		

FE Sent For:

<END>

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1/1	kuesejt 7/24	1 WLJ 7/25	7/25 PS	7/25 PS/KJF			

FE Sent For:

<END>

2001

Date (time) needed

SOON

LRB b 225, 1

JTK: WLY : \_\_\_\_\_

# BUDGET AMENDMENT

See form **AMENDMENTS — COMPONENTS & ITEMS.**

## SENATE AMENDMENT TO SENATE SUBSTITUTE AMENDMENT 1 TO 2001 SENATE BILL 55

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

~~#. Page . . . . , line . . . . :~~

~~#. Page . . . . , line . . . . :~~

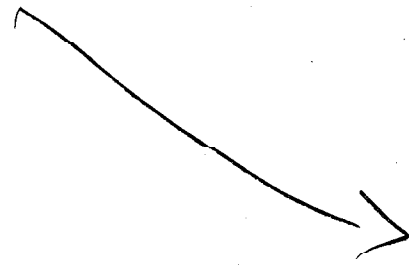
~~#. Page . . . . , line . . . . :~~

#. Page 59, line 8 : after that line insert:

~~#. Page . . . . , line . . . . :~~

~~#. Page . . . . , line . . . . :~~

→ editor: Do not change section numbers. This draft restores governor's version without change.



DOA.....Dombrowski - State procurement changes

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: state procurement and electronic commerce activities,  
2 authorizing state distribution of vendor product or service information, and  
3 making appropriations.

*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**OTHER STATE GOVERNMENT**

Currently, DOA provides procurement services to state agencies and some local governments. These procurement functions are financed with general purpose revenue. This bill permits DOA to assess any state agency or local government to which it provides procurement services for the cost of the services provided to the agency or local government. The bill also permits DOA to identify savings that DOA determines to have been realized by any state agency to which it provides procurement services, and to assess the agency for not more than the amount of the savings so identified. The bill does not define "savings" and does not specify any methodology for determination of these assessments. The bill appropriates to DOA all moneys collected from these assessments, without limitation, to be used to finance procurement services. The change potentially decreases the moneys available to agencies and local governments for other purposes. The bill also appropriates moneys from the revenue sources that finance the programs of state agencies to supplement the unbudgeted costs of procurement service charges, except charges for identified procurement savings.

Currently, subject to numerous exceptions, DOA, or any state agency in the executive branch to which DOA delegates purchasing authority, must make purchases by bid or competitive sealed proposal that must be preceded by at least two notices published in the official state newspaper, the latest of which must be inserted at least seven days prior to opening of the bids or competitive sealed proposals.

This bill permits DOA or any state agency to which DOA delegates purchasing authority to make purchases by soliciting sealed bids to be opened at a specified date and time or by solicitation of bids at an auction to be conducted electronically at a specified date and time, or by competitive sealed proposal. If bids are to be solicited at an electronic auction, the bill requires notice of the auction to be posted on an Internet site determined or authorized by DOA at least seven days prior to the date of the auction. The bill also permits notice of any proposed purchase by DOA or an agency to which DOA delegates purchasing authority to be posted electronically on an Internet site determined or authorized by DOA at least seven days prior to the date that bids or competitive sealed proposals are to be opened or bids are to be received by auction in lieu of the publication required under current law.

Currently, DOA maintains a subscription service that provides current information of interest to prospective vendors concerning state procurement opportunities. This bill permits DOA to permit prospective vendors to provide product or service information through this service and also permits DOA to prescribe fees or establish fees through a competitive process for the use of the service. Any revenue collected from the fee assessments is deposited in the state VendorNet fund, which is used to pay the costs of the subscription service.

Currently, DOA, or any state agency to which DOA delegates purchasing authority, may maintain a bidders list that includes the names and addresses of all persons who request to be notified of bids or competitive sealed proposals that are solicited by DOA or any other agency maintaining such a list. This bill permits an agency to which DOA delegates purchasing authority to maintain a bidders list only if it is specifically authorized under the delegation to do so.

In addition, the bill directs DOA to report to the governor and the cochairpersons of JCF concerning the status of the electronic procurement and commerce activities of DOA. The report must include an assessment of the costs and benefits of these activities for the 2002-03 fiscal year and an assessment of the success of state executive branch agencies in increasing the volume of these activities.

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     **270**  
SECTION 1. 16.701 of the statutes is renumbered 16.701 (1).
- 2     **271**  
SECTION 2. 16.701 (2) of the statutes is created to read:

1           16.701 (2) The department may permit prospective vendors to provide product  
2 or service information through the service established under sub. (1). The  
3 department may prescribe fees or establish fees through a competitive process for the  
4 use of the service under this subsection.

5           <sup>⑥ 272</sup> SECTION 3. 16.7015 of the statutes is amended to read:

6           **16.7015 Bidders list.** The department ~~or any agency to which the department~~  
7 ~~delegates purchasing authority under s. 16.71 (1)~~ may maintain a bidders list which  
8 Any agency to which the department delegates purchasing authority under s. 16.71  
9 (1) may maintain a bidders list if authorized by the delegation. The bidders list shall  
10 include the names and addresses of all persons who request to be notified of bids or  
11 competitive sealed proposals, excluding those to be awarded under s. 16.75 (1) (c) or  
12 (2m) (c), that are solicited by the department or other agency for the procurement of  
13 materials, supplies, equipment or contractual services under this subchapter. Any  
14 list maintained by the department may include the names and addresses of any  
15 person who requests to be notified of bids or competitive sealed proposals ~~to be that~~  
16 are solicited by any agency. The department or other agency shall notify each person  
17 on its list of all ~~requests for bids or competitive sealed proposals~~ that are solicited by  
18 the department or other agency. The department or other agency may remove any  
19 person from its list for cause. <sup>VU</sup> ①

20           ~~SECTION 4. 16.71 (6) of the statutes is created to read:~~

21           ~~16.71 (6) The department may assess any agency or municipality to which it~~  
22 ~~provides services under this subchapter for the cost of the services provided to the~~  
23 ~~agency or municipality. The department may also identify savings that the~~  
24 ~~department determines to have been realized by an agency to which it provides~~

# Page 63, line 10: after that line insert:

1 services under this subchapter and may assess the agency for not more than the  
2 amount of the savings identified by the department.

3 SECTION <sup>286</sup> 16.75 (1) (a) 3. of the statutes is amended to read:

4 16.75 (1) (a) 3. Bids may be received only in accordance with such specifications  
5 as are adopted by the department as provided in this subsection. Any or all bids may  
6 be rejected. ~~Each~~ Whenever sealed bids are invited, each bid, with the name of the  
7 bidder, shall be entered on a record, and each record with the successful bid indicated  
8 shall, after the award or letting of the contract, be opened to public inspection. Where  
9 a low bid is rejected, a complete written record shall be compiled and filed, giving the  
10 reason in full for such action. Any waiver of sealed, advertised bids as provided in  
11 sub. (2m) or (6) shall be entered on a record kept by the department and open to public  
12 inspection. <sup>287</sup>

13 SECTION <sup>287</sup> 16.75 (1) (b) of the statutes is amended to read:

14 16.75 (1) (b) When the estimated cost exceeds \$25,000, the department shall  
15 invite bids to be submitted. The department shall either solicit sealed bids to be  
16 opened publicly at a specified date and time, or shall solicit bidding by auction to be  
17 conducted electronically at a specified date and time. Whenever bids are invited, due  
18 notice inviting bids shall be published as a class 2 notice, under ch. 985, and the bids  
19 or posted on the Internet at a site determined or approved by the department. The  
20 bid opening or auction shall not be opened until occur at least 7 days from after the  
21 date of the last day of publication insertion of the notice or at least 7 days after the  
22 date of posting on the Internet. The official advertisement notice shall specify  
23 whether sealed bids are invited or bids will be accepted by auction, and shall give a  
24 clear description of the materials, supplies, equipment, or service contractual  
25 services to be purchased, the amount of the any bond, share draft, check, or other

1 draft to be submitted as surety with the bid or prior to the auction, and the date of  
2 and time that the public opening or the auction will be held.

3 SECTION ~~7~~ <sup>⑥ 288</sup> 16.75 (1) (cm) of the statutes is created to read:

4 16.75 (1) (cm) If bids are solicited by auction, the award may be made in  
5 accordance with simplified competitive procedures established by the department  
6 for such transactions.

7 SECTION ~~8~~ <sup>⑥ 289</sup> 16.75 (2) (a) of the statutes is amended to read:

8 16.75 (2) (a) When the department of administration believes that it is to the  
9 best interests of the state to purchase certain patented or proprietary articles, other  
10 than printing and stationery, it may purchase said articles without the usual  
11 statutory procedure. All but all equipment shall be purchased from the lowest and  
12 best bidder as determined by the bids and a comparison of the any detailed  
13 specifications submitted with the bids, and after due ~~advertisement as hereinbefore~~  
14 provided notice, whenever notice is required under this section. Where the low bid  
15 or bids are rejected, a complete written record shall be compiled and filed, giving the  
16 reasons in full for such action.

17 SECTION ~~9~~ <sup>⑥ 290</sup> 16.75 (2m) (b) of the statutes is amended to read:

18 16.75 (2m) (b) When the estimated cost exceeds \$25,000, the department shall  
19 ~~publish a class 2 notice under ch. ch 985 inviting~~ may invite competitive sealed  
20 proposals by publishing a class 2 notice under ch. 985 or by posting notice on the  
21 Internet at a site determined or approved by the department. The advertisement  
22 notice shall describe the materials, supplies, equipment, or service contractual  
23 services to be purchased, the intent to solicit make the procurement by solicitation  
24 of proposals rather than by solicitation of bids, any requirement for surety and the



1 date the proposals will be opened, which shall be at least 7 days after the date of the  
2 last insertion of the notice or at least 7 days after the date of posting on the Internet. ✓

3 *# Page 64, line 15: after that line insert:*  
4 ✓ SECTION 10. 16.75 (6) (c) of the statutes is amended to read:

5 16.75 (6) (c) If the secretary determines that it is in the best interest of this state  
6 to do so, he or she may, with the approval of the governor, waive the requirements  
7 of subs. (1) to (5) and may purchase supplies, material, equipment, or contractual  
8 services, other than printing and stationery, from a private source other than a  
9 source specified in par. (b). Except as provided in sub. (2g) (c), if the cost of the  
10 purchase is expected to exceed \$25,000, the department shall first publish a class 2  
11 notice under ch. 985 or post a notice on the Internet at the site determined or  
12 approved by the department under sub. (1) (b) describing the materials, supplies,  
13 equipment, or contractual services to be purchased, stating the intent to make the  
14 purchase from a private source without soliciting bids or competitive sealed  
15 proposals and stating the date on which the contract or purchase order will be  
16 awarded. The date of the award shall be at least 7 days after the date of the last  
17 insertion or the date of posting on the Internet. ✓

18 ~~SECTION 11. 20.505 (1) (kf) of the statutes is created to read:~~

19 ~~20.505 (1) (kf) Procurement services. All moneys received from state agencies~~  
20 ~~under s. 16.71 (6) for procurement services provided by the department to the~~  
21 ~~agencies and from assessments for procurement savings realized by the agencies~~  
22 ~~receiving those services, for administration of the department's procurement~~  
23 ~~functions under subch. IV of ch. 16.~~

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

~~SECTION 12. 20.865 (1) (em) of the statutes is amended to read:~~

1 ~~20.865 (1) (em) *Financial and procurement services*. The amounts in the~~  
2 ~~schedule to supplement the general purpose revenue appropriations of state~~  
3 ~~agencies for charges assessed by the department of administration under ss. 16.53~~  
4 ~~(13) and 16.71 (6) for financial and procurement services performed on behalf of the~~  
5 ~~agencies under s. 16.53 (13), except charges for procurement savings identified~~  
6 ~~under s. 16.71 (6).~~

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 13.** 20.865 (1) (js) of the statutes is amended to read:

8 ~~20.865 (1) (js) *Financial and procurement services; program revenues*. From~~  
9 ~~the appropriate program revenue and program revenue-service appropriations, a~~  
10 ~~sum sufficient to supplement the program revenue appropriations to state agencies~~  
11 ~~for charges assessed by the department of administration under ss. 16.53 (13) and~~  
12 ~~16.71 (6) for financial and procurement services performed on behalf of the agencies~~  
13 ~~under s. 16.53 (13), except charges for procurement savings identified under s. 16.71~~  
14 ~~(6).~~

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

15 **SECTION 14.** 20.865 (1) (ts) of the statutes is amended to read:

16 ~~20.865 (1) (ts) *Financial and procurement services; segregated revenues*. From~~  
17 ~~the appropriate segregated funds, a sum sufficient to supplement the appropriations~~  
18 ~~to state agencies for charges assessed by the department of administration under ss.~~  
19 ~~16.53 (13) and 16.71 (6) for financial and procurement services performed on behalf~~  
20 ~~of the agencies under s. 16.53 (13), except charges for procurement savings identified~~  
21 ~~under s. 16.71 (6).~~

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

# Page 473, line 14: after that line insert

⑥ 1132

1 SECTION 15. 25.61 of the statutes is amended to read:

2 25.61 VendorNet fund. There is created a separate nonlapsible trust fund  
3 designated as the VendorNet fund consisting of all revenues accruing to the state  
4 from fees assessed under s. ss. 16.701 and 16.702 (1) and from gifts, grants, and  
5 bequests made for the purposes of s. ss. 16.701 and 16.702 (1) and moneys transferred  
6 to the fund from other funds. ✓

# Page 1295, line 22: after that line insert:

~~SECTION 9101. Nonstatutory provisions; administration.~~

Do not change

7  
8 (1) ELECTRONIC PROCUREMENT AND COMMERCE ACTIVITIES. The department of  
9 administration shall report to the governor and the cochairpersons of the joint  
10 committee on finance concerning the status of the electronic procurement and  
11 commerce activities of the department. The department shall include in the report  
12 an assessment of the costs and benefits of those activities for the 2002-03 fiscal year  
13 and an assessment of the effectiveness of state executive branch agencies in  
14 increasing the volume of those activities. ✓

(END)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb2225/1  
JTK:wlj:pg

LFB:.....Mason - State procurement law modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

**SENATE AMENDMENT**

**TO SENATE SUBSTITUTE AMENDMENT 1,**

**TO 2001 SENATE BILL 55**

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

2 **1.** Page 59, line 8: after that line insert:

3 **"SECTION 270.** 16.701 of the statutes is renumbered 16.701 (1).

4 **SECTION 271.** 16.701 (2) of the statutes is created to read:

5 16.701 (2) The department may permit prospective vendors to provide product  
6 or service information through the service established under sub. (1). The  
7 department may prescribe fees or establish fees through a competitive process for the  
8 use of the service under this subsection.

9 **SECTION 272.** 16.7015 of the statutes is amended to read:

1           **16.7015 Bidders list.** The department ~~or any agency to which the department~~  
2 ~~delegates purchasing authority under s. 16.71 (1)~~ may maintain a bidders list ~~which,~~  
3 Any agency to which the department delegates purchasing authority under s. 16.71  
4 (1) may maintain a bidders list if authorized by the delegation. The bidders list shall  
5 include the names and addresses of all persons who request to be notified of bids or  
6 competitive sealed proposals, excluding those to be awarded under s. 16.75 (1) (c) or  
7 (2m) (c), that are solicited by the department or other agency for the procurement of  
8 materials, supplies, equipment or contractual services under this subchapter. Any  
9 list maintained by the department may include the names and addresses of any  
10 person who requests to be notified of bids or competitive sealed proposals ~~to be that~~  
11 are solicited by any agency. The department or other agency shall notify each person  
12 on its list of all ~~requests for bids or competitive sealed proposals~~ that are solicited by  
13 the department or other agency. The department or other agency may remove any  
14 person from its list for cause.”.

15           **2.** Page 63, line 10: after that line insert:

16           “**SECTION 286.** 16.75 (1) (a) 3. of the statutes is amended to read:

17           16.75 (1) (a) 3. Bids may be received only in accordance with such specifications  
18 as are adopted by the department as provided in this subsection. Any or all bids may  
19 be rejected. ~~Each~~ Whenever sealed bids are invited, each bid, with the name of the  
20 bidder, shall be entered on a record, and each record with the successful bid indicated  
21 shall, after the award or letting of the contract, be opened to public inspection. Where  
22 a low bid is rejected, a complete written record shall be compiled and filed, giving the  
23 reason in full for such action. Any waiver of sealed, advertised bids as provided in

1 sub. (2m) or (6) shall be entered on a record kept by the department and open to public  
2 inspection.

3 **SECTION 287.** 16.75 (1) (b) of the statutes is amended to read:

4 16.75 (1) (b) When the estimated cost exceeds \$25,000, the department shall  
5 invite bids to be submitted. The department shall either solicit sealed bids to be  
6 opened publicly at a specified date and time, or shall solicit bidding by auction to be  
7 conducted electronically at a specified date and time. Whenever bids are invited, due  
8 notice inviting bids shall be published as a class 2 notice, under ch. 985, and the bids  
9 or posted on the Internet at a site determined or approved by the department. The  
10 bid opening or auction shall not be opened until occur at least 7 days from after the  
11 date of the last day of publication insertion of the notice or at least 7 days after the  
12 date of posting on the Internet. The official advertisement notice shall specify  
13 whether sealed bids are invited or bids will be accepted by auction, and shall give a  
14 clear description of the materials, supplies, equipment, or service contractual  
15 services to be purchased, the amount of the any bond, share draft, check, or other  
16 draft to be submitted as surety with the bid or prior to the auction, and the date of  
17 and time that the public opening or the auction will be held.

18 **SECTION 288.** 16.75 (1) (cm) of the statutes is created to read:

19 16.75 (1) (cm) If bids are solicited by auction, the award may be made in  
20 accordance with simplified competitive procedures established by the department  
21 for such transactions.

22 **SECTION 289.** 16.75 (2) (a) of the statutes is amended to read:

23 16.75 (2) (a) When the department of administration believes that it is to the  
24 best interests of the state to purchase certain patented or proprietary articles, other  
25 than printing and stationery, it may purchase said articles without the usual

1 statutory procedure. ~~All but all~~ equipment shall be purchased from the lowest and  
2 best bidder as determined by the bids and a comparison of ~~the~~ any detailed  
3 specifications submitted with the bids, and after due ~~advertisement as hereinbefore~~  
4 provided notice, whenever notice is required under this section. Where the low bid  
5 or bids are rejected, a complete written record shall be compiled and filed, giving the  
6 reasons in full for such action.

7 **SECTION 290.** 16.75 (2m) (b) of the statutes is amended to read:

8 16.75 (2m) (b) When the estimated cost exceeds \$25,000, the department ~~shall~~  
9 ~~publish a class 2 notice under ch. ch 985 inviting~~ may invite competitive sealed  
10 proposals by publishing a class 2 notice under ch. 985 or by posting notice on the  
11 Internet at a site determined or approved by the department. The ~~advertisement~~  
12 notice shall describe the materials, supplies, equipment, or ~~service~~ contractual  
13 services to be purchased, the intent to ~~solicit~~ make the procurement by solicitation  
14 of proposals rather than by solicitation of bids, any requirement for surety and the  
15 date the proposals will be opened, which shall be at least 7 days after the date of the  
16 last insertion of the notice or at least 7 days after the date of posting on the Internet.”.

17 **3.** Page 64, line 15: after that line insert:

18 **“SECTION 295.** 16.75 (6) (c) of the statutes is amended to read:

19 16.75 (6) (c) If the secretary determines that it is in the best interest of this state  
20 to do so, he or she may, with the approval of the governor, waive the requirements  
21 of subs. (1) to (5) and may purchase supplies, material, equipment, or contractual  
22 services, other than printing and stationery, from a private source other than a  
23 source specified in par. (b). Except as provided in sub. (2g) (c), if the cost of the  
24 purchase is expected to exceed \$25,000, the department shall first publish a class 2

1 notice under ch. 985 or post a notice on the Internet at the site determined or  
2 approved by the department under sub. (1) (b) describing the materials, supplies,  
3 equipment, or contractual services to be purchased, stating the intent to make the  
4 purchase from a private source' without soliciting bids or competitive sealed  
5 proposals and stating the date on which the contract or purchase order will be  
6 awarded. The date of the award shall be at least 7 days after the date of the last  
7 insertion or the date of posting on the Internet.”.

8 **4.** Page 473, line 14: after that line insert:

9 “SECTION 1132. 25.61 of the statutes is amended to read:

10 **25.61 VendorNet fund.** There is created a separate nonlapsible trust fund  
11 designated as the VendorNet fund consisting of all revenues accruing to the state  
12 from fees assessed under ~~s.~~ ss. 16.701 and 16.702 (1) and from gifts, grants, and  
13 bequests made for the purposes of ~~s.~~ ss. 16.701 and 16.702 (1) and moneys transferred  
14 to the fund from other funds.”.

15 **5.** Page 1295, line 22: after that line insert:

16 “(14) ELECTRONIC PROCUREMENT AND COMMERCE ACTIVITIES. The department of  
17 administration shall report to the governor and the cochairpersons of the joint  
18 committee on finance concerning the status of the electronic procurement and  
19 commerce activities of the department. The department shall include in the report  
20 an assessment of the costs and benefits of those activities for the 2002–03 fiscal year  
21 and an assessment of the effectiveness of state executive branch agencies in  
22 increasing the volume of those activities.”.

23 (END)