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

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

SECTION 2. 16.754 (title) of the statutes is amended to read:
16.754 (title) Preference for local products and services and American-made materials.

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

SECTION 4. 16.754 (1) (am) of the statutes is created to read:
16.754 (1) (am) “Local product or service” has the meaning given in s. 66.0145 (1) (b).

SECTION 5. 16.754 (2) (title) of the statutes is amended to read:
16.754 (2) (title) Purchase preference preferences.

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

SECTION 7. 16.754 (2) (a) of the statutes is created to read:
16.754 (2) (a) The department, any other designated purchasing agent under s. 16.71 (1), and any agency making purchases under s. 16.74 shall attempt to ensure
that at least 20 percent of the total amount expended under this subchapter in each fiscal year is for local products or services and it shall be a further goal that the percentage of the total amount expended in any fiscal year for local products or services will not be lower than the percentage of the total amount expended in the previous fiscal year for local products or services.

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

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

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

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

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

**SECTION 10.** 66.0145 of the statutes is created to read:
66.0145 Purchases of Wisconsin goods and services. (1) Definitions. In this section:

(a) “Local governmental unit” has the meaning given in s. 66.0135 (1) (c).

(b) “Local product or service” means a product or service that is purchased from a person whose principal place of business is located in this state.

(2) Purchasing goals. It shall be a goal of a local governmental unit that, annually, at least 20 percent of the aggregate value of purchases of products and services by that local governmental unit shall be local products or services, and it shall be a further goal of the local governmental unit that the percentage of the aggregate value of routine purchases of products and services in any year that are local products and services will not be lower than the aggregate value of such routine purchases in the previous year.

SECTION 11. Initial applicability.

(1) The treatment of section 66.0145 of the statutes and the creation of section 16.754 (2) (a) of the statutes first apply to purchases made in the fiscal year that begins in the year after this subsection takes effect.

(2) The treatment of section 16.754 (2m) (a) of the statutes first applies to responses made and bids submitted in the fiscal year that begins in the year after this subsection takes effect.

(END)