



**ASSEMBLY AMENDMENT 4,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 750**

February 20, 2014 – Offered by Representatives JORGENSEN and C. TAYLOR.

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

2 **1.** Page 1, line 7: after “funds” insert “, prohibiting a state contractor from
3 paying excessive compensation to any officer or employee during the term of the
4 contract, and granting rule-making authority”.

5 **2.** Page 2, line 1: delete that line and substitute:

6 “SECTION 1d. 16.766 of the statutes is created to read:

7 **16.766 Contractors; excessive compensation to officers and employees**
8 **prohibited.** (1) A contracting agency or authority shall include in all contracts
9 executed by the agency or authority a provision obligating the contractor not to pay
10 any of the contractor’s officers or employees compensation, including wages, salary,
11 commissions, and bonuses, in excess of \$1,000,000 per year during the term of the
12 contract.

1 **(2)** Subsection (1) does not apply to contracts to meet special requirements or
2 emergencies, if approved by the department.

3 **(3)** A contracting agency or authority shall take appropriate action to revise the
4 standard government contract forms to achieve compliance with this section.

5 **(4)** The head of each contracting agency and the board of directors of each
6 contracting authority shall be primarily responsible for obtaining compliance by any
7 contractor with the contractual provision required under sub. (1) according to
8 procedures recommended by the department. The department shall make
9 recommendations to the contracting agencies and the boards of directors of the
10 contracting authorities for improving and making more effective that contractual
11 provision. The department shall promulgate such rules as may be necessary for the
12 performance of its functions under this section.

13 **(5)** The department may receive complaints of alleged violations of the
14 contractual provision required under sub. (1). The department shall investigate and
15 determine whether a violation of such a provision has occurred. The department may
16 delegate this authority to the contracting agency or authority for processing in
17 accordance with the department's procedures.

18 **(6)** When a violation of a contractual provision required under sub. (1) has been
19 determined by the department, the contracting agency or authority shall do all of the
20 following:

21 (a) Immediately inform the violating party of the violation.

22 (b) Direct the violating party to take action necessary to halt the violation.

23 (c) Direct the violating party to take immediate steps to prevent further
24 violations of the contractual provision and to report its corrective action to the
25 contracting agency or authority.

1 (7) If further violations of a contractual provision required under sub. (1) are
2 committed during the term of the contract, the contracting agency or authority may
3 do any of the following:

4 (a) Permit the violating party to complete the contract, after complying with
5 this section, but after that the contracting agency or authority must request the
6 department to place the name of the party on the ineligible list for state contracts.

7 (b) Terminate the contract without liability for the uncompleted portion of the
8 contract or any materials or services purchased or paid for by the contracting party
9 for use in completing the uncompleted portion of the contract.

10 (8) The names of parties who have had contracts terminated under this section
11 shall be placed on an ineligible list for state contracts maintained by the department.
12 No state contract may be approved and let to any party on such list of ineligible
13 contractors. The department may remove the name of any party from the ineligible
14 list of contractors if the department determines that the contractor's compensation
15 practices comply with the requirement under sub. (1) and provide adequate
16 safeguards for its observance.

17 (9) A violation of this section by a prime contractor shall not impute to a
18 subcontractor nor shall a violation of this section by a subcontractor impute to a
19 contractor.

20 **SECTION 1f.** 16.82 (6) of the statutes is amended to read:

21 16.82 (6) May provide any services to a local professional baseball park district
22 created under subch. III of ch. 229, for compensation to be agreed upon between the
23 department and the district, if the district has entered into a lease agreement with
24 the department under sub. (7), except that the department shall not act as a general
25 contractor for any construction work undertaken by the district. No order or contract

1 to provide any such services is subject to s. 16.705, 16.75 (1) to (5) and (8) to (10),
2 16.752, 16.754 ~~or~~, 16.765, or 16.766.

3 **SECTION 1h.** 16.855 (9m) (b) 2. e. of the statutes, as created by 2013 Wisconsin
4 Act 20, is amended to read:

5 16.855 (**9m**) (b) 2. e. The bidder is not on an ineligible list that the department
6 maintains under s. 16.705 (9) ~~or~~, 16.765 (9), or 16.766 (8) or on a list that another
7 agency maintains for persons who violated construction-related statutes or
8 administrative rules.

9 **SECTION 1j.** 23.41 (5) of the statutes is amended to read:

10 23.41 (**5**) Each contract for construction work entered into by the department
11 under this section shall be awarded on the basis of bids or competitive sealed
12 proposals in accordance with procedures established by the department. Each
13 contract for construction work shall be awarded to the lowest responsible bidder or
14 the person submitting the most advantageous competitive sealed proposal as
15 determined by the department. If the bid of the lowest responsible bidder or the
16 proposal of the person submitting the most advantageous competitive sealed
17 proposal is determined by the department to be in excess of the estimated reasonable
18 value of the work or not in the public interest, the department may reject all bids or
19 competitive sealed proposals. Every such contract is exempted from ss. 16.70 to
20 16.75, 16.755, 16.76, 16.767 to 16.77, 16.78 to 16.82, 16.855, 16.87, and 16.89, but ss.
21 16.528, 16.753, 16.754, ~~and 16.765,~~ and 16.766 apply to the contract. Every such
22 contract involving an expenditure of more than \$60,000 is not valid until the contract
23 is approved by the governor.

24 **SECTION 1m.** 66.0903 (1r) of the statutes is created to read:”.

