

2015 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB21)

Received: 7/7/2015 Received By: pkahler
 For: Mark Miller (608) 266-9170 Same as LRB:
 May Contact: By/Representing: John
 Subject: State Finance - claims agnst st Drafter: pkahler
 Addl. Drafters:
 Extra Copies:

Submit via email: YES
 Requester's email: Sen.Miller@legis.wisconsin.gov
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Talgo claim against the state

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 7/7/2015	jdyer 7/7/2015	_____			
/1			_____	sbasford 7/7/2015	sbasford 7/7/2015	

FE Sent For:

<END>

Kahler, Pam

From: Anderson, John
Sent: Tuesday, July 07, 2015 9:34 AM
To: Kahler, Pam
Subject: LRB-2211 Talgo Claim

Good Morning, Pam. Would you please draft LRB-2211 (Talgo Claim) as an amendment to the state budget bill for Senator Mark Miller? Please let me know if you have any questions.

Thank you.

John G. Anderson
Office of Senator Mark Miller
608-266-9170



State of Wisconsin
2015 - 2016 LEGISLATURE

LRBb0699/7

PJK:

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

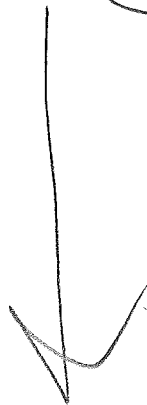
SENATE AMENDMENT,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 21

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

2 1. Page 1453, line 21: after that line insert:

3

(END)



BILL

believes that DOT has acted in bad faith and presented a politically motivated analysis to JCF with inflated cost projections and that this dispute has been manufactured to serve a political purpose.

DOT responds that claimant has not completed manufacture, testing, and delivery of the train sets and has provided almost no data in support of its alleged damages; that the PA required claimant to conduct and pay for "dynamic testing" before delivery of the train sets and that claimant has failed to complete such testing; and that claimant terminated the train set contract, declared that it would keep both trains, as well as work milestone payments DOT has made, and demanded payments for remaining outstanding work milestones. DOT contends that the MA was properly terminated when JCF denied the appropriation of funds and disputes that it had sufficient other funds to cover the maintenance costs, much less build a permanent maintenance facility. DOT asserts that it has already paid over \$40,000,000 for the promised train sets that claimant has failed to produce and that it will pay for the work if claimant would simply complete the testing and commissioning of the train sets required by the PA. DOT states that claimant has acted in bad faith and taken every opportunity to increase the agreed-upon purchase price for the train sets while denying its work obligations.

The Claims Board denied the claim on May 16, 2014 (see 2014 *Senate Journal*, p. 875).

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:

→ 4752 ← (B)

① " SECTION 1. Claim against the state. (1) There is directed to be expended
2 from the appropriation under section 20.505 (4) (d) of the statutes, as affected by the
3 acts of 2013 and 2015, \$65,889,158 in payment of a claim against the state made by
4 Talgo, Inc., of Seattle, Washington, for damages in connection with a 2009 contract
5 for the designing, building, and delivery of 2 14-car train sets to the state and related
6 maintenance. Acceptance of this payment releases this state and its state officers,
7 employees, and agents from any further liability arising from the respective duties
8 of the parties under this contract. ')

9 (END)