



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0744/P2
CMH:jld

DOA:.....Stinebrink, BB0088 - Procurement thresholds

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

Under current law, if a state agency makes a purchase for which the estimated cost exceeds \$50,000, DOA must invite bids or solicit proposals. This bill increases that threshold to \$100,000 and allows agencies to which DOA has delegated purchasing authority to invite the bids or solicit the proposals. Current law requires governor approval if the secretary of administration determines it is in the best interest of the state to waive general bidding requirements in state procurement and purchase supplies, material, equipment, or contractual services from a private source. Under this bill, the secretary may waive the requirements and make the purchase without governor approval if the cost of the purchase is between \$25,000 and \$150,000.

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:

SECTION 1. 16.75 (1) (b) 1. and 3. of the statutes are consolidated, renumbered 16.75 (1) (b) and amended to read:

16.75 (1) (b) ~~Except as provided in subd. 2., when~~ When the estimated cost exceeds \$25,000 ~~\$100,000~~, the department, or an agency to which the department delegates purchasing authority under s. 16.71 (1), shall invite bids to be submitted. ~~3.~~ If subd. 1. ~~or 2.~~ requires bids ~~to be~~ are solicited, the department or designated agency either shall solicit sealed bids to be opened publicly at a specified date and time, or shall solicit bidding by auction to be conducted electronically at a specified date and time. Whenever bids are invited, due notice inviting bids shall be published as a class 2 notice, under ch. 985 or posted on the Internet at a site determined or approved by the department. The bid opening or auction shall occur at least 7 days after the date of the last insertion of the notice or at least 7 days after the date of posting on the Internet. The notice shall specify whether sealed bids are invited or bids will be accepted by auction, and shall give a clear description of the materials, supplies, equipment, or contractual services to be purchased, the amount of any bond, share draft, check, or other draft to be submitted as surety with the bid or prior to the auction, and the date and time that the public opening or the auction will be held.

SECTION 2. 16.75 (1) (b) 2. of the statutes is repealed.

SECTION 3. 16.75 (2m) (b) 1. and 3. of the statutes are consolidated, renumbered 16.75 (2m) (b) and amended to read:

16.75 (2m) (b) ~~Except as provided in subd. 2., when~~ When the estimated cost exceeds \$25,000 ~~\$100,000~~, the department, or an agency to which the department delegates purchasing authority under s. 16.71 (1), may invite competitive sealed proposals. ~~3.~~ If competitive sealed proposals are invited, ~~the department shall publish~~ due notice seeking proposals shall be published as a class 2 notice under ch. 985 or ~~post notice~~ posted on the Internet at a site determined or approved by the

department. The notice shall describe the materials, supplies, equipment, or contractual services to be purchased, the intent to make the procurement by solicitation of proposals rather than by solicitation of bids, any requirement for surety and the date the proposals will be opened, which shall be at least 7 days after the date of the last insertion of the notice or at least 7 days after the date of posting on the Internet.

SECTION 4. 16.75 (2m) (b) 2. of the statutes is repealed.

SECTION 5. 16.75 (6) (c) of the statutes is amended to read:

16.75 (6) (c) ~~If the secretary determines that it is in the best interest of this state to do so, he or she may, with the approval of the governor, waive the requirements of subs. (1) to (5) may be waived and may purchase supplies, material, equipment, or contractual services, other than printing and stationery, may be purchased from a private source other than a source specified in par. (b). If the cost of the purchase is expected to exceed \$25,000 but not exceed \$150,000, the secretary must approve the waiver, and if the cost of the purchase is expected to exceed \$150,000, the governor must approve the waiver.~~ Except as provided in sub. (2g) (c), if the cost of the purchase is expected to exceed \$25,000, the department shall first publish a class 2 notice under ch. 985 or post a notice on the Internet at the site determined or approved by the department under sub. (1) (b) describing the materials, supplies, equipment, or contractual services to be purchased, stating the intent to make the purchase from a private source without soliciting bids or competitive sealed proposals and stating the date on which the contract or purchase order will be awarded. The date of the award shall be at least 7 days after the date of the last insertion or the date of posting on the Internet.

SECTION 9301. Initial applicability; Administration.

(1) **BIDS THRESHOLD.** The treatment of section 16.75 (1) (b) 1., 2., and 3. of the statutes first applies to bids solicited on the effective date of this subsection.

(2) **PROPOSAL THRESHOLD.** The treatment of section 16.75 (2m) (b) 1., 2., and 3. of the statutes first applies to proposals invited on the effective date of this subsection.

(3) **SOLE SOURCE THRESHOLD.** The treatment of section 16.75 (6) (c) of the statutes first applies to purchases made on the effective date of this subsection.

(END)