# Wisconsin Legislative Council AMENDMENT MEMO

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2023 Senate Bill 688

### BACKGROUND

With limited exceptions, current law generally requires counties and municipalities to advertise and bid for any public work or contract with an estimated cost over \$25,000 on the basis of sealed competitive bids, and to award such contracts to the lowest responsible bidder. Current law also generally prohibits counties and municipalities from giving preference based on geographic location of the bidder or otherwise using criteria other than the lowest responsible bidder when awarding contracts over that \$25,000 threshold. Under current law, those local procurement requirements do not apply to contracts let by school districts.

## 2023 SENATE BILL 688

2023 Senate Bill 688 makes three primary changes to current law relating to local procurement requirements. First, except with respect to certain road projects, the bill increases the estimated cost threshold for advertising and letting county and municipal contracts to the lowest responsible bidder to \$50,000, rather than the \$25,000 threshold under current law.

Second, the bill applies competitive bidding requirements to certain school district contracts. Specifically, the bill applies the requirements to school district contracts for the construction, repair, remodeling, or improvement of a public school building or public school facilities, or for the furnishing of supplies or materials, with an estimated cost greater than \$150,000. For those contracts, the bill requires contracts to be advertised and let to the lowest responsible bidder. The bill also prohibits school districts from giving preference based on geographic location or using other criteria other than the lowest responsible bidder to let contracts over that threshold. However, the bill provides an exception from those requirements for instances in which a school board determines, by resolution, that the public health or welfare of the school district is endangered by damage or threatened damage to a public school building or public school facilities.

Third, the bill provides an exception from procurement requirements for projects that are constructed by a person other than a town or county and then donated to a town or county. Current law provides a similar exception for projects that are donated to cities and villages.

### **SENATE AMENDMENT 1**

In addition to counties and municipalities, Senate Amendment 1 increases the threshold for the lowest responsible bidder requirements for the Milwaukee Metropolitan Sewerage District from \$20,000 to \$50,000.



Senate Amendments 1 and 2

## SENATE AMENDMENT 2

Senate Amendment 2 makes the following changes:

- Revises the exception from the estimated cost threshold increase that applies to certain road projects. Instead of applying to public road projects, the exception applies to public highway projects and also includes an improvement project in addition to a project for the construction, repair, or maintenance of a highway.
- Specifies that the exception from procurement requirements for donated construction projects applies when the construction is performed by a private person, rather than by a person other than a town or county.

#### **BILL HISTORY**

Senator Stroebel offered Senate Amendment 1 on January 16, 2024. On February 8, 2024, the Senate Committee on Transportation and Local Government recommended adoption of Senate Amendment 1 and passage of the bill, as amended, on votes of Ayes, 3; Noes, 2.

On February 20, 2024, the Senate voted to adopt Senate Amendment 1 and Senate Amendment 2 on voice votes. The Senate then voted to pass the bill, as amended, on a vote of Ayes, 20; Noes, 12.

For a full history of the bill, visit the Legislature's <u>bill history page</u>.

PW:jal