# Wisconsin Legislative Council AMENDMENT MEMO

Memo published: January 23, 2024

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2023 Assembly Bill 723

#### Assembly Amendment 1

#### 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 \$20,000 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 \$20,000 threshold. Under current law, those local procurement requirements do not apply to contracts let by school districts.

#### 2023 ASSEMBLY BILL 723

2023 Assembly Bill 723 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 \$20,000 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.

### ASSEMBLY AMENDMENT 1

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



## **BILL HISTORY**

Representative Brooks offered Assembly Amendment 1 on January 11, 2024. On January 17, 2024, the Assembly Committee on Local Government voted to recommend adoption of the amendment on a vote of Ayes, 12; Noes, 0. The committee then voted to recommend passage of the bill, as amended, on a vote of Ayes, 8; Noes, 4.

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

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