



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Hearing Testimony
Assembly Committee on Local Government
Thursday, December 14, 2023

Chairman Novak and members of the Assembly Committee Local Government, thank you for affording me with the opportunity to testify on behalf of Assembly Bill 723, relating to: local government competitive bidding thresholds and requiring school districts to utilize competitive bidding.

Competitive bidding has proven, repeatedly, to save taxpayers copious amounts of money on a myriad of capital improvement projects and procurement processes. The threshold for triggering competitive bidding in local government projects has remained unchanged since 2005. As a result, local governments have been required to competitively bid for small-dollar projects that in the past would have fallen under the cap levels if using inflation-adjusted dollars.

Wisconsin is one of only three states (Connecticut and New Hampshire being the others) that is devoid of a state law requiring school districts to follow a competitive bidding process for construction projects. This is rather exceptional when one considers eight and nine-figure construction referenda are commonly seen on the ballot every April and November. Based on our causal conversations, most legislators, lobbyists and staff assume Wisconsin already possesses a competitive bidding requirement.

Assembly Bill 723 doubles the local government-bidding threshold to \$50,000. It further establishes a bidding threshold of \$150,000 for school districts. According to research conducted by the Legislative Reference Bureau and National Conference of State Legislatures, a threshold of \$150,000 would make Wisconsin more lenient than the national or Midwest average. Assembly Bill 723 sets Wisconsin's threshold for construction services fifty percent above the national median average and triple the national median average threshold for supplies and equipment.

I would be happy to answer any questions you might have.



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on AB 723

December 14, 2023

Thank you Chairman Novak and members of the Assembly Committee on Local Government for having a hearing on AB 723. How local governments procure goods and services is right at the heart of longstanding state law. We must balance the competing goods of local flexibility with avoiding waste, fraud and abuse. AB 723 does this uniquely by both loosening a threshold on our municipalities and leveling the playing field by creating needed rules for school districts.

The first part of AB 723 is to increase the cost threshold when most local governments must bid out a contract from \$25,000 to \$50,000. I know there have been proposals in prior sessions to move this number even higher than \$50,000. Those proposals have failed before, in part, because of the policy tradeoffs I mentioned before. Doubling the thresholds is meaningful reform for many local governments while keeping the total at a level to keep other lawmakers comfortable.

The second part of AB 723 is to finally establish some statewide standard for school district bidding practices. AB 723 would require school districts to have the same bid process as other local governments for both construction and supplies at \$150,000 or higher. In discussions with colleagues and staff, many legislators are unaware there is no bidding requirement for school districts. One can forgive a legislator for thinking this because the status quo makes Wisconsin an extreme outlier. My office had LRB work with NCSL to get a thorough report on the bidding law in all 50 states. Attached with my testimony is the result of those months of research.

As of compilation of the data, 47 states had a public bidding requirement on school district construction. Wisconsin joins only New Hampshire and Connecticut that allows a construction project of any size to be awarded on a no-bid basis. 41 states have a bidding requirement on supplies and equipment. We chose \$150,000 as the threshold as a nod to the fact that Wisconsin districts have had no regulation in this arena before and a threshold well above the national and regional average would be hard to argue is unduly burdensome. At \$150,000, among states with a law AB 723 would make Wisconsin tied for the 12th most lenient threshold for construction and tied for the 4th most lenient for supplies and equipment. AB 723 is an attempt to draw a line that I believe reasonable Wisconsinites agree should be drawn somewhere.

Some of my colleagues might ask, why do we need this legislation for the small, parochial projects school districts might do? Let me provide the committee with some context. In

the elections held during the timeframe of the prior biennial budget (April 2022, November 2022 and April 2023) school districts held 103 capital referenda. 75 passed. The total approved borrowing was over \$2.4 billion (\$2,444,445,000). The State of Wisconsin's all funds capital budget, plus transportation bonding, for the same time period was \$1.638 billion. The largest source of construction projects in Wisconsin has no governing bidding law. There is nothing stopping any school district from awarding a no-bid contract, even in advance of referendum passage. The potential for bad incentives on electioneering, feasibility studies and consulting work is also very real since the potential exists for unwritten understandings about who is guaranteed to get a contract.

Competitive bidding laws are ubiquitous across the world because they serve an important function. When large amounts of money are being distributed, the potential exists for waste, fraud and abuse. Whether with good intentions, or less than good intentions, public officials can be persuaded to award a contract for a reason other than what's the best deal for the taxpayer. I believe this understanding is intuitive across political ideology.

In conclusion, AB 723 raises the bidding threshold for most local governments while creating some long overdue rules for school districts. Good government is a Wisconsin tradition that transcends political party. I hope to have your support in this reform to strengthen that tradition going forward.



Procurement Procedures in K-12: Purchasing Thresholds

Compiled May 2023

This document contains a compilation of the procurements laws and policies applicable to local education agencies (or local government units), as opposed to state-level government procurements, and covers three areas of purchasing: 1) construction; 2) contractual services, and 3) supplies and equipment.

There is a presumption that for procurements above the dollar threshold listed, a sealed, competitive bidding process is required. Many states, however, employ purchasing thresholds for small purchases that—while not requiring sealed, competitive bids—require graduated levels of competitive bidding (e.g., must receive at least three qualified bids in writing, must provide public notice over a specified number of days, bidders must be registered by a professional licensing board, etc.).

Note that not all states set thresholds, either in statute or regulation, or for all three purchasing types reviewed (i.e., construction, contractual services, supplies or equipment). Where the dollar threshold has been left blank, a threshold level does not apply, does not exist in state law or cannot be determined based on our reading of applicable state law.

Alabama.....	2	Louisiana.....	5	Oklahoma.....	10
Alaska.....	2	Maine.....	6	Oregon.....	10
Arizona.....	2	Maryland.....	6	Pennsylvania.....	10
Arkansas.....	2	Massachusetts.....	6	Rhode Island.....	10
California.....	2	Michigan.....	6	South Carolina.....	11
Colorado.....	3	Minnesota.....	6	South Dakota.....	11
Connecticut.....	3	Mississippi.....	7	Tennessee.....	11
Delaware.....	3	Missouri.....	7	Texas.....	11
District of Columbia.....	3	Montana.....	7	Utah.....	11
Florida.....	3	Nebraska.....	8	Vermont.....	12
Georgia.....	4	Nevada.....	8	Virginia.....	12
Hawaii.....	4	New Hampshire.....	8	Washington.....	12
Idaho.....	4	New Jersey.....	8	West Virginia.....	12
Illinois.....	4	New Mexico.....	9	Wisconsin.....	13
Indiana.....	4	New York.....	9	Wyoming.....	13
Iowa.....	5	North Carolina.....	9	Endnotes.....	14
Kansas.....	5	North Dakota.....	9		
Kentucky.....	5	Ohio.....	9		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
Alabama	Construction	\$50,000		Ala. Code § 39-2-2
	Contractual services	\$15,000		Ala. Code § 16-13B-1
	Supplies or equipment	\$15,000		
Alaska	Construction	\$100,000		Alaska Admin. Code tit. 4, § 31.080
	Contractual services			
	Supplies or equipment	City and borough school districts may establish their own procedures for purchase of supplies and equipment.		Alaska Stat. Ann. §§ 14.14.060 and 14.14.065
Arizona	Construction	\$100,000	Exceptions include agreements for provision of career and technological education, intergovernmental agreements, expenditures from student activity monies, and purchase of textbooks.	Ariz. Rev. Stat. Ann. § 41-2535 and Ariz. Admin. Code § R7-2-1002
	Contractual services	\$100,000		
	Supplies or equipment	\$100,000		
Arkansas	Construction	\$50,000		Ark. Code Ann. § 22-9-203
	Contractual services	\$23,100	Exceptions include, in certain circumstances, procurement of legal, architectural, engineering, construction management, and land surveying professional consultant services.	Ark. Code Ann. §§ 6-21-304 and 305
	Supplies or equipment	\$23,100	Exemptions include purchases in cases of emergency, used equipment and machinery, commodities available only from a single source, commodities available only from the U.S. Government, and certain utility services.	
California	Construction	\$109,300 (repairs and maintenance) \$15,000 (public works)		
	Contractual services	\$109,300		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Supplies or equipment</i>	\$109,300		
Colorado	<i>Construction</i>	\$150,000 (\$250,000 effective July 1, 2023 per 2023 CO REG TEXT 639168 (NS))		Colo. Rev. Stat. Ann. § 24-91-102(3) ; 1 Colo. Code Regs. § 101-9-R-24-105-101-02 ; 2023 CO REG TEXT 639168 (NS)
	<i>Contractual services</i> <i>Supplies or equipment</i>	Each local board of education has the duty to adopt “procedures for competitive bidding in the purchase of goods and services.”	Districts may adopt the procurement rules for the state department of education (Colo. Rev. Stat. Ann. § 24-101-101 <i>et seq.</i>).	Colo. Rev. Stat. § 22-32-109(1)(b)
Connecticut	<i>Construction</i>			
	<i>Contractual Services</i>	Thresholds set at the local level.		
	<i>Supplies or equipment</i>			
Delaware ¹	<i>Construction</i>	\$250,000		Del. Code Ann. tit. 29, § 6962 and Delaware OMB Procurement Policy (the actual monetary thresholds are set by policy)
	<i>Contractual services</i>	\$100,000	Only applies to non-professional services	Del. Code Ann. tit. 29, § 6923 and Delaware OMB Procurement Policy (the actual monetary thresholds are set by policy)
	<i>Supplies or equipment</i>	\$100,000		
District of Columbia	<i>Construction</i>	\$100,000		D.C. Code § 2-354.02
	<i>Contractual services</i>	\$100,000		
	<i>Supplies or equipment</i>	\$100,000		
Florida	<i>Construction</i>	\$300,000		Fla. Stat. § 255.20
	<i>Contractual services</i>	\$50,000		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Supplies or equipment</i>	\$50,000		Fla. Admin. Code Ann. r. 6A-1.012
Georgia	<i>Construction</i>	\$100,000		Ga. Code Ann. § 50-5-67
	<i>Contractual services</i>	\$100,000		
	<i>Supplies or equipment</i>	\$100,000		
Hawaii ²	<i>Construction</i>	\$250,000		Haw. Rev. Stat. Ann. §§ 103D-302 and 305
	<i>Contractual services</i>	\$100,000		
	<i>Supplies or equipment</i>	\$100,000		
Idaho	<i>Construction</i>	\$200,000		Idaho Code Ann. § 67-2805(2)
	<i>Contractual services</i>	\$150,000		Idaho Code Ann. § 67-2806(2); Idaho S.B. 1083 (2023)
	<i>Supplies or equipment</i>	\$150,000	Curricular materials excepted.	
Illinois	<i>Construction</i>	\$50,000		105 ILCS 5/10-20.21; Ill. H.B. 2233 (2023)
	<i>Contractual services</i>	All contracts for purchase of supplies and materials or work involving an expenditure in excess of \$25,000 or a lower amount as required by board policy to the lowest responsible bidder, considering conformity with specifications, terms of delivery, quality and serviceability, after due advertisement.	Exceptions include contracts for the purchase of fuel, food service, and contracts for goods and services which are economically procurable from only one sources. There is pending legislation in the General Assembly to increase the threshold to \$35,000. Over the past few years, Illinois has begun the process of increasing these thresholds for other units of local government as well (townships, park districts, etc.) citing inflationary pressures.	
	<i>Supplies or equipment</i>			
Indiana	<i>Construction</i>	\$150,000		Ind. Code Ann. § 4-13.6-5-2

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Contractual services</i>	\$50,000		25 Ind. Admin. Code 1.1-1-10
	<i>Supplies or equipment</i>	Set at local level if over \$25,000.	Different bidding requirements apply to Indianapolis Public Schools for contracts over \$75,000. (See Ind. Code Ann. §§ 20-25-4-2 and 20-25-4-20.)	Ind. Code Ann. § 5-22-4-8(f)
Iowa	<i>Construction</i>	\$139,000 (adjusted annually from base of \$100,000)		Iowa Code § 26.3
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>			
Kansas	<i>Construction</i>	\$20,000		Kan. Stat. Ann. § 72-1151
	<i>Contractual services</i>		Kan. Stat. Ann. § 72-1151(b)(1) explicitly excludes services.	
	<i>Supplies or equipment</i>	\$20,000	Exceptions include curricular materials, food necessary for child nutrition programs, fuel to provide or furnish transportation, goods manufactured by inmates in Kansas, and natural gas for operating school buildings.	Kan. Stat. Ann. § 72-1151
Kentucky	<i>Construction</i>	\$7,500		Ky. Rev. Stat. § 162.070
	<i>Contractual services</i>	\$40,000	Does not apply to “professional services” which means any service rendered in a profession required to be licensed, administered and regulated	Ky. Rev. Stat. § 424.260
	<i>Supplies or equipment</i>	\$40,000	Does not apply to perishable foods.	
Louisiana ³	<i>Construction</i>	\$250,000		La. Rev. Stat. Ann. § 38:2212
	<i>Contractual services</i>			

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Supplies or equipment</i>	\$60,000		La. Rev. Stat. Ann. § 38:2212.1
Maine	<i>Construction</i>	\$250,000	Projects over \$50,000 must also be approved by local referendum.	Me. Rev. Stat. tit. 5, § 1743-A ; Me. Rev. Stat. tit. 20-A, §§ 15901, 15903 and 15904
	<i>Contractual services</i>	Thresholds are set at the local level.		
	<i>Supplies or equipment</i>			
Maryland⁴	<i>Construction</i>	\$50,000		Md. Code Ann., Educ. § 5-112 ; Md. State Fin. & Proc. Code Ann. § 13-109(a) ; Code Md. Regs. 14.39.03.01
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$50,000	May increase to \$100,000 per Md. H.B. 543 (2023) . Please see Endnote 4 for further clarification.	Md. Code Ann., Educ. § 5-112 ; Md. State Fin. & Proc. Code Ann. § 13-109(a)
Massachusetts	<i>Construction</i>	\$150,000		Mass. Gen. Laws Ann. ch. 149, § 44A(D)
	<i>Contractual services</i>	\$100,000		Mass. Gen. Laws Ann. ch. 30B, § 5
	<i>Supplies or equipment</i>	\$100,000		
Michigan	<i>Construction</i>	\$28,048 (adjusted annually)		Mich. Comp. Laws Serv § 380.1267
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$28,048 (adjusted annually)	Does not apply to purchase of food in a single transaction costing \$100,000 or less.	Mich. Comp. Laws Serv. § 380.1274
Minnesota	<i>Construction</i>	\$175,000		Minn. Stat. Ann. § 471.345

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$175,000		<u>Minn. Stat. Ann. § 471.345</u>
Mississippi	<i>Construction</i>	Between \$5,000 and \$75,000 purchases may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least 2 competitive bids have been obtained. Purchases over \$75,000 must advertise for competitive bids.		<u>Miss. Code Ann. § 31-7-13</u>
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	Between \$5,000 and \$75,000 purchases may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least 2 competitive bids have been obtained. Purchases over \$75,000 must advertise for competitive bids.		<u>Miss. Code Ann. § 31-7-13</u>
Missouri	<i>Construction</i>	\$100,000	School district officials are required to competitively select, through public advertisements for bids, construction expenditures of \$15,000 or higher.	<u>Mo. Rev. Stat. Ann. § 177.086; Mo. Code Regs. Ann. tit. 1, § 40-1.050</u>
	<i>Contractual services</i>	\$100,000		<u>Mo. Code Regs. Ann. tit. 1, § 40-1.050</u>
	<i>Supplies or equipment</i>	\$25,000		
Montana	<i>Construction</i>	\$80,000		<u>Mont. Code Ann. § 20-9-204</u>
	<i>Contractual services</i>	\$80,000		
	<i>Supplies or equipment</i>	\$80,000	An eligible district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of subsection 3.	

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
Nebraska	Construction	\$50,000	No school district shall directly or indirectly issue bonds to fund any such lease-purchase plan for a capital construction project exceeding \$25,000 in costs unless it first obtains a favorable vote of the legal voters.	Neb. Rev. Stat. Ann. § 77-2704.15 ; Neb. Rev. Stat. Ann. § 79-10,105
	Contractual services	\$50,000		State of Nebraska Procurement Manual
	Supplies or equipment	\$25,000		Neb. Rev. Stat. Ann. § 81-161.03 ; State of Nebraska Procurement Manual
Nevada	Construction	\$50,000-\$100,000 \$100,000		Nev. Rev. Stat. Ann. § 332.065
	Contractual services	A school district is considered a local government entity that must solicit responses for contracts with an annual amount greater than \$50,000, but no greater than \$100,000.		Nev. Rev. Stat. Ann. § 332.063
	Supplies or equipment	\$50,000-\$100,000		
New Hampshire	Construction	Statute requires procurement policies, which extends to purchasing thresholds, to be set at local level. An example of a local purchasing procedure from Nashua Board of Education is available here .		N.H. Rev. Stat. Ann. § 194-C:4(I)(a) ; N.H. ADC Ed 303.01(b)
	Contractual services			
	Supplies or equipment			
New Jersey	Construction	\$44,000		N.J. Stat. Ann. § 18A:18A-3 (Statute authorizes executive branch to adjust threshold amounts every 5 years based on an inflationary adjustment.
	Contractual services	\$44,000		
	Supplies or equipment	\$44,000		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
				Current threshold amounts here.)
New Mexico	Construction	\$60,000		N.M. Stat. Ann. § 13-1-125
	Contractual services	\$60,000		
	Supplies or equipment	\$60,000	Instructional materials and educational technology purchases were recently exempted from this requirement beginning in FY24.	
New York	Construction	\$35,000 (eff. until June 1, 2023)		N.Y. Gen. Mun. Law § 103; NYSED Purchasing Handbook
	Contractual services	\$25,000 (eff. until June 1, 2023)		
	Supplies or equipment	\$25,000 (eff. until June 1, 2023)		
North Carolina	Construction	\$30,000 (informal bidding required)		N.C. Gen. Stat. Ann. § 143-131
	Contractual services	\$30,000 (informal bidding required)		
	Supplies or equipment	\$30,000 (informal bidding required)		
North Dakota	Construction	\$200,000		N.D. Cent. Code Ann. § 48-01.2-02.1
	Contractual services	\$50,000		
	Supplies or equipment	\$50,000	Does not apply to list of 15 contract types included in section 1. This includes textbooks, the personal services of district employees, among other purchases.	
Ohio	Construction	\$50,000		Ohio Rev. Code Ann. § 3313.46
	Contractual services	\$50,000 (supplies and services threshold)		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Supplies or equipment</i>	\$50,000 (supplies and services threshold)		Ohio Rev. Code Ann. § 125.05
Oklahoma⁵	<i>Construction</i>	\$100,000		Okla. Stat. Ann. tit. 61, § 102(5) ; Okla. Stat. Ann. tit. 61, § 103 Note: OK H 2862 (2021) raised the threshold from \$50K to \$100K.
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>			
Oregon⁶	<i>Construction</i>	\$100,000		Or. Rev. Stat. Ann. § 279C.335(d)
	<i>Contractual services</i>	\$10,000 to \$150,000	For contracts over \$150,000, school districts must request and obtain prior approval of a Special Procurement.	Or. Rev. Stat. Ann. § 279B.070 ; Or. Admin. R. 125-247-0270
	<i>Supplies or equipment</i>	\$10,000 to \$150,000	For contracts over \$150,000, school districts must request and obtain prior approval of a Special Procurement.	
Pennsylvania	<i>Construction</i>	\$22,500 (inflation adjusted amount effective Jan. 1, 2023)		Pa. Stat. Ann. tit. 24, §§ 1-120 and 7-751 ; 52 Pa.B. 7567 (2022)
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$22,500 (inflation adjusted amount effective Jan. 1, 2023)		Pa. Stat. Ann. tit. 24, §§ 1-120 and 8-807.1 ; 52 Pa.B. 7567 (2022)
Rhode Island⁷	<i>Construction</i>	\$10,000		45 R.I. Gen. Laws Ann. §§ 45-55-5(a) and 45-55-9
	<i>Contractual services</i>	\$5,000		
	<i>Supplies or equipment</i>	\$5,000		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
South Carolina	Construction	small purchase of construction under \$100,000	Generally, state procurement laws apply only to school districts whose annual total expenditures exceed \$75,000,000 ⁸ , unless the school district's own procurement code is "substantially similar" to the state code. (S.C. Code Ann. §§ 11-35-40(2), 11-35-310(18) and 11-35-5340)	S.C. Code Ann. § 11-35-1550(2)(b)
	Contractual services	\$10,000 to \$25,000 requires written quotes from a minimum of 3 qualified sources		
	Supplies or equipment	\$10,000 to \$25,000 requires written quotes from a minimum of 3 qualified sources \$100,000 for commercially available off-the-shelf products		
South Dakota	Construction	\$100,000	Excludes professional services (S.D. Codified Laws §§ 5-18A-14 and 5-18A-1(19))	S.D. Codified Laws § 5-18A-14 S.D. Codified Laws § 5-18A-14; S.D. House Bill 1060 (2023) amended the threshold from \$25,000 to \$50,000 effective July 1, 2023.
	Contractual services	\$50,000		
	Supplies or equipment	\$50,000		
Tennessee ⁹	Construction	\$10,000 or \$25,000 (depending in population of jurisdiction)		Tenn. Code Ann. § 49-2-203(a)(3)
	Contractual services			
	Supplies or equipment	\$10,000 or \$25,000 (depending in population of jurisdiction)		
Texas	Construction	\$50,000		Tex. Gov't Code Ann. § 2269.002(2)(C); 19 Tex. Admin. Code § 61.1040(e)(3)(A)
	Contractual services	\$50,000		
	Supplies or equipment	\$50,000		
Utah ¹⁰	Construction	\$100,000 (or \$2,500,000 if from an approved vendor list)		Utah Admin. Code r. R33-5-106 and 106.5

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
	<i>Contractual services</i>	\$100,000		Utah Admin. Code r. R33-5-108
	<i>Supplies or equipment</i>	\$5,000 (<u>Individual Procurement Item threshold</u>) \$10,000 (<u>Single Procurement Aggregate threshold</u> for multiple individual procurement items purchased from one source at one time) \$50,000 (<u>Annual Cumulative threshold</u> for purchases made from the same source)		Utah Admin. Code r. R33-5-104 and 107
Vermont	<i>Construction</i>	\$40,000 \$500,000 (for high cost construction contracts)		Vt. Stat. Ann. tit. 16, § 559
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$40,000		Vt. Stat. Ann. tit. 16, § 559
Virginia¹¹	<i>Construction</i>	\$200,000 \$25,000 (for transportation-related construction)		Va. Code Ann. § 2.2-4303
	<i>Contractual services</i>	\$80,000 (for <u>professional services</u>)		Va. Code Ann. § 2.2-4303; Va. Code Ann. § 2.2-4301
	<i>Supplies or equipment</i>	\$200,000		Va. Code Ann. § 2.2-4303
Washington	<i>Construction</i>	\$100,000		Wash. Rev. Code Ann. § 28A.335.190
	<i>Contractual services</i>			
	<i>Supplies or equipment</i>	\$75,000		Wash. Rev. Code Ann. § 28A.335.190
West Virginia	<i>Construction</i>	\$25,000		W. Va. Code Ann. § 5-22-1(b)(5); W. Va. Code R. 126-202 Attachment 10.1
	<i>Contractual services</i>	\$50,000		W. Va. Code R. 126-202 Attachment 7.11.5
	<i>Supplies or equipment</i>	\$50,000		

Jurisdiction	Type of Purchase	Competition Thresholds	Other Thresholds, Exemptions or Notes	Relevant Law
Wisconsin	Construction	Thresholds set at local level.	General spending authority to manage property and affairs of school district, <u>Wis. Stat. Ann. §§ 120.12(1) and 120.13(33)</u> ; authority at annual meeting to authorize procurement of school sites and for their general maintenance, <u>Wis. Stat. Ann. §§ 120.10(5) and (5m)</u> Separate statute applies to 1 st Class Cities (Milwaukee), see <u>Wis. Stat. Ann. § 119.16(3)(a)</u> .	<u>Wis. Stat. Ann. §§ 120.12(1) and 120.13(33)</u> ; <u>Wis. Stat. Ann. §§ 120.10(5) and (5m)</u>
	Contractual services			
	Supplies or equipment	Thresholds set at local level.	General spending authority to manage property and affairs of school district, <u>Wis. Stat. Ann. §§ 120.12(1) and 120.13(33)</u> ; authority to purchase books, material and equipment, <u>Wis. Stat. Ann. §§ 118.03 and 120.13(5)</u> ; authority at annual meeting to authorize procurement of textbooks, <u>Wis. Stat. Ann. § 120.10(15)</u> Separate statute applies to 1 st Class Cities (Milwaukee), see <u>Wis. Stat. Ann. § 119.16(4)</u> .	<u>Wis. Stat. Ann. §§ 120.12(1) and 120.13(33)</u> ; <u>Wis. Stat. Ann. §§ 118.03 and 120.13(5)</u> ; <u>Wis. Stat. Ann. § 120.10(15)</u>
Wyoming	Construction	\$50,000		<u>Wyo. Stat. § 21-3-110(a)(viii)</u>
	Contractual services			
	Supplies or equipment	\$25,000	Textbooks excepted	<u>Wyo. Stat. § 21-3-110(a)(viii)</u>

Endnotes

¹ State procurement laws apply to school districts.

² State procurement laws apply to all “governmental bodies” which appears to include the Public School System.

³ State procurement laws apply to school districts.

⁴ “[E]ducation §5-112, which specifies that ‘if the cost of any school building, improvement, supplies, or equipment is more than \$25,000,’ the school board must advertise for bids. However, it further states that if the \$25,000 amount differs from the amount in State Finance and Procurement §13-109(a), then that amount applies. Currently, SFP §13-109(a) (which sets the small procurement threshold for State agencies) sets the threshold at \$50,000 for all contracts, except for specified construction and capital contracts by the Department of General Services, Maryland Department of Transportation, and Department of Natural Resources. Given the language in §5-112, it’s not clear whether it intends the threshold to be \$50,000 for everything or whether the \$100,000 threshold applies to school construction projects. But that’s not the end of the story. First, [Chapter 161 of 2023](#) raises the State’s threshold to \$100,000 (general) and \$200,000 (construction and capital), effective October 1, 2023. Further, the [Code of Maryland Regulations COMAR 14.39.03.01](#), currently sets the threshold at \$50,000 for public school construction projects (including supplies and equipment tied to those projects). That amount is not tied to any other State statute. From this, I conclude that the current thresholds for local school systems are \$50,000 for construction, supplies, and equipment (you are correct that the statute is silent with regard to contractual services). However, as the threshold for State agencies is scheduled to increase to \$100,000 (and \$200,000 for construction and capital projects), those thresholds may change. At the very least, I would expect that the threshold for supplies and equipment will increase to \$100,000. It is not clear if the threshold for public school construction will change, as the amount set in regulations is not tied to that particular section of code. I will check with counsel for our school construction program and let you know what they say.” (E-mail communication from Maryland Department of Legislative Services, May 23, 2023.)

⁵ State procurement laws apply to school districts and charter schools.

⁶ State procurement laws apply to school districts and charter schools. See [Or. Rev. Stat. Ann. § 174.117\(1\)\(b\)-\(d\)](#); [Or. Rev. Stat. Ann. §§ 279A.010\(1\)\(p\)](#) and [\(LL\)](#).

⁷ School districts in Rhode Island are fiscally dependent on their parent municipal government. Therefore, the municipal procurement code that applies to cities and towns extend to school district purchases.

⁸ According to data from the National Center for Education Statistics, roughly one third of school districts met this expenditure criteria in fiscal year 2020. See [EISI tableGenerator Table ID 647391](#).

⁹ According to the Tennessee County Technical Assistance Service (CTAS): “The county education department has its own purchasing law, found in Tenn. Code Ann. § 49-2-203 (a)(3), but this law is largely superseded or modified in those counties that adopt the statutes of the County Financial Management System of 1981. In counties that have adopted the County Purchasing Law of 1957, the county board of education may or may not use the central county purchasing system depending upon the approval of the State Commissioner of Education. [Tenn. Code Ann. § 5-14-115.](#)” (County Technical Assistance Service, “[Purchasing in County Education Departments.](#)”)

¹⁰ State procurement laws apply to school districts and charter schools. See [Utah Code Ann. § 63G-6a-103](#).

¹¹ State procurement code ([Va. Code Ann. § 2.2-4300 et seq.](#)) applies to local school divisions under “public body” definition. See [Va. Code Ann. § 2.2-4301](#).

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Local Government

FROM: Marcie Rainbolt, Government Affairs Associate

DATE: December 14, 2023

SUBJECT: Support for Assembly Bill 723: Local government competitive bidding thresholds

Assembly Bill 723 is a necessary update to our long outdated competitive bidding law in Wisconsin. Not only are labor costs increasing but the cost of building materials continues to rise as well. The threshold for competitive bidding has not been altered since 2005 thus putting the counties at a disadvantage when it comes to the completion of small projects.

Under current law, counties are required to go out for competitive bid on any project over \$25,000. Projects at this price point are small and usually not time consuming, yet counties cannot initiate the project without following competitive bidding laws. AB 723 would increase the threshold from the current \$25,000 to \$50,000. Doubling the current competitive bidding threshold is a win for county governments that have been complying with an outdated threshold for nearly 2 decades.

AB 723 does not change notice requirements. Counties would still be required to provide a class 1 notice for projects between \$5,000-\$50,000.

AB 723 will allow local governments more flexibilities in small construction projects while still being prudent with taxpayer dollars. WCA asks for your support in a much-needed update to the competitive bidding process by supporting an increase to \$50,000.