



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1541/1
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2013 SENATE BILL 74

March 13, 2013 - Introduced by Senators HANSEN, VINEHOUT, C. LARSON, MILLER, ERPENBACH, SHILLING, LEHMAN, RISSER, HARRIS and WIRCH, cosponsored by Representatives CLARK, GENRICH, BARNES, BARCA, MASON, DANOU, RINGHAND, BERNARD SCHABER, BEWLEY, BERCEAU, KAHL, POPE, SARGENT, JORGENSEN, RIEMER, HEBL, C. TAYLOR, OHNSTAD, BILLINGS, WRIGHT, JOHNSON and RICHARDS. Referred to Committee on Government Operations, Public Works, and Telecommunications.

1 **AN ACT to renumber** 16.754 (1) (a) and 16.754 (2); **to amend** 16.72 (2) (c), 16.754
2 (title), 16.754 (2) (title) and 16.754 (3) (intro.); and **to create** 16.754 (1) (am),
3 16.754 (2) (a), 16.754 (2m) and 66.0145 of the statutes; **relating to:** state
4 procurement of products and services from businesses located in this state and
5 setting a goal for local government to purchase a certain percentage of products
6 and services from businesses located in this state.

Analysis by the Legislative Reference Bureau

Current law generally authorizes the Department of Administration (DOA) to purchase, or delegate the authority to purchase, all necessary materials and contractual services for all state agencies. With some exceptions, orders or contracts must be awarded to the lowest bidder. This bill creates an exception to require DOA and any agency making purchases to attempt to ensure that at least 20 percent of the total amount expended for such procurement in each fiscal year is from Wisconsin-based businesses and that, in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses will not be lower than it was in the previous fiscal year. To measure compliance with this exception, this bill requires DOA to collect data from a person who bids for a contract regarding the person's principal place of business and make the information publicly available on its Internet site.

This bill also sets a goal that at least 20 percent of the aggregate value of the annual purchases of products and services by a local governmental unit (which

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includes cities, villages, towns, counties, and special purpose districts, which include schools and technical college districts) will be from Wisconsin-based businesses. A further goal is that, in any year, the percentage of the aggregate value of routine purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year. The bill also requires a local governmental unit to annually evaluate its performance in reaching these goals, and make the evaluation available to the public, but the political subdivision's governing body may vote to opt out of these requirements.

For further information see the *state and local* 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:

1 **SECTION 1.** 16.72 (2) (c) of the statutes is amended to read:

2 16.72 (2) (c) To the extent possible, the department shall write specifications
3 so as to permit the purchase of materials manufactured in the United States, as
4 defined in s. 16.754 (1) (b), or the purchase of local products or services, as defined
5 in s. 66.0145 (1) (b).

6 **SECTION 2.** 16.754 (title) of the statutes is amended to read:

7 **16.754** (title) **Preference for local products and services and**
8 **American-made materials.**

9 **SECTION 3.** 16.754 (1) (a) of the statutes is renumbered 16.754 (1) (ar).

10 **SECTION 4.** 16.754 (1) (am) of the statutes is created to read:

11 16.754 (1) (am) "Local product or service" has the meaning given in s. 66.0145
12 (1) (b).

13 **SECTION 5.** 16.754 (2) (title) of the statutes is amended to read:

14 16.754 (2) (title) **PURCHASE PREFERENCE PREFERENCES.**

15 **SECTION 6.** 16.754 (2) of the statutes is renumbered 16.754 (2) (b).

16 **SECTION 7.** 16.754 (2) (a) of the statutes is created to read:

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1 16.754 **(2)** (a) The department, any other designated purchasing agent under
2 s. 16.71 (1), and any agency making purchases under s. 16.74 shall attempt to ensure
3 that at least 20 percent of the total amount expended under this subchapter in each
4 fiscal year is for local products or services and it shall be a further goal that the
5 percentage of the total amount expended in any fiscal year for local products or
6 services will not be lower than the percentage of the total amount expended in the
7 previous fiscal year for local products or services.

8 **SECTION 8.** 16.754 (2m) of the statutes is created to read:

9 16.754 **(2m)** DATA. For purposes of measuring compliance with sub. (2) (a), the
10 department shall collect from a person who responds to a proposal or submits a bid
11 for a contract information regarding the person's principal place of business. The
12 department shall make available to the public on its Internet site the data it collects
13 under this subsection as well as an annual evaluation of how well the department,
14 its designated purchasing agents, and any agency making purchases under s. 16.74
15 are meeting the goal under sub. (2) (a).

16 **SECTION 9.** 16.754 (3) (intro.) of the statutes is amended to read:

17 16.754 **(3)** EXEMPTIONS. (intro.) Subsection (2) (b) does not apply if the
18 materials are purchased for the purpose of commercial resale or for the purpose of
19 use in the production of goods for commercial sale. Subsection (2) (b) does not apply
20 to the purchase of stationery and printing materials. Subsection (2) (b) does not
21 apply if the department determines, under s. 16.75 (1) (a) 2., that the foreign nation
22 or subdivision thereof in which the vendor is domiciled does not give preference to
23 vendors domiciled in that nation or subdivision in making governmental purchases.
24 Subsection (2) (b) does not apply if the department or other person having
25 contracting authority in respect to the purchase determines that:

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1 **SECTION 10.** 66.0145 of the statutes is created to read:

2 **66.0145 Purchases of Wisconsin goods and services. (1) DEFINITIONS.** In
3 this section:

4 (a) "Local governmental unit" has the meaning given in s. 66.0135 (1) (c).

5 (b) "Local product or service" means a product or service that is purchased from
6 a person whose principal place of business is located in this state.

7 **(2) PURCHASING GOALS.** (a) It shall be a goal of a local governmental unit that,
8 annually, at least 20 percent of the aggregate value of purchases of products and
9 services by that local governmental unit shall be local products or services, and it
10 shall be a further goal of the local governmental unit that the percentage of the
11 aggregate value of routine purchases of products and services in any year that are
12 local products and services will not be lower than the aggregate value of such routine
13 purchases in the previous year.

14 (b) A local governmental unit shall evaluate its performance in reaching the
15 goals specified in par. (a) and shall annually make this evaluation available to the
16 public, except that these requirements do not apply to any local governmental unit
17 whose governing body enacts an ordinance, adopts a resolution, or takes other official
18 action stating that it chooses not to conduct an evaluation of its performance in
19 reaching the goals.

20 **SECTION 11. Initial applicability.**

21 (1) The treatment of section 66.0145 of the statutes and the creation of section
22 16.754 (2) (a) of the statutes first apply to purchases made in the fiscal year that
23 begins in the year after this subsection takes effect.

