

RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS

SUPERVISOR PHILLIP OWENS
INITIATED BY



SUPERVISOR PHILLIP OWENS &
JEFFREY S. KUGLITSCH
DRAFTED BY

GENERAL SERVICES
COMMITTEE
SUBMITTED BY

JULY 12, 2017
DATE DRAFTED

REQUESTING STATE LAW CHANGE ALLOWING COUNTIES THE USE OF
THE DESIGN-BUILD CONSTRUCTION METHOD AND UPDATE THE
STATUTORY BIDDING REQUIREMENTS

- 1 WHEREAS, under Wisconsin Statutes § 59.52(29), counties are required to engage in a competitive
- 2 bidding process on public work construction projects greater than \$25,000 and provide a Class I notice on
- 3 any public work with a cost between \$5,000-\$25,000; and
- 4
- 5 WHEREAS, these statutory limits of \$5,000 and \$25,000 have been in place for decades and need to
- 6 be updated; and
- 7
- 8 WHEREAS, the State of Wisconsin has recognized the advantages of the Design-Build Method and
- 9 authorizes that process to be followed for state-controlled building projects and certain other entities; and
- 10
- 11 WHEREAS, at the current time, Wisconsin counties are not authorized to use the Design-Build
- 12 Method for construction projects; and
- 13
- 14 WHEREAS, under the Design-Build Construction Method, counties would contract with a single
- 15 entity to provide both the design and the construction of a public work project as opposed to having bid
- 16 those projects separately; and
- 17
- 18 WHEREAS, in addition to a single source of responsibility, other advantages of Design-Build
- 19 include enhanced creativity, guaranteed costs, faster project completion, improved risk management,
- 20 fewer change orders and less administrative burden.
- 21
- 22 NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly
- 23 assembled this _____ day of _____ 2017 does hereby request that the Rock County Legislators introduce
- 24 and support legislation authorizing counties to utilize the Design-Build option.
- 25
- 26 BE IT FURTHER RESOLVED that the legislature take action to update the antiquated project limit
- 27 in Sec. 59.52(29), Stats., ~~from \$25,000 to \$250,000~~ and the requirement of a Class I notice be raised for
- 28 any public work to a cost in excess of \$50,000.
- 29
- 30 BE IT FURTHER RESOLVED that the County Clerk is authorized to send copies of this resolution
- 31 to the Rock County Legislative Delegation and the Wisconsin Counties Association to elicit support for
- 32 this requested change in state law.

17-9A-351

Respectfully submitted:

GENERAL SERVICES COMMITTEE

Henry Brill, Chair

Bob Yeomans

Jason Heidenreich, Vice Chair

Jeremy Zajac

David Homan

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FISCAL NOTE:

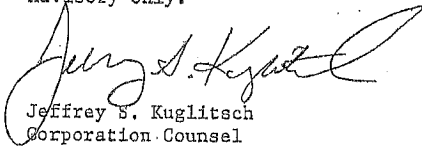
This resolution requests State legislation changes that could potentially save the County time, effort and funds for future construction projects.



Sherry Oja
Finance Director

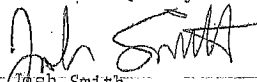
LEGAL NOTE:

Advisory only.


Jeffrey B. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Matter of policy.


Josh Smith
County Administrator

COUNTY BOARD STAFF COMMITTEE

J. Russell Podzilni, Chair

Sandra Kraft, Vice Chair

Eva Arnold

Henry Brill

Betty Jo Bussie

Mary Mawhinney

Louis Peer

Alan Sweeney

Terry Thomas

EXECUTIVE SUMMARY

Under § 59.52(29), Wis. Stats., county construction contracts that exceed \$25,000 must be awarded to the lowest responsible bidder using the competitive bidding process. In addition, if the estimated public work is between \$5,000 and \$25,000, the County must give a Class I notice before it contracts for such work. These dollar limits have been in place for decades and are unrealistic and need to be updated to a more current number.

Under the current practice, an architect first designs the construction project, construction designs are then let for bid and contractors submit bids to construct the project based on those design plans. There are inherent disadvantages to a competitive bidding process. Most notably are the lengthy processes and the incentive to low-ball the bid and make up the difference through change orders. Though change orders are a normal condition of any construction project, currently they have become an income generating tool. The time and effort required in negotiating change orders is significant and increases the overall cost of the project.

Another problem is performance quality. If the project is completed and has been done in either a substandard method or with substandard materials in order to meet the low ball bid, the overall project suffers and actual cost is then again increased. We need to have contractors that are willing to prepare fair and accurate proposals for the work and live up to those terms. This also includes the architects and those associated with the preparation and completion of any given project. Design Build concepts allow for that process to happen.

Many of the projects involved in these situations represent millions of dollars and have long-term effects upon counties in the term of operation and maintenance of facilities. This in turn is reflected in taxation of residents and the ability for the county to provide necessary services. We need to have a more affective process in establishing and choosing the appropriate bid for these county projects. Allowing Design Build benefits not only the County, but also the taxpayers.