



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2007 Assembly Bill 134

**Assembly
Amendment 1**

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2007 Assembly Bill 134 requires the Department of Transportation (DOT) to employ value engineering for any highway improvement project that has total project costs in excess of \$5 million or that otherwise meets criteria established by the DOT, unless the Secretary of Transportation waives this requirement for compelling reasons.

“Value engineering” means the systematic application of recognized techniques by a multidisciplined team to identify the function of a product or service, establish a worth for that function, generate alternatives through the use of creative thinking, and provide the needed functions to accomplish the original purpose of the project, reliably, and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project.

Assembly Bill 134 requires the DOT to annually submit a report to the Governor and Legislature related to the DOT’s employment of value engineering. The report must include information on the total savings that would result from all value engineering recommendations if approved and implemented, along with additional information listed in the bill.

The bill would first apply to highway improvement projects for which engineering work is commenced on the effective date of this legislation, which would be the first day of the third month beginning after publication.

Assembly Amendment 1 to the bill replaces the mandatory threshold for applying value engineering from projects with “total project costs in excess of \$5 million” to projects “for which the cost of construction, utilities, and rights-of-way is in excess of \$5 million.”

The amendment requires the DOT to adjust the \$5 million threshold in proportion to any change in the cost of construction, utilities, and rights-of-way since the effective date of this legislation. These adjustments are to be made starting the first day of the 13th month after the effective date of this legislation and then annually thereafter.

The amendment also requires the DOT to “estimate” the savings that would be provided by the approval and implementation of value engineering recommendations in its annual report to the Legislature and Governor, rather than state what the actual savings would be.

Finally, the amendment first applies the value engineering requirement to highway improvement projects for which “preliminary design” work is commenced on the effective date of this legislation, instead of projects for which “engineering work” begins on that date.

Legislative History

Assembly Bill 134 was introduced by Representative Gottlieb and others, cosponsored by Senator Plale and others, and was referred to the Assembly Committee on Transportation. On April 26, 2007, Representative Gottlieb offered Assembly Amendment 1 to the bill.

The Assembly Committee on Transportation recommended adoption of Assembly Amendment 1 by a vote of Ayes, 12; Noes, 0, and passage of Assembly Bill 134, as amended, by a vote of Ayes, 11; Noes 1.

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