WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO

2017 Assembly Bill 142	**Assembly Amendments 1 and 2**
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2017 ASSEMBLY BILL 142

2017 Assembly Bill 142 implements five legislative recommendations set forth in the Legislative Audit Bureau's January 2017 report evaluating the Department of Transportation's (DOT) management of the state highway program.

First, the bill clarifies the types of information that must be included in cost estimates for certain proposed major highway projects. Under current law, the Transportation Projects Commission (TPC) generally must approve major highway projects. Upon TPC's request, DOT must provide TPC with any studies and cost estimates with respect to a proposed major highway project. The bill specifies that when DOT provides a full project cost estimate to the TPC, the estimate must include: all costs associated with the project, including all costs before enumeration; design engineering and construction engineering costs; the costs of environmental studies; costs of the project that are paid by another DOT program; the expected date of completion; an estimate of the effects of construction cost inflation; and unexpected costs on the cost of the project.

Second, the bill requires additional information be included in DOT's semiannual report to the TPC. Under current law, DOT must report to the TPC every six months on the current status of each major highway project, including the actual and estimated project costs as of the date of the preparation of the report, itemized by major cost categories, on both a cumulative basis from the project's inception and on an updated basis for the period since the last six-month report. The bill requires that DOT's semiannual report to TPC include for each project the full project cost estimate as of the date of TPC's approval of the project. The bill specifies that the report must treat separately each project as described in the enumerating statute.

Third, the bill requires DOT to report annually to specified joint and standing legislative committees with the following information, treating each project separately as described in the enumerating statute:

- The full project cost estimate of the project as of the date of enumeration.

- The year in which DOT expects to complete the project as of the date of enumeration.

- The costs incurred as of the date of preparation of the report.

- The full project cost estimate of the project as of the date of preparation of the report.

- The year in which DOT expects to complete the project as of the date of preparation of the report.

- An explanation of any difference between the full project cost estimates as of the date of enumeration and as of the date of preparation of the report, if not addressed in a previous report.

- DOT's opinion as to whether the project will be completed as originally scheduled without the allocation of additional funds.

Fourth, the bill requires DOT to consider and document the results of the uniform cost-benefit analysis, required under current law for proposed engagements involving an estimate expenditure of more than $300,000, before determining whether to undertake a proposed engagement for engineering, consulting, surveying, or other specialized services.

Finally, the bill authorizes DOT to enter into contracts using a construction manager-general contractor (CMGC) method for highway improvement projects, as an exception to the general rule that highway improvement projects be executed by contract based on bids. Under the bill, the CMGC method would allow DOT to contract with a construction manager for the design and engineering phase of a project and, for the project's construction phase, DOT could either: (1) enter into a construction contract with the construction manager, based on a construction proposal that the construction manager must submit before the project design is 90 percent complete; or (2) award the construction contract pursuant to the process for contracts based on bids. The bill allows DOT to employ the CMGC method when DOT deems that method more feasible and advantageous, but limits the method's use to no more than three highway improvement projects prior to July 1, 2021.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 removes from the bill the requirement that DOT annually report to specified joint and standing legislative committees regarding ongoing costs of each major highway project. Instead, the amendment requires DOT to send its semiannual report not only to TPC but also to specified joint and standing legislative committees, and further requires that the semiannual report include the following information, in addition to that which is required under current law:

- The full project cost estimate of the project as of the date of approval or, if the project is enumerated, enumeration.

- The year in which DOT expects to complete the project as of the date of approval or, if the project is enumerated, enumeration.

- The full project cost estimate of the project as of the date of the preparation of the report.

- The year in which DOT expects to complete the project as of the date of preparation of the report.

- An explanation of any difference between the full project cost estimates as of the date of approval or enumeration and as of the date of preparation of the report, if not addressed in a previous report.

- DOT's opinion as to whether the project will be completed as originally scheduled without the allocation of additional funds.

ASSEMBLY AMENDMENT 2

Assembly Amendment 2 removes from the bill all sections related to the CMGC method for contracting highway improvement projects.

BILL HISTORY

Representative Ripp offered Assembly Amendments 1 and 2 on April 20, 2017. On April 25, 2017, the Assembly Committee on Transportation recommended adoption of Assembly Amendment 1 by a vote of Ayes, 14; Noes, 0; and recommended adoption of Assembly Amendment 2 by a vote of Ayes, 12; Noes, 2. On the same day, the committee recommended passage of the bill, as amended, by a vote of Ayes, 12; Noes, 2.

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