

**Alberta Darling**  
**Wisconsin State Senator**  
Co-Chair, Joint Committee on Finance

**TESTIMONY BEFORE THE SENATE COMMITTEE ON GOVERNMENT  
OPERATIONS, TECHNOLOGY, AND CONSUMER PROTECTION**

Thursday, December 7, 2017

Senate Bill 438

Thank you, Chairman Stroebel and committee members for holding a public hearing today on Senate Bill 438. This legislation ensures that Wisconsin companies producing traffic signage are able to bid on state projects in a fair and open process.

Under current law, if a state agency makes a purchase for which the estimated cost exceeds \$50,000, the purchase must go through a competitive bidding process. Current law also mandates that state agencies making purchases allow the Department of Corrections (DOC) the opportunity to provide the materials, supplies, equipment, or services if the department is able to do so for a price comparable to competitive bidding. Under this bill, any signage purchase greater than \$3,500 must be put out for a competitive bid.

The current procurement process gives special treatment to Badger State Industries (BSI), a program that utilizes prison labor within the DOC. This legislation will allow private industries to fairly compete with BSI for certain jobs or contracts dealing with the procurement of traffic signage.

The current process creates an unfair playing field for small businesses who are in the sign manufacturing business. This bill does not abolish BSI nor does this bill prohibit them from submitting a bid. This will provide private manufacturers a fair chance and the ability to compete against BSI for projects.

I want to thank Representative Knodl for his work on this bill as well as business owners from my district and throughout the state for bringing this issue to my attention. Thank you again committee members for holding a hearing today on SB 438.

I hope to have your support for SB 438.



---

# DAN KNODL

STATE REPRESENTATIVE • 24<sup>TH</sup> ASSEMBLY DISTRICT

## **Senate Bill 438**

Public Testimony

Senate Committee on Government Operations, Technology, and Consumer Protection

December 7, 2017

Thank you Chairman Stroebel and members of the committee for holding this hearing on Senate Bill 438.

This legislation ensures that Wisconsin companies producing traffic signage are able to bid on state contracts in a fair and open process.

The current procurement process as defined in state statute gives special treatment to Badger State Industries (BSI), a program that utilizes prison labor within the Department of Corrections. Before a job can be put out for competitive bid, BSI is given the opportunity to supply the materials or services “at a price that is comparable.” The types of materials and services provided by BSI are determined by a list given to the Department of Administration by the Department of Corrections. The way this statute is worded gives BSI the opportunity to win what amounts to a no-bid contract for the materials and services on that list.

SB 438 exempts certain contracts dealing with the procurement of traffic signage from this rule. Instead of BSI getting a significant and unfair advantage in the statutes, the bidding process would be open and fair. Under this bill, any signage purchase order greater than \$3,500 must be put out for a competitive bid.

While the work programs operating under Badger State Industries do provide positive and helpful training experience for prisoners once they complete their sentences, it should not come at a cost for Wisconsin businesses.

This is a common sense solution that allows the good work of Badger State Industries to continue while ensuring Wisconsin companies have the chance to compete fairly for state signage contracts.

**WISCONSIN STATE SENATE COMMITTEE ON GOVERNMENT  
OPERATIONS, TECHNOLOGY, & CONSUMER PROTECTION  
Public Hearing on Senate Bill 438  
December 7, 2017**

Good afternoon, my name is Andrew Bergholz. I am co-owner of Traffic & Parking Control Co., Inc. ("TAPCO"), a Wisconsin sign maker.

Mr. Chairman and Members of the Committee, thank you for hosting this hearing on Senate Bill 438 and giving me the opportunity to present testimony in support of the bill.

With me today are Greg Frank of Decker Supply and Al Borchardt of Rent-A-Flash, fellow Wisconsin sign manufacturers, who also strongly support for Senate Bill 438 and share my commitment to maintaining the strength and competitiveness of Wisconsin's sign-making industry.

I grew up playing baseball. The one thing I always appreciated about the game was its fundamental fairness. My teams didn't win every game we played, but we knew that each time we stepped on the field we had the opportunity to win. The outcome was not predetermined. The game was an open competition.

I am here in support of Senate Bill 438 because I believe in free and fair play and open competition. Under current law, Wisconsin sign makers can't even step on the field to compete with Badger State Industries on state signage contracts. Wisconsin Statute Section 16.75(3t)(c) prevents Wisconsin sign makers from bidding on sign contracts of less than \$50,000. This has an anti-competitive effect in the sign industry because the vast majority of state sign contracts are less than \$50,000. As a result, Wisconsin Statute Section 16.75(3t)(c) virtually eliminates private sector competition for state signage contracts.

Also, Senate Bill 438 does not completely eliminate no-bid contracts for smaller, one-off type purchases. Instead, it sets the threshold at \$3,500. We recognize that efficiency is more important than open competition for smaller, one-off purchases and \$3,500 is a sensible threshold that appropriately balances the costs and benefits of efficiency and competition.

Free competition and fair play – that is all we are seeking. The Wisconsin Administrative Code plainly states that the purpose of prison labor is "to provide products and services which **do not unfairly compete with Wisconsin-based manufacturers...**" Eliminating our ability to bid on the vast majority of state signage contracts allows Badger State Industries to unfairly compete with Wisconsin sign makers.

We do not want the law to favor any sign maker, public or private, over any other. Instead, we support Senate Bill 438 because it levels the playing field and gives every sign maker the ability to bid on state signage contracts. Whether my company or any other Wisconsin sign maker wins or loses a bid is beside the point: we simply want the law to ensure that the competition is open and fair.

The bottom line is that mandating Wisconsin state agencies to purchase signage from Badger State Industries unfairly competes with Wisconsin sign makers.

The legislative changes in Senate Bill 438 are not radical. They do not put any one of us in a better position than Badger State Industries. Senate Bill 438 simply ensures that the competition for state signage contracts is free, fair, and open. For these reasons, I ask for you to support Senate Bill 438.

Thank you for your consideration in this matter.

Decker Supply Co., Inc.  
Rent-A-Flash of Wisconsin, Inc.  
Traffic & Parking Control Co., Inc.

October 19, 2017

The Honorable DUEY Stroebel, Chair  
Senate Committee on Government Operations Technology and Consumer Protection  
P.O. Box 7882  
Madison, 53707-7882

Dear Senator Stroebel:

We write to you today in support of Senate Bill 438 (SB 438), which was recently referred to the Assembly Committee on Government Accountability and Oversight.

SB 438 works to address the mandate that Wisconsin state agencies purchase all signage on contracts of less than \$50,000 from Badger State Industries. The statutory mandate has a disproportionate effect on Wisconsin sign manufacturers because the vast majority of signage contracts are more than \$3,500 but less than \$50,000. Although ours is a small industry, the mandate's impact on us is huge.

Prison industry programs like Badger State Industries are laudable in their intent to teach prisoners useful skills, foster rehabilitation, and minimize idleness. However, prison industry programs have never been intended to provide such services to prisoners at the expense of private sector competition. Currently, Wis. Stat. §16.75(3t)(c) is doing just that: Wisconsin sign manufacturers cannot even bid on state contracts of less than \$50,000.

We are not asking you to change the law to favor any sign manufacturer over any other. Instead, we are simply asking you to amend Wis. Stat. §16.75(3t)(c) so that any sign manufacturer who wishes to bid on sign contracts in excess of \$3,500 with the State of Wisconsin has an equal opportunity to do so. Whether any one of us ultimately wins or loses a particular bid is not the point. Having an equal opportunity to make the bid is.

The genius of the free market is that it expresses no preference and exhibits no favoritism. Instead, the free market chooses the lowest cost alternative capable of fulfilling the specific need. The Wisconsin Administrative Code acknowledges this, noting that the purpose of Badger State Industries is to:

provide products and services which do not unfairly compete with Wisconsin-based manufacturers and service providers.

Forcing Wisconsin state agencies to purchase signage from Badger State Industries provides a product that unfairly competes with Wisconsin-based sign manufacturers. Again, we all may lose competitive bids to Badger State Industries, but until we are given the chance to bid, the competition will be inherently unfair.

The legislative changes in SB 438 are not radical. They do not put any one of us in a better position than Badger State Industries. Instead, our proposal levels the playing field for all Wisconsin sign manufacturers, because we all win when everyone has an equal opportunity to lose.

Sincerely,

*KEITH DECKER*  
*Greg Frank*

Decker Supply Co., Inc.  
Keith Decker, Greg Frank

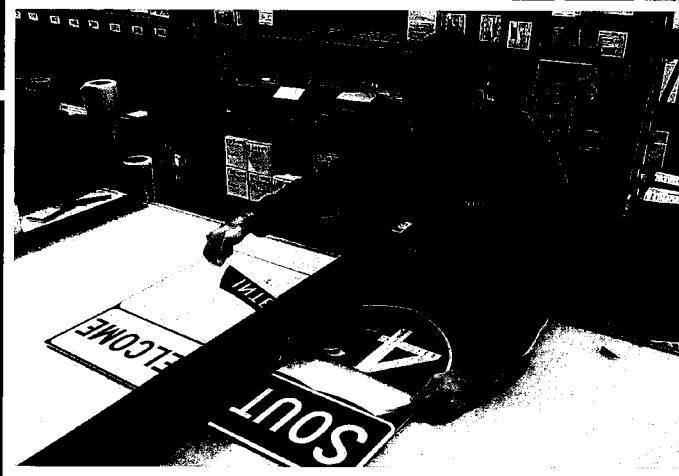
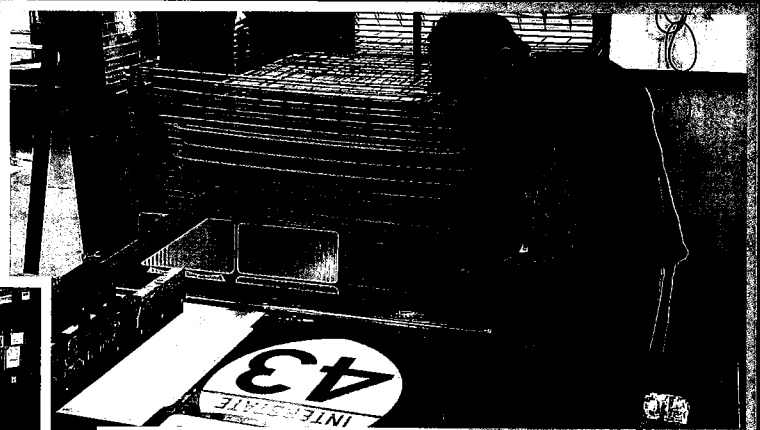
*Al Borchardt*

Rent-A-Flash  
Al Borchardt

*Andrew Bergholz*

TAPCO  
Andrew Bergholz

**TAPCO**  
Safe travels.



**EXCHANGE ZONE**

Craigslist  
 eBay  
 Newspaper ads  
 Social media sites

This area has been designated for conducting private property transactions.

Please Note: Village of Brown does not warrant or endorse any collection agency, do not give legal advice and will not accept any liability related to any transaction. The Village of Brown does not warrant or endorse any collection agency, do not give legal advice and will not accept any liability related to any transaction. The Village of Brown does not warrant or endorse any collection agency, do not give legal advice and will not accept any liability related to any transaction.

If a police response is needed  
Call 911 (emergency) or  
(414) 351-9900 (non-emergency)

24 Hour Video Surveillance

Something Special  
from  
**Wisconsin**

# **DECKER** SUPPLY CO., INC.

---

December 7th, 2017

Senate Committee Members,

Thank you for taking time to review Senate Bill 438(SB 438). I write this letter to express my support for SB 438. Wisconsin Statute 16.75(3t)(c) is having a negative effect on Wisconsin sign manufacturers. Along with the prison system's allowance to match the low bid, it has created an uneven playing field. The changes proposed in SB 438 aims at creating an equal opportunity for all Wisconsin sign manufacturers.

The benefit of competitive bidding is to assure our government is paying the least amount for a good or service. Currently, there is not a clear way of knowing if the state is getting the best value for every dollar spent. In the 20 plus years I have been with Decker Supply Company, I have never seen a bid for aluminum traffic signs. Making this minor change can go a long way in correcting this.

Under the open records law, I have obtained a spreadsheet showing the amount of signs per square foot and the prices paid per square foot by the DOT to Badger State Industries over the past 4 years. On average, the DOT has spent over \$1.2 million dollars per year with Badger State Industries since 2014. I believe if any of Wisconsin's state sign manufacturers were to win that work, it would have a positive impact on employment growth and expansion in our local communities. I also believe that if a competitive bid were to be issued, the DOT would see a savings. Some with the DOT have estimated a savings of more than \$100,000 per year.

I again thank you for taking time to consider Senate Bill 438. I feel strongly that passage of this bill can help to create a level playing field for all Wisconsin sign manufacturers.

Sincerely,



Greg Frank  
Decker Supply Company