



## SAMPLE BOARD RESOLUTION ON COMPETITIVE BIDDING

**Whereas** Wisconsin has 422 school districts, each with unique facilities needs and access to construction professionals and expertise; and

**Whereas** local control and local board governance has served school districts well with regard to most aspects of school operations, including decision-making regarding school construction; and

**Whereas**, school construction projects have inherent timing constraints that other local government construction projects may not have, it makes sense to differentiate between the two types of projects. Much of the work on school district projects must be scheduled and completed during the period between mid-June and the end of August to minimize disruptions and avoid exposing children to inherent hazards involved with construction (such as dust, noise, trucks and other heavy equipment, cranes lifting heavy objects overhead, etc.); and

**Whereas** competitive bidding takes longer because of built-in statutory schedules for advertising and submitting bids, for determining which potential bidders are qualified to bid, and for opening the sealed bids it is more likely to cause delays in the start of work on school construction projects; and

**Whereas** under competitive bidding all bidders must submit their bids based on a complete set of plans and specifications, it is not possible to begin the selection process or even advertise for bids, let alone start work on a project, before all the design work—i.e., a completed set of plans and specs—is finished, this may cause work on school construction projects not to be completed within the narrow summer construction window; and

**Whereas** despite the potential for delay, many, and perhaps most, Wisconsin school boards **already voluntarily** use competitive bidding for school construction projects, even though they are not currently statutorily required to do so; and

**Whereas** these school boards, as a matter of local control, have adopted a board policy to use competitive bidding, and voluntarily follow state procedures under which they advertise for bids and they award construction contracts on the basis of competitive, sealed bids to the lowest responsible bidder; and

**Whereas** many other school boards and districts that also value local control find current law, which does not require the use of competitive sealed bidding, gives them valuable flexibility to negotiate with their contractors and to utilize alternative project delivery methods that provide many advantages to their districts while still providing value to their taxpayers; and

**Whereas** under current law, districts that have longstanding relationships with local construction contractors can use the flexibility they enjoy under current law to work with those contractors to negotiate good deals that keep dollars in the community and result in the hiring of parents whose children attend the district's schools; and

**Whereas**, at the Assembly hearing on the bill to require the use of competitive bidding for school construction projects, school officials from one Wisconsin district testified how this process has worked extraordinarily well for them, noting among other things that:

- School districts have found value in working with local contractors. Local, hometown contractors have strong incentives to do quality work on these jobs provide better customer service. Not only are their reputations on the line, so is their civic and community pride. They want to do a good job. Not only are less likely to ask for extra charges, they often donate labor or materials. In effect, they often “over-perform” the contract. And unlike the situation with an out of town contractor who might lowball a bid to pick up a one-time job, if a problem should arise, it isn't hard to get a local contractor to come back into the building to resolve it; and
- Having the flexibility to utilize local contractors results in positive public relations for both the district and the contractors. Often, these local contractors partner with their schools to offer youth apprenticeship opportunities for students and are involved with classes and programs that extend learning beyond the four walls of the school building and get students interested in jobs in the construction trades and provide opportunities for those students to succeed beyond high school; and

**Whereas** current law lets school districts that haven't voluntarily adopted competitive bidding requirements use project delivery models like Design-Build in cases where the complexities and schedule of the particular project require it to be completed faster. Under Design-Build the school district negotiates a construction contract rather than obtaining competitive bids and a single firm is responsible for both the design and construction of the project or facility. This often shortens the time to project completion be due, in part, to a single firm's total control of the project, and enables the school district to more easily complete projects within the narrow summertime window when students are not present; and

**Whereas** bidding requirements not only lengthen the procurement process as more detailed plans and specifications must be finalized before bids can be let and the process of advertising for bids itself takes several weeks, the biggest impact of requiring competitive bidding for school projects might very well fall on relatively smaller (less expensive) projects and projects

that must be completed quickly. Because the amount it costs a school district (in publication and personnel costs) to bid out a smaller project could easily be greater than the savings a district would receive from selecting the lowest competitive bid, it may often cost a school district more to go to bid on a small dollar contract than to negotiate that project; and

**Whereas** school boards such as the \_\_\_\_\_ school board value the flexibility currently given to locally elected school boards to engage design professionals and other consultants to help the district determine how to provide the best value and the lowest cost as well as the flexibility to negotiate with local contractors, which often creates a “win-win” scenario for their communities and their taxpayers; and

**Whereas** school boards may already utilize competitive bidding on a voluntary basis when awarding construction contracts, bills such as Senate Bill 236 and Assembly Bill 307 confer no new authority on school boards that they don’t already have. Instead, those bills, as currently written, will unnecessarily restrict school boards that have not voluntarily adopted competitive bidding policies by taking away flexibility they currently use to generate taxpayer value in the ways described above;

**Therefore,** the \_\_\_\_\_ School Board urges the Wisconsin Legislature to remove from Senate Bill 326 and Assembly Bill 307 the provisions that would subject schools to a statutory requirement to utilize competitive, sealed bidding processes for school construction projects.