

TO: Senator Feyen and Members of the Senate Committee on Economic Development, Commerce and Local Government

FROM: Randy Guttenberg, Superintendent
Waunakee Community School District

Julie Waner, Vice-President
Waunakee Community School District -- Board of Education

RE: Testimony on Senate Bill 236

DATE: October 3, 2017

Good morning. Thank you for providing the opportunity for us to share our perspective on Senate Bill 236 related to the competitive bidding of construction projects by Wisconsin Public School Districts. My name is Randy Guttenberg, Superintendent for the Waunakee Community School District, and joining me today is Julie Waner, Waunakee resident and Vice-President of the Waunakee Community School District Board of Education. We are here today to share our concerns with this proposed legislation.

Waunakee is located ten miles north of Madison and is a rapidly growing community. We serve 4,300 students in our school district and are growing by about 2% annually. As a result of our student growth we have been and will continue to face the need to remodel, add-on, and build new school facilities. As we make decisions about future building projects, we value the ability to utilize various delivery models to provide a high quality product in a cost effective manner, while supporting our local community and businesses.

Most recently in 2014 we passed a \$44.8M referendum that included a new 155,000 square foot energy efficient school for our 5th and 6th grade students. The projects associated

with this referendum came in under budget, and through careful collaboration of our team, we were able to reallocate nearly \$1M to additional work that directly benefited our students, and provided evidence to our community that we were good stewards of their funds. This project included many facets that were competitively bid, but we also capitalized on a Design Assist Approach with companies such as North American Mechanical for our HVAC needs and Westphal Electric for our electrical and data lines. These companies were selected based on an interview and proposal process with our school board, and by including them early on in the process as part of the design team, we were able to be responsive in the design phase to build in efficiencies and cost savings. Under the proposed legislation, we do not believe the process we used for NAMI and Westphal would be allowed, which eliminates the ability to seek out efficiencies on the design end, potentially yielding more change orders and additional cost.

We also built in a geographical preference to work with Endres Manufacturing for steel fabrication, Badgerland Erectors for installation, and Mobile Glass to provide many of our windows. These three companies are located within the boundaries of our school district and our community and school board has placed a value on keeping work with local businesses, as much as possible. Under the proposed changes to this law, geographic preference is not an allowable bidding practice.

These partnerships are valuable to us as is evidenced by over 10-years of history and energy saving experience with NAMI, the ability to support a literal neighbor business, Endres Manufacturing and Badgerland Erectors, the value of high quality services attained at UW-service rates with Westphal Electric, and our ability to work with a local supplier of windows, Mobile Glass.

These companies provide high quality service, take pride and responsibility in working with the local school district, and provide competitive prices. We bid these services periodically to ensure that we are remaining competitive and responsible for the funds our community trust to us. Additionally, we have confidence built through a legacy of consistent follow through to overcome unforeseen challenges with many local vendors.

We believe that a hard, sealed bid process that requires the low bidder be granted the work, limits our ability to develop longer term partnerships, removes the ability to bring key contractors to the table during the design phase, and works contrary to individual community values. There are real costs when companies need to play “catch up” on the background of past projects, to understand our vision, our community values, and the continuity of services we expect in our projects.

This continuity is particularly important on system-wide initiatives such as when we upgrade and replace infrastructure for our camera and door entry systems. We want to work with one provider for all of our schools, but these projects are often upgraded and installed in phases over time at individual schools, often resulting in multiple bidding processes. Under the provisions of this bill, different vendors could win the work based solely on low bid for each school project. Using multiple vendors is not the most efficient or cost effective way to manage district wide systems. This pattern is also true when working with HVAC and electrical infrastructures.

As school board members, we place great value in the power of local control for managing our taxpayer funds. We work closely with our administration to seek the best value,

bid projects per our policies to ensure competitive pricing, and we are a community that expects excellence in our work. We also value our local businesses, and have a policy that encourages us to provide preference to local taxpaying business partners. We believe that the bidding process as proposed in this legislation, particularly related to geographic area, could hurt local collaboration by favoring an outside entity that drops their price just to get our business. The bottom line is not always the best indicator of quality or the only indicator that we as a school board look for when working to provide the type of outcomes our community expects.

We value the confidence we have established with our partners, and our community appreciates the synergy created by supporting local entities whenever possible. We understand the desire to ensure that taxpayer funds are used responsibly. Waunakee is a very fiscally conservative community, and as school board members, we apply our diverse backgrounds to advocate for securing the best value and competitive costs.

But, we believe that Senate Bill 236 will undermine a process that has worked very well for Waunakee. We stand to advocate for the ability to bid when necessary per our district policies, select local businesses when we feel they bring the best value, and to build continuity that leverages planning with trusted business partners to ensure cost efficiencies.

Thank you for your service to our State and thank you for considering our perspective.