



## 1.1 REAL ESTATE COST ESTIMATING

During the development process by Planning or Project Development Section (PDS), cost estimates for the acquisition of rights of way are required for project planning purposes and to encumber adequate funds. These cost estimates are prepared by/or developed in consultation with appropriate staff from WisDOT's regional Real Estate offices, or by R/W consultants. At minimum, there are five Real Estate estimates developed during various levels of a major project process. Regions may determine or be asked to make additional or more frequent estimates when warranted. The five main phases are (in order listed):

- Level 1: Program estimate
- Level 2: Base estimate
- Level 3: Build-out estimate
- Level 4: Not to exceed estimate
- Level 5: Project cost allocation - encumbrance

Estimates are central to establishing the basis for key project decisions, for establishing the metrics against which project success will be measured and for communicating the status of a project at any point. Logical and reasonable cost estimates are necessary in maintaining public confidence and trust throughout the life of a project. For this guidance, a major project is defined as a project having a total cost of more than \$5 million, and one of the following:

- Addition of lanes for 5 miles or more
- Construction of a new highway for 2.5 miles or more
- Conversion of an expressway to a freeway for 10 miles or more

The total program cost estimate includes: construction, engineering, acquisition of right of way, and related costs. This guide is for the purpose of estimating costs for Real Estate on major projects, but may also be applied to other types of projects. Major projects are usually more complex and contain more risk elements than other projects. Careful attention must be provided when preparing cost estimates for major projects. Traditional estimating methods may not be appropriate in all cases. This guide is intended to assist Wisconsin Department of Transportation, the FHWA, and other sponsoring agencies with ensuring that all Real Estate cost estimates are prepared using sound practices that result in logical and realistic initial estimated costs of the projects, providing a more stable cost estimate throughout the project.

### 1.1.1 Definitions

4F properties – Publicly owned parks, recreation areas, trails, wildlife/waterfowl refuges, and historic or archeological properties. Properties with multiple-use (such as state natural areas which are open to all types of recreation, including hunting) are not 4F properties.

Compensation can be by: replacement; enhancement to the remainder of the subject property; or, compensation without replacement. Equal value to subject property must be considered first, with minimal amount of replacement acreage/square feet equal or greater than the subject property (unless enhancement to the remainder of the subject is chosen).

6F properties – Those acquired or improved (in whole or part) using funds from the Land and Water Conservation Fund Act (LAWCON), Dingell-Johnson, or Pittman-Robertson. These are generally on DNR owned lands, but can also include parks and trails. Equal value to the subject property must be considered first, with minimal amount of replacement acreage/square feet equal or greater than the subject property.

Committed contingency – These contingencies primarily address uncertainty of the total scope of specific elements of work and variability in exact cost of the work. For Real Estate, these are costs that will be incurred, but because of early stages of design and lack of specific R/W information, the estimate cannot totally predict final cost impact to the project. Examples include litigation and administrative increases to appraised values (administrative revisions).

Corridor – A geographic alignment alternative within project study area (typically about 600' wide).

Corridor width – Width of corridor that project must be constructed within (typically about 600').

Project limits – Beginning and end points of each identified corridor.

Project specific wetland mitigation site – In the case of project specific mitigation replacement, the environmental document should be reviewed for the need of a site. Mitigation for the loss of wetland within the project limits starts with on-site and near site replacement. If there aren't any available, then mitigation from a wetland bank will be used to replace the loss. The Real Estate specialist must contact the environmental coordinator and/or project manager to identify an acceptable mitigation site.

Route (design) width – Smaller than corridor width, it is the anticipated area inside the corridor width needed to accommodate actual slope and R/W limits (typically up to about 300').

Statewide wetland mitigation bank sites – Mitigation bank sites for wetlands only (not 4F or 6F) will be established for WisDOT in different areas of the state. A WisDOT environmental services and engineering team should be established to assist in site selection, feasibility and the development of plans and specifications for compensation. It should be noted that bank sites are stand-alone projects when they are built. There is a charge back to the construction project ID for using a bank site.

Study area – A broad area encompassing multiple corridor alignments.

Uncommitted contingency – These contingencies are not tied to any specific element of work, but provide a funding resource to address corridor changes in scope or schedule resulting from unknown, unanticipated risks. An example might include new residential or commercial developments along the corridor that were unexpected and could not be anticipated in the highest and best use analysis during the estimation process.

## 1.1.2 General Information

All estimates in this procedure reflect current value with consideration for possible change in highest and best use. The Bureau of State Highway Programs (BSHP) will later add appreciation to the values to help forecast future estimated R/W costs as of the date of the real estate acquisition. Appreciation values will be provided by Real Estate. Such time adjustments

will be based on market-derived appreciation rates taken from local assessors, Department of Revenue (DOR) information, historical data derived from previous projects, etc.

### 1.1.3 Reporting

The report will identify data available at the time of the estimate and the assumptions upon which the estimate was based. These values will be allocated separately on the report that will be provided to Planning and BSHP:

- Land valuation (step 4)
- Mitigation values (step 5)
- Improvement and relocation costs (step 6)
- Site clearance (step 7)
- Contingencies (step 8)
- Delivery costs (step 9)

### 1.1.4 Comparison to Similar, Historical Projects

Once estimates are developed, regions should look for similar, historical major projects for comparison. This would serve as a litmus test. If estimated costs are significantly different than historical projects final expenditures, after taking into consideration appreciation, further scrutiny of estimation logic and calculations may be warranted.

### 1.1.5 Appreciation Factor

Regions should note counties and cities that fall within the various corridor alternatives. This information will be used at a later date to aid the Bureau of Technical Services-Real Estate (BTS-RE) in providing suggested appreciation values to BSHP when requested to help adjust estimates for inflationary purposes.

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#### Level 1: Program Estimate

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The program estimate occurs very early in the process, near the time of the Concept Definition Report. It is assumed that design has not yet started. Planning, with input from the regional Real Estate office, will coordinate estimates at this early stage. To determine the appropriate, contributory real estate values, the regional Real Estate section will use ratio comparisons of similar, past project costs. Projects should be categorized as rural, urban or mega projects to ensure that comparisons are similar in project type. A percentage factor will be provided to Planning, who will apply it to the overall construction estimate.

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#### Level 2: Base Estimate

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The base estimate occurs prior to completion of the draft Environmental Impact Statement. It is assumed that design will be at less than 30 percent. The final corridor has not yet been chosen. The base estimate includes estimates of land, improvement, relocation and site clearance costs plus committed contingencies for each corridor alternative. An analysis of Department of Revenue (DOR) and multiple listing services (MLS) information is utilized to determine per acre land values. Local assessments are used for improvement values. Because the exact

alignment within the wide corridor widths is unknown at this stage, all improvements within the corridor widths are assumed to be total acquisitions. Information needed:

- Design of 0 to 30 percent
- Anticipated start date, if known
- Identification of corridor alternatives, and the:
  - Corridor width (assume 600' if no width is specified)
  - Project limits (length of each corridor)
  - Route width (assume 300' if no width is specified)
- Aerial photos
- Current and future county land use mapping
- Ortho photos
- Street maps
- Tax maps
- Information from draft environmental impact statement (DEIS) and agricultural impact statement (AIS):
  - Breakdown percentage of various types of land required
  - Impacted buildings/improvements
  - Number and type of improved properties
  - Zoning information
- Anticipated number of acres needed to replace wetlands taken within corridor limits based on appropriate ratio (provided by regional environmental coordinator)
- Anticipated number of acres needed to replace 4F or 6F lands
- Any available access control or access management information (i.e., state access management plan (SAMP), prior access controls identified in HAMS falling within corridor limits, etc.).

Step 1 – List assumptions. As a part of each estimate level, regions should list all assumptions they are using in developing their numbers. For example, at this level, Real Estate will assume that all improved properties within the corridor will be total acquisitions and will be eligible for maximum relocations benefits. We are also assuming that there will be no significant change in the scope of the project or the timeline for construction that was provided to Real Estate.

Step 2 – Determine land type. For the base estimate, available information will include the project limits and route widths for each corridor alternative in the project study area. Mapping of the corridors for each alternative are to be supplied by Planning along with other project information. This mapping information should be able to be overlaid on available aerial and ortho photos to help in the identification of not only impacted buildings, but if the vacant land within the corridor alternatives are fields, forest or developed. A map showing the corridor alternative laid over current and future county land use maps should be developed and provided by Planning to the Real Estate unit or Real Estate consultant developing the base estimate. Using available software (i.e., GIS and/or Microsoft station), with the assistance of the Planning project manager and/or GIS coordinators, Real Estate shall develop estimates for agriculture, residential and commercial percentages and/or acreages for the areas lying within the route width. Factors that should be considered when determining land type percentages include changes between current and future land use, discussions between WisDOT Planning and municipal zoning/planning units, and local real estate development information. GIS is software that links data to spatial data (i.e., mapping) and vice versa to enable the user to query data by identifying location or location by identifying data sets. Use of GIS can be helpful in the estimating processes. As an example, county GIS can be obtained and used for identifying

assessment and/or fair market value. Linked to the GIS mapping, GIS users can overlay project corridor mapping over the county GIS mapping and query county tax parcel information for each tax parcel that touches each project corridor. This data can be imported into Microsoft Access or Excel formats for future analysis. One such analysis could be the total improvement assessment of all tax parcels touching the corridor area. Estimators should work with the regional GIS coordinator to determine what county GIS information has been or could be obtained. Then, working with the GIS coordinator, identify county data and mapping that can reduce time in gathering needed information such as tax assessments and county zoning information within our project corridors. The width used should be the route width rather than the corridor width. Typically, the assumed route width for the base estimate should be 300' unless there is justification for using a different width. Total acres for each corridor alternative are estimated by multiplying route width times the length of the project limits for each. Real Estate should discuss project needs and concepts with the Planning manager. This could include a field review of each corridor alternative with the Planning manager or viewing the corridor alternatives using DOTView when alternatives are along existing alignments.

Step 3 – Analyze highest and best use. Highest and best use traditionally has been defined as that use which is most likely to produce the greatest net return. To try to establish as accurate an estimate as possible, the estimator should determine the highest and best use of lands within the corridor. To better define highest and best use, it is important to realize that there are four tests that the property must meet to illustrate highest and best use. The use must be legally permissible, physically possible, financially feasible and maximally profitable. See Chapter 2/sub-section 2.8.1 of Real Estate Program Manual for more guidance. The accuracy of determining highest and best use on a project depends on the mapping detail given to the estimator at the time of the base estimate. Here are some tools to help determine the appropriate property types to use in Step 4 below:

- Comprehensive land use plans (smart growth plans).
- County and municipal web sites.
- Discussions with county/municipal planning and zoning departments regarding potential transitional land areas within the alternatives.
- Mapping showing differences between current land use and future land use.

Look for differences between current land use and future land use mapping to identify potential transitional areas where a higher land value or different highest and best use may be needed for the base estimate. If time and resources permit, discuss potential transitional land area within the alternatives with county/municipal planning and zoning departments.

Step 4 – Calculate land valuation by type. Develop value estimates for each vacant land type. Note: We recommended that land valuations be more dependent on Department of Revenue (DOR) and local MLS information if available, than equalized fair market assessment values. Real Estate offices receive DOR real estate sales data updated quarterly. This data can be queried by municipality, vacant or improved, sale date, land type and size. Reports for each sale and summary of all sales within the query are available through the information system. Similar sale data queries and reports are also available through local MLS systems. Most offices have access to these MLS services. No need to perform individual sales verifications at the base estimate. Reviewing assessment land values from county tax and municipal assessor information is another resource for vacant land values. Use the equalized fair market values from the assessment information. Different yearly, equalized value percentages are applied to the assessed values to determine the equalized fair market values for each municipality.

Caution: Agricultural assessments are currently based on an agricultural use formula. Assessed agricultural land values should NOT be used to determine vacant agricultural land values. Wetland acreage being acquired within each corridor is also included in this step. It is valued as and included with the agricultural land values unless there is zoning information that would imply a more appropriate property type. Review the AIS and DEIS and seek information from the region's environmental coordinator for an estimate of wetland acres being impacted. For the purpose of this estimate, 4F and 6F land values (for those lands acquired within the route width) should be included in Step 3 under a specific land type (rather than a separate calculated land type). See the definition of 4F and 6F properties found on page 2 for a better understanding of how such lands are handled. Analyze DOR, MLS and assessment sales/value data to develop a range of vacant land values for each land type. Use the highest range values for each property type. Multiply the vacant land values by the acreage of each property type to determine the estimated land within each corridor alternative. All property type subtotals will be added to determine the total, estimated vacant land value for each corridor alternative.

Step 5 – Calculate mitigation replacement values (wetland, 4F, and 6F). Reminder: This step is for the mandatory mitigation of lands that fall within the wetland, 4F or 6F mitigation requirements. Mitigation means those additional lands that need to be acquired to replace those taken for each corridor alternative. (Note that 4F lands may not necessarily have to be replaced; region needs to make that determination). The value associated with the acquisition of lands taken from within each corridor alternative is included in Step 4 above. Mitigation acreage for additional lands purchased to replace those that were affected within the corridor limits should be calculated and valued separately. For wetland mitigation, ask the Planning or Environmental Section for replacement ratios to determine total additional acreages needed for wetland replacement. In 4F or 6F project specific mitigation replacement, the environmental document should be reviewed for need of a site. The Real Estate specialist must contact the Environmental coordinator and/or project manager to identify potential mitigation sites. Refer to the definitions found within page 2 of this document and Chapter 2 of the Facilities Development Manual (FDM) for more guidance on how 4F and 6F lands must be handled. Note: Real Estate will attempt to acquire the replacement land through negotiations. The ability to acquire replacement sites may depend on a private landowner's willingness to sell or lease in perpetuity the land identified for a replacement site. The cost WisDOT pays to acquire these mitigation lands may exceed the actual market value established in Step 4 above.

Step 6 – Calculate relocation/improvement values. Using mapping provided by Planning, determine all of the structures in the corridor (600') width and assume that all improvements will be acquired. This would include improvements such as homes, businesses, outbuilding, on-premise signs, off-premise billboards, etc. By assuming that any improvements identified within the corridor width will be acquired and maximum relocation benefits will apply, it will help to offset any potential severance, proximity or access related damages that could occur should the properties not be acquired in their totality. Use the information from local municipal assessments to determine assessed value of each improvement. Note: For sign valuation, use the WisDOT Off-Premise Billboards Relocation Schedule to determine value. Determine relocation benefits for each home and/or business using the maximum payout for each category. Assume residential relocations are owners and not tenants. For example: The relocation cost for a home owned by the occupant would be \$25,000 for a relocation housing payment; \$2,500 for moving expenses; \$2,500 for closing cost; etc. Caution: Complex business or manufacture relocations can include substantial move costs that may need to be considered. For residences, use the maximum limit for replacement payment and standard resident move

and finance relocation costs. Business and farm move costs have no maximums. Regions should use historical information to help estimate these move costs.

Step 7 – Calculate site clearance costs. Site clearance estimates must be completed to determine the cost of removing all improvements, filling vacated foundations, selling structures, capping wells, capping water/sewer mains, disconnection of power, etc. Consult with the regional Real Estate property manager.

Step 8 – Determine percent of potential committed contingency costs. To assist the regions, guidelines have been established based on expenditures from similar, historical major projects. Regions may use their discretion and are encouraged to vary from these guidelines, when the project being estimated seems to have unique issues or challenges. Regions should determine add-on percentages for the following contingencies:

- Administrative Revision increases
- Litigation expenses

Step 9 – Determine percent of anticipated delivery costs. Delivery calculations should include in-house staffing costs and consultant costs. Tools to be used may include the Real Estate Staffing Matrix, activity code charging reports and financial information for Object Code 5506 (Real Estate consultant costs) on historical projects.

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### Level 3: Build-Out Estimate

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At the build-out estimate, the previous base estimate is refined to provide an accurate Real Estate number to Planning prior to the completion of the Final Environmental Impact Statement. It is assumed that design will be at 30 to 60 percent. Note: The percent of design complete has a direct impact on the ability for Real Estate to develop an accurate estimate. The preferred corridor has been selected and parcels have been identified making it possible to estimate the approximate per parcel acreages needed for acquisition. Preferably, slope intercepts have also been identified. In addition to the committed contingencies included as part of the base estimate, the build-out estimate will also include uncommitted contingencies. Tax assessments are still used to determine improvement values. Land values are based on actual market data. Estimators should have a fairly accurate idea of which improvements within the selected corridor will actually be impacted. Information needed:

- All information already provided at the base estimate
- Identification of the preferred alternate
- A 30 to 60 percent design, at minimum
- Approved EIS or EA that includes Conceptual Stage Relocation Plan
- Preliminary plan showing all improvements acquired for project
- Rough per parcel acreage estimate
- Identification of slope lines, if possible
- New information on potential access control methods relating to project
- Updated information relating to wetland, 4F and 6F mitigation

Step 1 – List assumptions. The estimator should add any other assumptions that would be applicable to the particular project estimate. Below is a list of possible standard assumptions that a region may include in its build-out estimate:

- Real Estate assumes, at a minimum, above information will be available. If any information is missing, assumption should explain impact it might have on estimate.
- No significant change in scope of project.
- No significant change in project timeline.
- Estimate is in today's dollars, but highest and best use analysis is based on assumed acquisition start date of \_\_\_\_\_.
- Identify your level of confidence or reliability in estimate (high, medium or low) with rationale for opinion.

Step 2 – Determine land type. At the build-out estimate, slope intercepts should now be identified for the selected corridor and affected parcels are known. Note: Make sure that design has also identified any parcels that will need to be acquired for detention/retention ponds. Estimators should now determine land types on a parcel by parcel basis.

Step 3 – Analyze highest and best use. Revisit the highest and best use analysis used for the base estimate assumptions. Use that analysis for doing a parcel by parcel highest and best use determination.

Step 4 – Calculate land valuation by type. Now that parcels are determined and slope intercepts are identified, estimators should recalculate the land type values using actual market data. Tools may include MLS listings and sold data, Department of Revenue information or local realtor knowledge. Regions may also want to consider consulting out for a market analysis. Ranges of value should be established for each land type. Equalized values from tax assessments will still be used to determine improvement values, but at this level, design should be far enough along to know which improvements may actually fall within the R/W limits.

Step 4a – Calculate other potential damages (severance, change of grade, access). The estimator must consider other damages to determine if they cause any reduction in value to parcels being impacted by the project. The best method to fully understand these impacts from the project would be to drive the project with the engineer.

1. Proximity of the right of way to the improvements. The closer the right of way is to an improvement, the higher potential for damages.
2. Change of grade. An elevated roadway could have major impacts to improvement adjacent to the new roadway. Depending on height of the roadway, obstruction of view and change to the grade of a driveway; the estimator must consider if there is loss in value to the property.
3. Circuity of travel. If the new roadway project prevents a property owner from accessing their entire property, there is a loss in value or if flow of traffic within the parcel is affected. Example: Large dairy farms can no longer function because operator can no longer move livestock from the milking parlor to the holding pens. This would be considered loss due to circuity of travel. Another would be a factory's ability to move inventory from the manufacturing floor to the warehouse because a new highway split the property into two parcels.
4. Triangulation of property. This type of damage normally happens to an agriculture field preventing an operator from utilizing the full property. An example would be a rectangular field that is bisected by a new roadway. The remaining two parcels become triangular in shape preventing the operator from full use because the agriculture equipment will no longer function in this type of field.
5. Access control.

Step 5 – Calculate mitigation replacement values (wetland, 4F, and 6F). At the build-out estimate, mitigation sites will most likely have been identified. Confirm the type and acreage of lands needed for these identified sites. Remember the property type of a replacement site could be different than the property type of the identified mitigation site. Use the land values established from the new market data developed in Step 4 above as the base.

Step 6 – Calculate relocation/improvement values. Even if slope limits have not yet been defined, estimators should have a good determination of which improvements will actually be taken. Note: As part of the Conceptual Stage Relocation Plan, relocation specialists have already driven the corridor to determine if residences are single family, multi-family, business, etc. Remember that relocation plans don't include landlords in their relocation count. Equalized values may be used for the impacted improvements, but those values must be verified by comparing them to recent market sales or listings (from MLS and DOR information) and changed if appropriate. Use maximum relocation benefits and moving cost assumptions for the improvements that are expected to be acquired. Analyze property tax listing records to verify ownership and occupancy. For example, if the property owner lives at the same address as the parcel address, assume "owner." If a post office box is listed as the address, assume "owner." If a different address than the parcel address, assume "tenant." Estimators should drive the selected corridor to determine potential off-premise sign relocations or acquisitions. Or, at a minimum, the estimator should talk to the regional sign coordinator or other regional resource to determine potential impacts to such signs. At this point, BTS-RE is recommending that we still use the Sign Schedule to determine cost based on moving.

Step 7 – Calculate site clearance costs. Check with the regional Real Estate property manager to determine if the site clearance costs developed in the base estimate need to be refined.

Step 8 – Determine percent of potential committed and uncommitted contingency costs. Review previous committed contingency percentages used at the base estimate. Refine accordingly based on the new data given to us. In addition, a comprehensive risk assessment should be done to consider any additional uncommitted contingencies, such as unexpected land developments that weren't considered as part of the highest and best use analysis. Important: The division will apply a 5% uncommitted contingency rate against the entire project cost estimate (includes: Design, Real Estate, Construction, etc.). The region must look at any potential, unexpected real estate issues that may not have been addressed in any other part of the estimating process and where the impact of those issues could result in costs exceeding the 5% factor being applied. Those impacts should be brought to the attention of your Planning Section to allow consideration of whether that 5% factor should be adjusted upward.

Step 9 – Determine percent of anticipated delivery costs. Review the contingency percentage used for delivery costs at base estimate. Refine accordingly based on the new data given to us.

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#### Level 4: Not to Exceed Estimate

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At the not to exceed estimate, accuracy of the Real Estate estimate is critical. The division will be expected to work within the identified total project cost estimated. If unexpected costs occur that would exceed the total project estimate, the region may be required to revise some part of the design in order to stay within the not to exceed estimation. It is assumed that design will be at 60 percent or more. Note: The percentage of design complete has a direct impact on the ability for Real Estate to develop an accurate estimate. It is imperative that the preliminary R/W plat, plan and profile sheets and cross-sections are available to Real Estate to estimate the not

to exceed number. Both land values and improvement values are now developed from an analysis of actual market data. The not to exceed estimate will again include committed and uncommitted contingencies. Information needed:

- All info already provided at the base and build-out estimates
- Design Study Report (DSR)
- 60 percent design, at minimum
- Preliminary R/W Plat
- Cross-sections
- Plan and profile
- Per parcel acreages and interest types (TLE, PLE, Fee, etc.)
- Any additional or refined access control information
- Updates relating to wetland, 4F, and 6F mitigation

Step 1 – List assumptions. Assumptions should again be listed as part of the documentation given to Planning and BSHP. See Step 1 under the build-out estimate for examples of possible assumptions.

Step 2 – Determine land type and highest and best use. Review determinations made at the build-out estimate for changes, if any. If appraisals are available...,

Step 3 – Highest and best use analysis. Review determinations made at the build-out estimate for changes, if any. If appraisals are available...,

Step 4 – Calculate land valuation by type. The actual parcel interests and acreages that will be acquired are known at this stage. Regions should prepare or contract for a Project Data Book or more refined market analysis to determine land-type valuations. Other damages should be carried over from the build-out estimate and refined. Or, if appraisals are available, use the data from those reports.

Step 5 – Calculate mitigation replacement values (wetland, 4F, and 6F). Review and refine the mitigation assumptions and replacement values used at the build-out estimate. Use the land values established from the market analysis or Project Data Book developed in Step 4 above as the basis.

Step 6 – Calculate relocation/improvement values. Regions should have a clear understanding of what improvements are being acquired as part of the highway project. Improvement values, at this level, will be based on market analysis or Project Data Book developed as part of Step 4.

Step 7 – Calculate site clearance costs. Check with the regional Real Estate property manager to determine if the site clearance costs developed in the build-out estimate need to be refined.

Step 8 – Determine percent of potential committed and uncommitted contingency costs. Review contingency percentage used for delivery costs at the build-out estimate. Refine accordingly based on any new data that might be available.

Step 9 – Determine percent of anticipated delivery costs. Review contingency percentage used for delivery costs at build-out estimate. Refine accordingly based on any new data available.

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Level 5: Project Cost Allocation - Encumbrance

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Decide how many phases you need. Will you have any advanced, early acquisition? And, how the monies from the not to exceed conclusions will be encumbered. It is important to communicate to Planning if there is new information or scope changes that would put you above the not to exceed conclusion. Since the major project has already been locked into a maximum total dollar amount, change management discussions will need to occur.



## 1.2 OPEN RECORDS

This is a brief summary of the open records law.

Declared policy - [Section 19.31 to 19.39, Subchapter II/Wisconsin Statutes](#) indicates that the declared public policy of this state is that "all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them." Section 19.31 declares that a presumption of complete public access exists and that denial of public access is generally contrary to the public interest.

Is it a "record?" - Decide if requested material is a "record." A "record" is any material on which information is recorded, regardless of physical form or characteristic, which has been created or is being kept by an agency or other government authority. There are exceptions, such as:

- Any correspondence to which an attorney is a party involving litigation.
- Drafts, notes and preliminary computations prepared for originator's personal use.
- Information specifically closed by law (example: medical records).
- Materials limited by copyright, patent or bequest.
- Published materials available for sale or available at a public library.

Determine custodian. The custodian of a record is usually a person who has work responsibility over the record. When in doubt, ask!

A sufficient request - To be considered sufficient, a record request must reasonably describe the information being sought, and must be reasonably limited as to subject matter and the length of time involved. A custodian is not required to create a new record by extracting information from existing records and compiling the information in a new format.

Responding promptly - A response to a record request needs to be made "as soon as practicable and without delay." Of course, a custodian may need time to retrieve and inspect the record before preparing a response. The Attorney General recommends this be done within 10 days if possible. The response to a request is to either: (1) provide the record information, or (2) deny in whole or in part. If the request is denied, the reasons for denial must be provided and must be specific and sufficient. If you cannot think of valid and specific reasons for denying access to records, the best practice is to turn the information over.

Reasonably specific requests - A request MUST be honored if it "reasonably" describes the requested record or information requested.

Identity of requester/purpose of request - A records request may not be denied because the requester refuses to provide identification or to state the purpose of the request.

Inspection, copying and fees - Copy fees are limited to "actual, necessary and direct cost of reproduction," and costs for locating records may not be charged unless they exceed \$50. WisDOT must give an appropriate facility where requested records can be viewed. Fees may

also be waived, at discretion of custodian. Persons having a right to inspect a record are entitled to a copy, if they ask. WisDOT's cost for photocopies is \$0.15 per printed page and \$0.07 per page for converting paper records to electronic format, except where otherwise set by law. There is no sales tax.

Penalties and enforcement - If a custodian denies an open record request, the requester may seek a court order. If a court issues the appropriate order, the agency is required to pay at least \$100, plus reasonable attorney fees and costs. If a custodian unreasonably denies an open record request, a court may assess a \$1,000 forfeiture, plus costs and attorneys fees payable by WisDOT or custodian. Persons who may enforce records request against the department include: (1) requester; (2) district attorney; and, (3) the Attorney General. Detailed information and guidance is available online from Wisconsin Department of Justice and the U.S. Department of Justice. Reference can also be made to WisDOT's Transportation Administrative Manual (TAM); WisDOT's records management; and, to your local records coordinator.



## 1.3 ENCUMBRANCES AND CONTRACT CHANGE ORDERS

### 1.3.1 Introduction

The regional Real Estate office will make an estimate of the project's land interest costs on the Project Cost Allocation (RE1532). The Project Cost Allocation serves as the basis for encumbrance of funds. The R/W Plat and Relocation Order (RE1708) approval, as explained in Section 1.6 of this manual, authorizes expenditure of land acquisition costs to be charged to object code 5550. Some pre-acquisition costs, such as delivery costs associated with contracting appraisal processes and time charged to appraisal review, may be charged to the Real Estate project ID prior to the plat and Relocation Order approval. For an explanation of acceptable charges, see Section 1.4 of this manual outlining procedures to encumber funds and, if necessary, initiate contract change orders to increase the original encumbrance of parcel acquisition and relocation assistance costs. This section also includes instructions for the Project Cost Allocation.

### 1.3.2 Encumbrance Process

1. Regional Real Estate will estimate funding required for a highway project, to include:
  - Costs of other contracts (i.e., title, appraisal, negotiation, relocation, razing, etc.).
  - Costs of parcels and relocation assistance;
  - Staff days needed to complete acquisition(s), multiplied by daily rate; and,
2. Regional Real Estate prepares Project Cost Allocation (RE1532), signs approval and forwards to regional Planning. See 1.3.2.1 below for details.
3. Regional Planning updates estimate and schedule in the Financial Integrated Improvement Programming System (FIIPS), signs Project Cost Allocation (RE1532) and forwards to Bureau of State Highway Programs (BSHP). Note: An approved Relocation Order (RE1708) is not required to encumber funds. It is only required prior to making an offer to property owner and expending 5550 acquisition costs.
4. BSHP checks FIIPS to ensure information on Project Cost Allocation matches related information. BSHP then forwards Project Cost Allocation to Bureau of Technical Services-Real Estate (BTS-RE)/Finance.
5. BTS-RE/Finance assigns a contract order number and enters amount to be encumbered in Encumbrance/Accounts Payable System (EAPS). BTS-RE forwards copy of Project Cost Allocation to Bureau of Business Services (BBS).

#### 1.3.2.1 Project Cost Allocation Instructions

The Project Cost Allocation (RE1532) is to be filled out by regional Real Estate unless indicated otherwise.

Top left corner: Fill in BSHP Program Finance section, room number and appropriate regional number.

Subject: Fill in Project ID and Project Name in title block (upper right corner of project's right of way plat or plan's title sheet).

Check-off boxes (below subject block): Check box for Original, Revised or Phased project. Also indicate State, County, or Local project.

Early Charging Estimate (Labor & Contracts lines): If Real Estate project ID was authorized for early charging of delivery costs (non-5550 costs), indicate estimated or actual delivery costs charged to project prior to Relocation Order (RE1708) approval. See Section 1.4 of this manual for more detail.

Item 1: For original submittals, indicate estimated amount determined to acquire all parcels on project (does not include delivery cost or contract fees). A breakdown of parcel-by-parcel costs will be shown on R/W Parcel Cost Estimate (RE1778). For revised plats, where parcels have been added or deleted, it is up to region's discretion if costs of parcels added or deleted warrant changing original submittal amount. In such cases, R/W Parcel Cost Estimate must show parcels added or deleted even though monies are not shown on Project Cost Allocation (RE1532). If monies are added, follow contract change order process.

Item 2: On original submittals, indicate total estimated relocation assistance and moving costs for families and individuals of parcels shown on original plat. On revisions of plat, show only costs of additions or deletions.

Item 3: Show total of Items 1 and 2. On subsequent submittals, show net changes.

Item 4a (Labor): Enter estimated amount to complete acquisition using matrix system, multiplied by average Real Estate man-day rate.

Item 4b (Contracts): Enter estimated amount for title contracts and/or appraisal contracts.

Item 4c (Total): Combine total of 4a and 4b, as a plus or minus calculation.

Item 4d (Percent): Show percent of labor and other contracts from total cost (4c divided by line 3).

Item 5: On original transmittal, show total estimated site clearance costs for entire project. On revisions of plat, show only additions or deletions.

Item 6: Combine totals for Items 3, 4c and 5 and enter total estimated acquisition cost.

Item 7: On original submittal, show total number of parcels on project. On revisions involving addition or deletion of parcels, show net change as a plus or minus adjustment.

Item 8 (Project Concepts): Give brief overview of project, such as: type of facility proposed, proposed access, unusual problems anticipated and other relevant information. Region should also indicate if project is being acquired via Transportation Project Plat (TPP) or R/W Plat filed with county clerk. Information should be on original submittal and on all revisions, since information of this type is needed when a revised Relocation Order and R/W plat are approved. For revised plat submittals, list number of each sheet revised, parcel number (when applicable), and type of revision; shown under Item 8, Project Concepts.

### 1.3.3 Contract Change Order Process

Used to increase the cost of parcel acquisition or relocation assistance.

1. Regional Real Estate completes Real Estate Encumbrance-Contract Change Order (RE1597) in accordance with instructions. The following contract change order numbering system must be followed:
  - 01-48. Change orders requesting changes to original contract.
  - 50-64. Special orders or adjustments to contract that do not change original contract agreement (i.e., transferring contract balances from one project ID to another, cancel/liquidate encumbrance, other special adjustments).
  - 65-68. Fiscal phases, use Real Estate Encumbrance-Contract Change Order form.

2. Regional Real Estate forwards completed Real Estate Encumbrance-Contract Change Order to regional Planning.
3. Regional Planning verifies contract increase and forwards form to BSHP.
4. BSHP verifies change in cost and forwards form to BTS-RE/Finance.
5. BTS-RE/Finance makes necessary adjustments to computer contract file and forwards copy of Real Estate Encumbrance-Contract Change Order to BBS/Fiscal Services Section - Expenditure Accounting.



## 1.4 EARLY AUTHORIZATION OF PROJECT ID

### 1.4.1 Allowable Expenses Prior to Approval of Transportation Project Plat (TPP)

A Real Estate project ID can be authorized prior to regional approval of the Transportation Project Plat (TPP) charging pre-acquisition expenses, such as: delivery costs associated with the preparation, review of appraisals and early Real Estate related contracts. Such early charging authorization should result in a more accurate collection and measurement of Real Estate project costs. TPP preparation and title work will continue to be charged to Design. Please refer to the Modal Division Charging Policy for further direction regarding appropriate charging to the Design and Real Estate functions. See current charging policy information. It is important to note that early charging authorization only applies to pre-acquisition costs that are defined as "all costs except those associated with account code 8700161-Purchase of Highway Real Estate. Account code 8700161 identifies the actual purchase cost of land, its damages, taxes, insurance, etc. (not contractual services)." Regional Real Estate and Planning sections must work closely in coordinating early authorization requests. The process for early Real Estate project authorization is as outlined below:

1. Region will electronically request authorization of project via Financial Integrated Improvement Programming System (FIIPS).
2. Bureau of State Highway Programs (BSHP) receives request, checks data in FIIPS, approves request, and electronically forwards it to Bureau of Business Services (BBS).
3. BBS authorizes project for charging of pre-acquisition expenses.

### 1.4.2 Additional Requirements if Federal Funds in R/W

According to federal rule as summarized in the FHWA Right of Way Project Development Guide, "No federal-aid participation in a real estate project is allowed until formal project authorization is given by the FHWA. Any part of a project may be authorized individually within its proper sequence according to procedures mutually agreed upon by the state and FHWA. Parts of a project which sometimes require an individual authorization may be those activities necessary for the completion of the environmental impact statement or analysis, public hearings, preliminary right of way activities (titles, plans, appraisals) up to but not including negotiations." Therefore, if WisDOT wants federal participation in early/pre-acquisition costs for individual parts of a project as outlined in this section, we must first receive FHWA authorization. The letter of request that accompanies the FHWA-37 form should explain that the authorization is only for pre-acquisition expenses and when the Relocation Order is approved, a second authorization will be submitted for actual acquisition of right of way costs using account code 8700161. Regarding FHWA participation in the acquisition costs of right of way (the negotiation stage), it states: "There is a stipulation that acquisition of right of way may only commence after acquisition and relocation assurances have been submitted and the necessary environmental clearances have been met." For the department to ensure federal participation in these acquisition costs, an authorization request must also be submitted to FHWA when the Relocation Order has been approved. Also see Section 1.3 of this manual.



## 1.5 FUNCTIONAL REPLACEMENT

Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) 49 CFR Part 24, publicly owned properties are not eligible for relocation assistance (with the exception of moving costs). However, the Functional Replacement Program developed by the Federal Highway Administration (FHWA), provides an alternative method of acquiring and compensating for publicly owned properties that provide essential public services. Examples may include schools, police and fire stations, parks, recreational areas, municipal garages or maintenance facilities, libraries and city or county government buildings and other public-owned areas. For parks and recreation areas, Sec. 4(f) provisions of the Department of Transportation (DOT) Act of 1966 may apply. The real property cannot be owned by a utility or railroad.

The functional replacement concept permits federal participation in costs of acquiring an adequate substitute site if one is required and the construction costs of the replacement improvements that duplicate the function of the acquired improvement. This concept requires that the facility must be needed by the public, must be actually replaced and the costs to presently replace the facility or cure damage to it be actually incurred by the public agency. The functional replacement concept may also be applied to state-funded projects. Wisconsin Statute, [s. 84.01\(15\)](#) authorizes and directs WisDOT to comply with the federal law and federal regulations issued under federal code thus giving WisDOT the authority to administer functional replacement provisions consistently statewide, when appropriate.

The intention of functional replacement is to consider providing additional monies when it is recognized that the cash compensation for the acquisition of the public facility may be insufficient to restore it to status quo. Costs of increases in capacity and other betterments or enhancements are not eligible for federal or state participation except where necessary to replace the facility's utility, unless required by existing codes, laws or zoning regulations, or related to reasonable prevailing standards for the facility being replaced. Because of the added review, oversight and approval associated with the functional replacement process, the importance of early coordination cannot be over emphasized. If you anticipate functional replacement will apply to a project, contact the Bureau of Technical Services-Real Estate (BTS-RE) as soon as possible to discuss specifics. The agency owning the public facility, at its option, may choose to accept conventional acquisition and cash compensation based on the appraised market value of the acquired property (WisDOT's standard acquisition process) in lieu of functional replacement.

### 1.5.1 State or Federal Participation

When the department determines that functional replacement of real property in public ownership may be necessary and in the public interest, state funds may participate in the payment to the public agency for:

- Functional replacement costs of improvements required to be replaced exclusive of increases in capacity or betterments; and

- Market value of land owned by the public agency when that public agency has land upon which to relocate facility; or
- Reasonable cost of acquiring a comparable, substitute site where lands owned by the public agency are not available for use in relocating the facility.

For federal participation in functional replacement, the FHWA must approve prior to the acquisition. The provisions of 23 CFR Subpart B, Section 710.509 should be reviewed to assure compliance with federal regulations pertaining to functional replacement of real property in public ownership. The estimated costs of functional replacement must be included in early real estate project cost estimates.

## 1.5.2 Process

Prior to the initiation of real estate acquisition, perhaps during an early project-scoping meeting, the region should identify any parcel acquisitions that may meet the definition of functional replacement. If such a parcel is identified, the following approvals and steps *must* be followed:

1. Region must contact BTS-RE relocation facilitator prior to preparation of conceptual stage report for highway project (to be included in environmental document) regarding possibility of functional replacement when publicly owned real property, including land/or facilities, is to be acquired for a federal aid or a state funded project. For consultant-managed projects or parcels negotiated by fee consultants, region must provide oversight of any parcels involving functional replacement.
2. BTS-RE and FHWA, if applicable, will agree on scope of property and project-related oversight prior to initiation of functional replacement. BTS-RE relocation facilitator will work with region and issue necessary approvals prior to initiation of functional replacement.
3. Regional representative should meet early in process with owning agency and inform agency of right to just compensation based on appraisal of market value and of option to choose either just compensation or functional replacement. Amount of functional replacement shall be limited to difference between approved offering price based on an appraisal of market value and actual cost to replace facility with an equivalent facility as defined in this section.
4. Parcels approved for functional replacement, shall have a mutually acceptable course of action developed with owner via an agreement. Action may include discussion on functional equivalency of facility and need to obtain bid estimates for necessary construction.
5. Regional Real Estate management will have responsibility to review final estimates to determine WisDOT participation costs. If federal funds are involved, estimates must be processed through BTS-RE who will obtain necessary review and approval from FHWA.
6. Any functional replacement funds over approved acquisition amount will be processed as an administrative revision or additional parcel cost depending on timing of payments.
7. A portion of replacement funds will be held until construction is complete to ensure replacement actually takes place and costs have actually been incurred.
8. Total cost of functional replacement will be based on an estimate of construction and either market value or reasonable, actual cost of acquiring a comparable substitute site.



## 1.6 RIGHT OF WAY PLATS AND RELOCATION ORDERS

### 1.6.1 Estimates

The regional Real Estate (RE) section furnishes estimates of right of way (R/W) costs on all routes and alternates to the regional Project Development section as a part of the design investigation process. The regional Technical Services (TS) manager has responsibility for the evaluation of alternate routes and selects the recommended location for improvement as a part of the preliminary engineering studies conducted for highway locations. After a definite route is selected, the regional RE personnel shall review the alignment and update the estimated R/W costs. These joint inspections are conducted on a continuing basis. The results are documented and incorporated into the engineering report that is a part of the project records. The procedure outlined above is followed for any type of project that would cover the relocation of an existing highway or for determining the location of an interstate or freeway type of facility.

### 1.6.2 Interest Acquired

The interest normally acquired for highway R/W is title in fee simple. The second most common interest acquired is a permanent limited easement for so long as the land is used for highway purposes. Other interests include:

- Access rights - to either partial or total access restriction.
- Restricted development easements - for right to prohibit additional construction of improvements on parcel.
- Scenic easements - to restrict use of property, such as along Great River Road route to protect scenic views for overlook purposes, etc.
- Temporary limited easements (TLE) - for special use of property, such as to cut and fill slopes beyond boundary of permanent R/W, for channel changes, temporary detours, etc.

### 1.6.3 Right of Way Plat

A preliminary plan with the outline of the right of way (R/W) limits is furnished to abstracters, title companies, and the regional RE specialists for making preliminary title searches. Preliminary title searches normally contain information about location of the parcel or property by county, township, range, section, subdivision, lot and block, owner of record, volume and page number of the recorded document, encumbrances - such as: mortgages, easements, judgments, taxes, liens, Lis Pendens, and special assessments, description as contained in the deed, number of acres or area involved in ownership, project number, parcel number, probate court date, etc. These searches are conducted by local abstracters or title companies and, on occasion, by the regional RE personnel. Abstracters and title companies are selected from a list of all abstracters and title companies in each county. If there is only one abstractor or title company in a county, that one is used, provided the work can be accomplished in the time required and a satisfactory preliminary title search or report is produced. All regional offices should have RE agents familiar with the title search process. If needed, the regional RE section should be able to do the title search work. Solicitation and hiring of an abstractor or a title company is

accomplished under the Chapter 16 procedure for contracting procedures. Right of way plat preparation may begin after the design of a particular improvement project has been completed or has reached a stage where no major revisions are contemplated and required hearings have been held. Right of way plats are prepared by the regional Project Development/Technical Services section or consultant in close cooperation with the regional RE section. Plats are prepared in accordance with standards contained in the Facilities Development Manual. See FDM Chapter 12/Section 10, Transportation Project Plat Preparation and Section 15, Traditional Right of Way Plat Preparation.

### 1.6.4 Relocation Orders

The delegation of authority to approve Relocation Orders (RE1708) was given to regional directors and went into effect on January 9, 1995. The regional directors, at their discretion, may delegate this authority, but it is not to be delegated beyond the regional RE or TS management level. The approval of the Relocation Order cannot be delegated to WisDOT consultants. For a plat filed with the county clerk, a Relocation Order is used. For Transportation Project Plats (TPP), the Relocation Order is found on the face of each plat sheet. The signing and dating of the Relocation Order or the TPP plat sheet by the delegated manager or supervisor establishes the Relocation Order approval date. See FDM 12-10, Transportation Project Plat Preparation. The Relocation Order indicates:

- Date of previous order (date of latest regional RE approval)
- Date of R/W plat
- Highway designation
- Name of county
- Name of road
- Project identification number
- R/W plat sheet number(s)
- Termini of project

Acquiring agency and statutory references under which R/W is to be acquired:

- County acquisition, [Section 84.09\(3\)\(a\) Wis. Stats](#)
- Direct state acquisition, [Section 84.09\(1\) or \(2\) Wis. Stats](#)

Municipalities, [Section 84.09\(3m\) Wis. Stats.](#):

- Date regional RE approves Relocation Order
- Signature of regional RE management

With reference to the acquiring agency and statutory references above, the regional offices may acquire R/W in the name of the state of Wisconsin, or the department may order the county highway committee or board, commission or department of the city within whose limits the land is located ([s. 84.09\(3\)\(a\) and \(3m\) Wis. Stats.](#)) to acquire the necessary R/W as an agent for the State. For guidance regarding encumbrance of monies and the Project Cost Allocation (RE1532), see Section 1.3 of this manual.

### 1.6.5 Printing Requirements

Each regional RE section takes care of their own printing needs either through DOA or by using a printing service in their local area. Numbers of prints requested varies in each region; however, a copy of an 11 X 17 approved R/W plat (and approved Relocation Order if using the filing process) should be submitted to the Bureau of Technical Services-Real Estate (BTS-RE) for their files. The filed or recorded R/W plat sheet(s) are microfilmed by BTS-RE.

### **1.6.6 Federal Funding**

Projects involving federal funds in the R/W are forwarded to the FHWA by the regional Planning section financial coordinator for authorization of federal funding prior to the relocation order approval process. Authorization from the FHWA is required before any project negotiation activities are initiated, including hardship acquisition and protective buying. This authorization provides for the expenditure of federal funds for all costs necessary to acquire and clear the R/W. It is to be requested after recording the Relocation Order (RE1708), which is used to document that a project exists. Parcel acquisition costs incurred prior to the federal authorization to acquire are not eligible for federal participation. These requirements must all have occurred prior to requesting authorization:

- Environmental Impact Statement or Environmental Assessment submitted and approved
- R/W plats submitted and approved
- Relocation plan submitted and approved

### **1.6.7 Approval Notification**

For filed plats, the regional RE section will send an approved copy of the Relocation Order (RE1708) and a print of the approved R/W plat to the county highway commissioner and county clerk of each county affected. This notification is not required for the TPP since the Relocation Order is a part of the TPP and approved on the date the plat is signed in the region by an authorized person for WisDOT.

### **1.6.8 Recordkeeping**

The official R/W file including all correspondence, documents, and other material related to the project, is to be retained in the appropriate regional office.



## 1.7 CONTRACTING FOR REAL ESTATE SERVICES

### 1.7.0 General Overview

All organizations, firms, or private individuals hired as consultants through written agreement must comply with WisDOT policies and practices. As a general statement, we have available and follow all state procurement rules with two separate areas of authority that we follow, unless those rules conflict with other specific laws and regulations. WisDOT's two separate areas of purchasing authority over procurement management activities that we follow as an agency and that are applicable to the Bureau of Technical Services/Real Estate (BTS-RE) are as such:

- State purchasing is authorized in [Wisconsin Statutes 16.70 – 16.849](#) and further spelled out in the [State Procurement Manual](#).
- WisDOT procurement of engineering and other services is authorized in [Wisconsin Statutes 84.01\(13\)](#) and further spelled out in [FDM/Chapter 8](#).

Procurement of Real Estate services falls into a gray area that has caused our own procurement needs to bounce back forth between state purchasing and WisDOT engineering procurement. In addition, local public agencies (LPAs) receiving federal funds from WisDOT should be following WisDOT procurement standards when spending those funds. Our agency does not, however, offer much written guidance regarding how LPAs should interpret our procurement guidelines within a local context. For assistance, LPAs can work with their regional Management Consultant (MC), who may in turn work with a WisDOT Real Estate LPA coordinator. All parties can request assistance as well from WisDOT Consultant Services staff on interpretation of program and services relating to procurement management activities.

Broadly defined, "procurement management" includes the processes necessary to purchase or acquire products, goods or services needed from outside the project team. For WisDOT, one area of authority we have is specifically for procuring engineering and related services, and anything Real Estate related is considered a "related service." Real Estate services also fall under the term of "specialty services." Engineering and related procurement services are unique to WisDOT and addressed under Chapter 84 of the Wisconsin Statutes. The second area of authority for procuring for products, goods or other services (commonly called "purchasing") is allowed under Chapter 16 of the Wisconsin Statutes. These procurement activities are not unique to WisDOT. Each purchasing authority area then has a variety of actual procurement methods (or tools) available to which we may need to choose the best method each time we need to purchase or acquire products, goods or services. Steps needing to be followed, forms required, and actual processes and/or processing activities will be dictated by the rules specific to whichever procurement method (or tool) is actually chosen, and again, there are many different procurement methods that could be chosen that can result in contracts for WisDOT project work or related LPA activities (some tools may be better than others; some may be required; and, others may be optional). We also need to keep up with changes in policy and processing. Regular changes continue to develop, especially for technology in recording, reporting, and general management activities.

Contracting for Real Estate services can be complex because of the varying options, which come with varying rules depending on whichever procurement method is used. In this section, we use the terms “contracts” and/or “contracting” interchangeably whether discussing purchasing contracts, used for procuring products, goods and/or services, or consultant services contracts. WisDOT’s Facilities Development Manual ([FDM/Chapter 8-Consultant Services](#)) is a key resource for our procurement management activities. That FDM chapter was written specifically to provide detail pertinent to the contract types available to WisDOT and specific to engineering and related services under Wis Statutes, Chapter 84, but for the most part, the FDM ignores Chapter 16 purchasing options. Chapter 84, in summary, spells out our abilities and responsibilities for all matters pertaining to the expenditure of state and federal aid for the improvement of highways, bridges, connecting highways, etc. and in 84.01(13) it references our ability to engage in engineering or other specialty consultant services. Chapter 16/Subchapter IV-Purchasing, in summary, spells out our abilities and responsibilities for a procurement system, to include bidding and contractual services, all of which is to be conducted in a uniform manner and according to established statewide standards. WisDOT purchasing information and guides can be found on our internal dotnet at: <http://dotnet/purchasing/index.htm>.

Many parties are involved in oversight, authority for, and in helping to coordinate contracting processes for WisDOT/Real Estate (RE) services. This section provides an overview, some basic guidance for acquiring outside RE services as needed to supplement staffing levels, and how to procure and/or obtain special services as needed in the delivery of projects. Goods and services discussed in this section are specific to real property issues within the right of way, relate directly to acquisition processes on behalf of the Division of Transportation Systems Development/Bureau of Technical Services-Real Estate (DTSD/BTS-RE), and may be applicable to LPAs.

Consultants interested in doing business with WisDOT should see solicitation information at <http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rqistr/default.aspx> with more details at <http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/default.aspx>. WisDOT holds regularly scheduled bimonthly solicitations to ask for consultant interest in its state highway and structure design projects. Interested firms respond to the solicitation ads by submitting a Notice of Interest (NOI) explaining their qualifications specific to each project as advertised and in which they have interest. A schedule of these advertisements is available. Bimonthly solicitations may also include local government projects. WisDOT provides this service to municipalities wishing to find qualified firms for local transportation engineering projects. Occasionally, a special solicitation will be published to advertise a project not included in a bimonthly advertisement. Consultants on the roster and/or the web notification list will be made aware of these solicitations via email. General questions about doing business as a WisDOT consultant should be directed to [WisDOT Contract Administration Unit \(WisDOT CAU\)](#); email: [consultant.services@dot.wi.gov](mailto:consultant.services@dot.wi.gov).

### 1.7.0.1 Roles, Authority and Contract Types

Administration and authority for contracting activities is dictated by statute, rule, policy, and through delegation. Authority for acquiring outside services through state purchasing contracts is as described in [Chapter 16/Sub-chapter IV-Purchasing](#). WisDOT’s Division of Business Management (DBM)/Business Services-Purchasing Section is our resource for coordinating purchasing contracts (Chapter 16 purchasing). Consultant services, including master contracts, fall under [Chapter 84](#) of the Wisconsin Statutes. WisDOT’s Division of Transportation Investment Management/Audit & Contract Admin (DTIM-CAU) has primary responsibility for coordinating consultant services contracts (Chapter 84 - Highway Projects)

and is our primary resource for securing master contract services. DTIM-CAU is also the originator of the Facilities Development Manual (FDM)/[Chapter 8 Consultant Services](#). FDM/Chapter 8 provides detailed guidance and is a key point of reference to be used for establishing uniform procedures and guidelines in the procurement and administration of consulting services to which the department is a party. The intent of FDM/Chapter 8 is to interpret and clarify established policies, procedures and practices specific to WisDOT.

It is important to note that contracting for all WisDOT activities required in support of state right of way programs through use of private consultants and other services shall also conform to Code of Federal Regulation, [49 CFR 18.36 - Procurement](#), which has recently been replaced [2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#). Guidance specific to procurement standards are covered in [2 CFR 200.317 – 326](#). In summary, the CFR - Procurement Standards say states should follow their own procurement rules unless those rules conflict with other specific laws and regulations. It then prescribes more specific guidelines for subrecipients other than states (local public agencies) to follow. However, USDOT created an exception to this government-wide rule in [2 CFR 200.1201.317](#) that states: “*Notwithstanding 2 CFR 200.317, subrecipients of States shall follow such policies and procedures allowed by the State when procuring property and services under a Federal award.*” This means that Local Public Agencies (LPAs) receiving USDOT funds from us should be following our procurement standards when spending those funds. Because most procurement related to LPA projects is administered directly by WisDOT, our agency has not developed much written guidance regarding how LPAs should interpret our procurement guidelines within a local context. Procurement of RE services can fall under either state purchasing and/or WisDOT engineering procurement. Once again, state purchasing is authorized in [Wisconsin Statutes 16.70 – 16.849](#) and further spelled out in the [State Procurement Manual](#). WisDOT procurement of engineering and other services is authorized in [Wisconsin Statutes 84.01\(13\)](#) and further spelled out in [FDM/Chapter 8](#).

Per Federal Highway Administration, FHWA Contract Requirements and their online Project Development Guide, “*The regulations contained in 49 CFR 18.36(a) and 18.37(a) are primary, and govern how state Departments of Transportation (DOTs) and local public agencies (LPAs) are to procure right-of-way (ROW) contractual services. Regulations contained in 23 CFR Part 200 cover Title VI, Civil Rights requirements. Conflict of interest is covered in 23 CFR 1.33. Each state DOT has its own contracting requirements, which it must follow. LPAs should obtain and use the state DOT procurement procedures, requirements, and guidelines appropriate for their work. State DOTs and LPAs need to maintain records sufficient to detail the significant history of a procurement. The Federal Highway Administration (FHWA) allows state DOTs to use the same procurement procedures on federally funded ROW service contracts that they use on non-federally funded projects. Contracting requirements for LPAs, as sub-grantees, must follow the state DOT procedures, unless the state has approved the sub-grantee to use its own procedures.*”

- State DOT: The procurement procedures followed by a state DOT when executing R/W service contracts on federal-aid projects are the same policies and procedures used for procurement with non-federal funds. However, the state DOT must ensure that every purchase order and contract includes clauses required by Federal statutes and implementing regulations, as well as state requirements. State contracting officials will be able to assist in delineating the appropriate clauses that each contract must contain.

- LPA: 49 CFR 18.37(a) requires the state to administer sub-grants to local governments in accordance with the state's own procedures. Therefore, local government sub-grantees (i.e., LPAs are to follow the procurement procedures specified by the state, unless the state approves the sub-grantee's use of its own procurement procedures).

For a full review of the guide, see: FHWA/Right of Way – Project Development Guide at: [http://www.fhwa.dot.gov/real\\_estate/right-of-way/corridor\\_management/pdg/pdg04.cfm](http://www.fhwa.dot.gov/real_estate/right-of-way/corridor_management/pdg/pdg04.cfm).

Additional and further authority for program oversight is described by 23 CFR Part 710 Right of Way and Real Estate; Subpart B – Program Administration and [§710.201 State responsibilities](#) (Note: STD means, state transportation department):

- (g) *Procurement - “Contracting for all activities required in support of State right-of-way programs through use of private consultants and other services shall conform to 49 CFR 18.36.*
- (h) *Use of other public land acquisition organizations or private consultants. The STD may enter into written agreements with other State, county, municipal, or local public land acquisition organizations or with private consultants to carry out its authorities under paragraph (b) of this section. Such organizations, firms, or individuals must comply with the policies and practices of the STD. The STD shall monitor any such real property acquisition activities to assure compliance with State and Federal law and requirements and is responsible for informing such organizations of all such requirements and for imposing sanctions in cases of material non-compliance.”*

### 1.7.0.2 Processes Specific to WisDOT Real Estate

Procurement of Real Estate services tends to be rather complicated simply because we have so many options available. We also have a few tools that are unique only to us, such as with our appraisal/appraisal review services, where we have established a procurement method that uses state purchasing combined with WisDOT engineering procurement processes to build a quality based/low bid contract. We have also evolved from having dedicated regional RE contract specialists to relying more broadly on general regional contracting support staff (non-RE specific specialists) to assist in coordinating all contracts/contracting services needed. The project manager (PM) or the regional RE specialist typically initiates a contract service request and will remain as a main point of contact for oversight and management of the contracted service throughout the course of an active contract. When a PM requests services, they will need to describe the needs, draft a detailed scope of services, monitor for compliance and progress as work ensues, authorize payment, and evaluate performance of the vendor upon completion of a contracted service. The local (regional) DTSD/Administrative purchasing staff handles Chapter 16 purchasing activities (see more below in 1.7.1.1 Purchase Contracts for Real Estate); and, the regional DTIM-CAU staff takes the lead in coordinating Chapter 84 consultant contracts/master contracting activities (see more below in 1.7.2.1 Master Contracts for Real Estate). Project managers (PMs) should work directly with their regional business services personnel for assistance in purchasing and with master contracting processes. They can advise on the best method to use and then help you through the process and with processing. We have the option of using a variety of traditional contracting methods for all of our contracting needs, and we now have a ‘hybrid’ process unique only to right of way appraisal/appraisal review services (see more below in 1.7.2.2 Appraisal/Appraisal Review Services). General regional contracting personnel should be fully trained and familiar with RE specific needs and special processes, including our “hybrid” Chapter 84 qualification based/low-bid process

appraisal services. BTS-RE (Madison statewide bureau) continues to serve as a liaison to special statewide RE contracting initiatives and policy.

## 1.7.1 Purchase Contracts (Chapter 16) Overview

WisDOT's authority to purchase goods and services under [Wisconsin Statutes Chapter 16 Subchapter IV Purchasing](#) is by delegation agreement with the Department of Administration/Bureau of Procurement. WisDOT in turn delegates certain processes to divisions and regional offices. Chapter 16 covers what is commonly referred to as "low bid" purchasing. Our WisDOT Transportation Administrative Manual ([TAM](#)), available to internal staff only, contains several detailed sections specific to WisDOT's Chapter 16 purchasing activities. For statewide guidance, we reference the State Procurement Manual at <http://vendornet.state.wi.us/vendornet/procman/index.asp>. Purchase contract bid procedures are set according to the estimated dollar amount of the purchase. Current guidelines and other details can be viewed on our internal dotnet from the DBM/[Purchasing Section](#). Anticipate a minimum of six weeks to complete complex purchasing processes. If something changes after a purchasing contract has been executed, such as if a company declines to participate at any stage, document the situation, with dates, company name, contact person, phone number and reason for non-availability.

### 1.7.1.1 Purchase Contracts for Real Estate

All Chapter 16 purchasing activities are initiated by the region and processed through the regional purchasing office. Each regional office has general business services staff who serve as our purchasing resource and point of contact. To get started with a Chapter 16 purchase contract for goods or services, PMs, contract administrators or the regional RE specialist will need to provide an authorized project ID, an estimate of costs, account code (8700229 in most cases), and some other basic details. Approved/current purchasing forms and related documents must be used in all cases to document and protect the state's interest. Your regional purchasing staff can help you obtain and complete the proper forms. Goods and services used by RE that can be obtained using Chapter 16 purchase contracts include, but are not limited to: asbestos/hazardous material inspections (see REPM/Chapter 9); fixture and equipment appraisal reports; historical building relocation/site restoration; home inspection fees for those being displaced; incidentals; lawn services and/or snow removal; miscellaneous estimates; miscellaneous/specialty services\*; multiple listing services; plumbing winterization; professional realtor; property management activities (see more in REPM/Chapter 6); register of deeds filing/recording fees; site clearance (see more in REPM/Chapter 6 - Section 6.1); timber cruises; title services (details below); and, well/septic abandonment.

\* Miscellaneous/specialty services can also be obtained using a master contract. See Section 1.7.2 Master Contracts (Chapter 84).

### 1.7.1.2 Purchasing Real Estate (RE) Title Services

WisDOT's Bureau of Technical Services - Real Estate holds solicitations for and then maintains a list of title service companies under contract to perform real property title search activities for highway right of way. These contracts are for all WisDOT staff, consultants doing business for WisDOT, and local public agency staff use only. We strongly encourage all WisDOT staff (including plat developers, utility coordinators, access coordinators, environmental coordinators, airports staff, railway staff, etc.) and local public agencies

(LPAs) to use the BTS-RE list of contracted title service companies when securing services during the design phase of engineering and for all other acquisition related activities. Use of the BTS-RE title services contract list is required for all WisDOT eminent domain real estate acquisition activities. See: <http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/re/title-searches.aspx>. The current posted list and contract agreement will remain in place until superseded. Each RE title services contract typically remains in place for two years, with an additional one-year renewal option, or until a new contract can be executed. Title service contracts are developed and administered by DBM/Purchasing using the Chapter 16 (low bid) process. The current statewide title services contract was established using the lowest “total” unit cost or unit price by combining these common services, each of which may/may not actually be provided in an individual service order: ownership reports; preliminary ownership reports for hearings; property layout map (limited counties); title search commitment; and, updated title reports.

To obtain title services under the terms of the current contract, see [approved title search companies](#). Look for the county where the work is needed, then contact the company listed as #1 to inquire if they can perform the work as needed. If the #1 listed lowest bid title service provider cannot perform the work within the time needed or for other reasons, those facts must be documented; then, the #2 contractor may be contacted (next, #3, and so on). If no title service provider is available in the county needed, regular purchasing processes are followed. RE staff should work with their regional purchasing staff to coordinate activities. A variety of electronic title service processes and processing activities are being used in regions, often depending on the capability of that local register of deeds office and/or the title service company itself.

## 1.7.2 Master Contracts (Chapter 84) Overview

Open solicitations (advertisements) for new master contract agreements are published on the Internet, under Doing business/Engineers and consultants - [Solicitations](#). WisDOT's DTIM/Contract Administration, with DTSD/Consultant Services, has administrative responsibility for master contracting. Authority for acquiring master contract services comes from [Wis. Stats. Chapter 84/Sec 84.01\(13\) – State Trunk Highways; Federal Aid, Engineering Services](#). Per statute language, *“Any engagement involving an expenditure of \$3,000 or more shall be by formal contract approved by the governor. The department shall conduct a uniform cost-benefit analysis, as defined in s. 16.70 (3g), of each proposed engagement under this subsection that involves an estimated expenditure of more than \$300,000 in accordance with standards prescribed by rule of the department. The department shall review periodically, and before any renewal, the continued appropriateness of contracting pursuant to each engagement under this subsection that involves an estimated expenditure of more than \$300,000.”* Under the master contracting process, a completed and properly signed and executed work order issued to the consultant by the department shall constitute authorization to commence work. No other formal authorization to proceed letter is necessary. The Facilities Development Manual ([FDM/Chapter 8: Consultant Services](#)) provides detailed guidance on master contracting processes.

Consultants should be advised to bookmark the [bimonthly solicitation schedule](#), watch for opportunities to be announced of interest, and then apply for those opportunities when announced. Interested consultants must respond to solicitations by submitting a Notice of Interest (NOI) according to the instructions and deadline as announced. The NOI provides a uniform format for all potential consultants to use in submitting an overview of their qualifications to advertised projects in which they may be interest. All NOIs must be submitted electronically

through WisDOT's [ESubmit](#). Consultant applicants go through a qualification review process and may/may not be approved for an open master contract to which work order agreements may/may not follow depending on WisDOT project needs. Master contracts are typically solicited, approved and held for two years, with actual work orders initiated in and managed by the regions as work develops on projects on an as-needed basis. WisDOT may hire consultants holding a current master contract under a Work Order Agreement for a variety of RE related services. To help spread master contract work evenly, the updated rule is now 80% total usage per contract. We must solicit for contracts \$150,000 or more. If they are even close to that (\$120,000+), we should consider soliciting.

WisDOT/DTIM-Contract Administration Unit (DTIM-CAU) administers contracting services for the department with individual staff in each region serving as points of contact for securing and managing consultant services activities. DTIM-CAU provides technical support for consultant selection, monitors contracts through the approval process, and develops the policies and procedures for consulting services. The DTIM-CAU manager has authority to execute consultant services contracts on behalf of the department. DTIM/Audit Unit is responsible for auditing costs of contracts to ensure contract compliance and provides cost information for WisDOT staff to use during contract negotiations and as part of the approval process. DTIM/Audit is also responsible for managing [Consultant Financial Reports](#) (CFRs). Except for our hybrid appraisal master contract grouping, all consultants with a master contract agreement must have and must maintain a current approved CFR to be eligible for actual work orders. Firms are required to receive approval of their CFRs by DTIM/Audit before they can conduct any work on behalf of WisDOT. An approved CFR is required at the beginning of a master contract with updates required thereafter annually. The updates are due within five months after the end of the consulting firm's fiscal year end. No reminders are sent.

WisDOT's Executive Office approves funding for contracts via Recommendation – Governor for Contract & Bond Approval ([DT25](#)). WisDOT's Executive Office may be involved in major contract issues on an as-needed basis. Regional staff establish budgets and monitors status. DTSD and DTIM-CAU will assist in developing and monitoring the budgets to help determine how much work can be completed during each period. Each regional office has contract services staff to coordinate, support and help to process day-to-day contracting activities. DTIM-CAU regional staff serves as point of contact and resource to RE contracting activities. PMs, under the guidance of Consultant Services regional staff, will typically initiate a contract, then it is the PMs who are responsible to monitor, manage and evaluate consultants to make sure they are complying with contract requirements and are upholding best practices in their work for WisDOT. All contracting activities are managed through the online CARS (Contract Administrative Reporting System) program. DTSD/Central Files also maintains a copy of all contracts as part of our official records retention program, and regional offices will maintain copies of active contracts.

### **Contract Terms and Conditions**

All terms and conditions of a contract, including the original boilerplate language, special provisions, scope of services, work orders, amendments, etc. are mandatory as written and/or as otherwise implied unless modified through formal agreement or amendment. It is essential to keep terms and conditions as consistent as possible within regions and between regions. This helps avoid confusion for consultants and helps regions to avoid situations where it could become more advantageous for a consultant to complete one project at the expense of another. A consultant under contract with WisDOT must identify an individual in their original Notice of Interest (NOI) to serve as the primary point of contact for that contract period.

- Internal staff typically start here (on the dotnet) when looking for basic information and documents specific to master contracting: <http://dotnet/dtsd/projdev/consultant/index.htm>.
- Consultants typically start here (on the Internet) for basic contracting information and documents: <http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/default.aspx>.

### **Building a Contract and Negotiations**

For contracts where costs negotiations are permissible, if it appears that negotiations are not going to reach a satisfactory conclusion, the region can stop negotiations with that consultant and start the work order development with a new consultant from the eligible and approved master contract list. At no time, however, can the region go back and begin negotiations again with original consultant for the same project if the process has already been stopped. Once all scope of work activities have been discussed and documented, with costs agreed upon, the consultant completes all paperwork and submits a completed work order package to the region for approval. After a work order agreement is in place, a consultant or vice versus, the region, must draw up a new plan if changes occur or information is discovered that may change the scope of a project in any way; most changes will require a formal amendment. Consultants and WisDOT staff need to be familiar with the amendment process (more about amendments below). For more information about the start of a work order and the negotiation process, see '[Building a consultant contract](#)' from WisDOT's Doing Business/Engineers and consultants/Structure and roadway resources webpage; also see Facilities Development Manual ([FDM Chapter 8/Sec. 10 - Contract Negotiations](#)).

### **Sub-consultants**

All sub-consultants (subs) must be approved by WisDOT before a contract or work order is executed. Subs are any person, organization, or entity not classified as an employee of prime consultant on its official payroll who the prime contracts with to perform some work. The prime consultant is responsible for the sub and must still perform at least 50% of work, unless WisDOT specifically agrees to less. All consultant personnel are expected to bring an appropriate set of skills to the project and complete the project by the due date. More about use of subs in [FDM](#).

### **Project Timelines**

The regional office is responsible for establishing project start and end dates. End dates for every contract are a required item. In some cases, a project end date may extend past the work order end date. The consultant may continue to provide services on that project until that project is complete or terminated. The terms and conditions of the work order will remain in force throughout the project. Any delays caused by WisDOT will extend the project completion date.

### **Work Order Development – Scoping Services**

First, a current approved master contract agreement must be in place. Then, Work Order Requests are started in the regions when/if project needs arise where services from a consultant may be needed. The PM in the region is most typically the person to initiate contact with a consultant(s) holding an active approved master contract agreement and listed as eligible to be issued work orders. The PM in the region will typically contact who they feel would be best qualified to perform the work to see if they are interested and available. The region will usually contact their top three to see if they are interested and available. In that initial contact (via email; phone or letter), the region will provide a basic overview of the project, and then selects a

consultant who they feel are best for the job from those who responded as being interested and available. Next, the region begins a discussion with the consultant selected specific to the scope of services required. At this stage, we also typically get into a negotiation of costs (except for the appraisal master contract grouping, which is simply lowest bid). The PM will typically take the lead in discussing the scope of services and negotiating cost for work orders. The PM and/or contracting specialist work together to communicate and complete all contract paperwork, including a detailed list of tasks specific and unique to each project and entered onto the worksheets for all work orders. Good communications with the consultant and clearly written details are imperative to ensure that we arrive at an executable work order agreement. The regions use our statewide special provisions language in conjunction with their detailed scope of services specific to each individual project to establish a baseline for the work needed. More than one consultant may be hired to help complete projects needing a short turnaround time. PMs and/or regional contracting specialist staff need to check RE's [all-inclusive master contracts list](#) (accessible to internal staff only). Current NOIs are linked under each vendor's name. Contracts are grouped by effective date and by type (e.g., appraisal, eminent domain [full service], etc.). List is updated as appropriate. For any crossed-out names, "no" work orders may be issued until further notice. For master contracts, reference the most current Work Order Request form as posted online for the current approved fixed fee percentage. Most are at 7.75%. Check with Consultant Services prior to any bid process for updated fixed fee percentages. Be sure to work with the regional Consultant Services staff to confirm any other usual and customary or current fees.

### Amendments

Contract amendments may be required for any modifications to terms of the original contract that change the cost of contract, change sub-consultants, significantly change scope, complexity, duration of work, or significantly change conditions under which work is required to be performed. Amendments may be initiated by either WisDOT or the consultant and are developed or negotiated in the same manner as the original work order. Any amendment must be fully executed (signed) prior to any new work being started. See [FDM 8-25-15](#) and the work order Amendment Submittal Checklist ([DT1521](#)). At minimum, each contract amendment must contain a cover/signature page; special provisions detailing purpose/scope of amendment, amendment amount, and revised contract amount; cost worksheets; and, if a sub-consultant is involved, amendments must include cost worksheets as appropriate as well as a work proposal/letter from sub to prime, where appropriate.

### Performance Reviews

All evaluations are now done electronically through [CARS](#) (Contract Administrative Reporting System). Statutes say we must do evaluations at the conclusion of every project. However, as a best practice in RE, because our needs are so specialized, we want to conduct an evaluation at the close of every contracted service. Project managers should work with their regional consultant services staff to be sure we are entering and completing evaluations at the close of every contract service for RE. Copies of all completed evaluations go to the consultant. Conferences to discuss performance can and should be arranged as needed. Regional offices may request removal of a consultant for performance problems. While the regional RE offices have discretion in recommending termination of a contract, it is necessary they coordinate with BTS-RE and Consultant Services. If a consultant termination occurs, the agency will submit an explanation of termination to the consultant, with copies to DTIM-CAU and BTS-RE.

## Invoicing

All invoices are now processed through [CARS](#). All consultants are required to have a WAMS ID for CARS. The PM will review and authorize invoices from the consultant for payment. Regional Consultant Services staff in cooperation with the PMs will enter work order invoicing information into CARS upon receipt of the authorized approval for payment. Tip: Staff and consultants can reference the invoicing training videos for help from CARS webpage. Invoices shall be submitted no more than once a month. Once the region reviews and approves an invoice for payment, the request is electronically forwarded to Bureau of Financial Services. Invoices will be paid within 30 days, in accordance with the state's Prompt Payment Policy. It is not necessary to provide copies of timesheets or receipts unless requested by WisDOT.

The methods of payment could be:

- Actual Cost Plus Fixed Fee - Consultant is reimbursed for all allowable costs incurred up to a maximum upper limit, plus a fixed fee.
  - Actual cost invoices must include a summary of direct labor for period of invoice, including number of hours by employee classification, and must include an itemization of direct costs. It is not necessary to provide copies of timesheets or receipts unless requested by WisDOT.
  - All actual cost contracts must have cost-based estimates.
  - Fixed fee is defined as a specific dollar amount, not subject to change except by an amendment when a change in scope of services is required.
  - The full fixed fee is paid regardless of actual work completed.
- Cost Per Unit (Unit Cost) - A particular task is identified and a cost per unit cost (unit costs) for completing that task is determined.
  - Unit cost must still be cost-based.
  - Used for our "hybrid" low bid process for appraisal/appraisal review master contracts.
- Lump Sum - A specific total dollar amount will be paid for all work required by contract, regardless of actual costs incurred.
  - Contract amendments will not be approved to increase lump sum due to a change in consultants' indirect cost rate or other cost overruns. Will only be considered when either an increase or decrease in scope of work is required.
  - Lump sum contracts need to have cost-based estimates.
  - Lump sum invoices must also include progress reports.
- Specific Rate of Compensation - A specified hourly or daily rate is paid for each class of employee or type of equipment engaged in providing required services.
  - May be used for relatively minor or straightforward items of work of indeterminable extent of effort over which WisDOT can monitor time and class of employee and/or equipment utilized.
  - Must have cost-based estimates.

## Contracting Forms and Documents

Many varying forms and documents are necessary for each contracting type and/or process. Varying records retention and records management rules will apply. Some contract related forms are only available on the dotnet (accessible only on our internal [Consultant Services](#) pages), while most materials are now available from WisDOT's Internet pages for consultants, starting from the 'Doing business' tab. If not sure where to find a form or what form to use, ask your regional contracting staff. Here are common forms, documents, key points, and paperwork that may/may not be part of a single master contracting process (depending on work needed): amendment - work orders; amendment submittal checklist; appraisal task list; consultant

financial report (CFR); cost worksheet for consultants (known as “supporting cost estimate documents”); cost-benefit analysis (DT2233); detailed scope of work information; invoice; monthly progress reports (DT1509); notice of interest (NOI); performance evaluations; special provisions; and, work orders.

### 1.7.2.1 Master Contracts for Real Estate

Master contracts are the current preferred method for obtaining RE consultant services when outside contracted services are necessary. RE has held statewide master contracts for access services; appraisal/appraisal review; full service; and, relocation services with pre-established special provisions available and linked from our internal dotnet for: [access](#); [acquisition/negotiation services](#); [appraisal](#); [appraisal - billboards \(signs\)](#); [appraisal review](#); [contamination investigation](#); [project Management](#); [property management/surplus property sales & disposal services](#); [Real Estate Automated Data System \(READS\) services](#); [relocation Services](#). These special provision documents should be used “as is” with any non-applicable language clearly crossed-out. Anything that needs to be added or needing more detail must be included in the detailed scope of services. Other needs may develop and other services could be solicited under the master contracting process on a statewide basis or regional basis, if needs warrant. Litigation services are through the Department of Justice. Contracting practices specific to demolition and site clearance services fall under Chapter 84 – Highway Construction with contracting management by Bureau of Project Development (BPD) and are detailed in [REPM/Section 6.1](#). BTS-RE maintains a list of all current approved master contract consultants available to internal staff only and accessible from the dotnet on our [Contracting for RE Services](#) webpage. New consultants can only be added to the statewide master contract groups during regular open solicitations initiated by BTS-RE. If new staff are hired to a consultant firm during the period of an already active and approved contract, those new staff can apply for individual approval to perform work as part of the existing master contract through our capability statement forms and review process. See [REPM/Forms](#) page to download RE capability statement forms for acquisition/negotiation, appraisal and/or relocation services.

Approved master contract groupings typically remain in place and available as active for a period of two years. During this two-year active period, if/when, services are needed, a work order request will be initiated by WisDOT to the consultant(s) of their choice. Current consultants must apply/re-apply as described each time there is new open solicitation. (See: Quick facts and basic “how to” apply info about master contract solicitations.) Once again, Except for our hybrid appraisal master contract grouping, consultants must have and maintain a current approved CFR in order to be active for work orders under a master contract agreement. An approved CFR is required at the beginning of a master contract and thereafter, firms must submit updates to their CFR annually. These updates are due within five months after the end of the consulting firm's fiscal year end. Except for our hybrid appraisal services groupings, all firms are required to submit financial paperwork to DTIM/Audit and to keep their CFR information current. No reminders are sent. Firms are required to receive approval of their CFRs by DTIM/Audit before they can conduct work on behalf of WisDOT.

#### **Quick facts and basic “how to” apply info about master contract solicitations.**

Consultants interested in renewing or pursuing new master contracts need to take personal responsibility to monitor WisDOT's open solicitation postings. From WisDOT's home page at: <http://wisconsindot.gov/Pages/home.aspx>, look for DOING BUSINESS heading; *click* to

activate popup and see dropdown list. In dropdown list, *scroll* to Engineers and consultants topic; in a second popup window with another dropdown list, finally - *click* 'Solicitations.' The [solicitations](#) webpage is what consultants interested in new master contract opportunity should bookmark and save as a favorite and will need to monitor closely, and it is this WisDOT webpage where they need to go to learn about current (active) solicitations and to start a new application through the Notice of Interest (NOI) process as described in each individual posting as announced. Consultants should also make note of the [bimonthly solicitation schedule](#). As a consultant interested in applying for work under a master contract agreement with WisDOT, so long as they set reminders for themselves to keep track of the dates in that bimonthly solicitation schedule, they should never miss an opportunity to learn about new master contract opportunities. WisDOT also post a [12 month rolling solicitation](#) list (projected solicitations), but that list is subject to change and may not be "all-inclusive" of upcoming opportunities. Interested consultants will need to review the [general instructions](#) for applying via the Notice of Interest (NOI) process and pay especially close attention to the information within each individual announcement. All NOI (Notice of Interest) application materials must be submitted electronically and most important – the NOI application must be completed according to the specific details of each individual posting; application deadlines cannot be extended for any reason(s). WisDOT will not send reminders about upcoming solicitation activities or deadlines to apply. Consultants should set ticklers for themselves of the dates in this [bimonthly solicitation schedule](#). Then, they need to check that [solicitation](#) page after noon on each of those key dates to view and apply to any current opportunities to which they feel qualified and interested in performing the work under the terms, conditions and circumstances as described.

### 1.7.2.2 Appraisal/Appraisal Review Services (Low-Bid "Cost Per Unit")

While appraisal and appraisal review services can be hired under a variety of contracting processes, master contracts encompassing the "low-bid" process, is the current preferred method. Detailed instructions and forms associated with the RE low-bid appraisal/appraisal review services contracting process can be obtained from the dotnet (available to internal staff only) at <http://dotnet/dtsd/projdev/consultant/appraisal.htm>. Typically, the process is started by the WisDOT Real Estate regional project manager, finalized by the consultant, and then returned to WisDOT for review and approval. PMs and/or regional contracting specialist staff need to check RE's [all-inclusive master contracts list](#) (accessible to internal staff only). Current NOIs are linked under each vendor's name. Contracts are grouped by effective date and by type (e.g., appraisal, eminent domain [full service], etc.). List is updated as appropriate. For any crossed-out names, "no" work orders may be issued until further notice. Contracts for appraisal services under this "hybrid" qualification based/low-bid process may include, but not be limited to these type of services and reports: appraisal review; appraisal review surplus parcel; billboard (sign) appraisals; fixture and/or other specialty appraisals; short format summary; short format surplus parcel; standard detailed format before and after; and, standard detailed format surplus parcel. Appraisal services consultants ("fee" appraisers) must prepare all appraisal reports using established WisDOT formats. It is acceptable to supplement our current approved formats to meet the requirements of individual appraisals. For more information about appraisal, see [REPM/Chapter 2](#) and Chapter 6 for surplus land. Contracted appraisal work must be submitted through READS. Projects may be phased or divided by property types and more than one appraiser may be hired to help complete projects needing a short turnaround time.

To start an appraisal or appraisal review work order request, under the low-bid process, internal staff prepares the [Bid Tab](#) form with the appropriate [supporting docs](#). The Bid Tab and supporting materials can be downloaded only from the DTSD/Appraisal & Review/Master Contracts pages on dotnet (internal site); follow step-by-step [instructions](#). Real Estate has a [RE Projects Staffing Matrix](#) (to be used by internal staff only) for establishing our estimates. The appraiser should also consider cost savings for similar parcels on a profit. WisDOT estimates are a budgeted line item for the Consultant Service fiscal year costs. Regional staff will review the Bid Tab returned by the consultant for math and overall completeness.

### Selecting the appraisal/appraisal review services consultant \*

\* Regional staff should follow these detailed step-by-step [instructions](#).

In short, the regional RE section identifies the need for appraisal services and scopes the project. Regions must contact at least three interested consultants to seek interest and explain the scope of the assignment. Contact can be via email, phone or letter, but must be only to those consultants who are active on an appraisal/appraisal review services master contract group. Documentation of these contacts with the consultants is required for the contract file. The PMs and/or RE section will use our statewide [Bid Tab](#) form with the appropriate [supporting docs](#) and special provisions language in conjunction with a detailed scope of services description drafted initially by the region to establish a baseline for the appraisal work needed. They determine the complexity of the assignment based on the appraisal problem, availability of comparable sales, transitional values, change of highest and best use, and improvements in the new right of way. The Appraisal Problem Analysis (APA) (RE1046) is completed prior to the appraisal plat date or traditional relocation order and is intended to assist the appraiser in determining the appropriate scope of work by highlighting areas of potential concern. The APA is also intended to aid the appraiser in estimating costs for their services. Items noted do not necessarily indicate the existence or absence of the item, only that a perception of a potential impact was observed by the client (WisDOT) and must be investigated as part of the appraisal process. The information provided is not to be considered all-inclusive or definitive and is not intended to limit the scope of the appraiser's efforts in providing a reliable value estimate considering all compensable items as allowed by law (Wisconsin Statute §32.09). The appraiser must verify all data/information upon actual receipt of an appraisal assignment.

The PM should send out an initial scope of services along with that initial inquiry and include a project plat and the APA form, setting a one to two day deadline for interested consultants to respond to the inquiry, depending on the size of the project. The PM then sends interested consultants a [Bid Tab](#) (accessible to internal staff only) with a two to four day deadline for the interested consultant to respond.

Regional staff will review the [Bid Tab](#) returned by the consultant as part of the work order development.

**In the event of a tie:** If a tied bid is received from two consultants, the regional RE lead or project manager, in the presence of two witnesses (at least one RE staff and another person), shall:

- Flip a coin allowing it to come to rest on floor. If “heads” is up, vendor whose company name is alphabetically first wins; if “tails” is up, other vendor wins.

- Process used to break a tied bid must be documented with witnesses signing a document as to the event and outcome; this signed documentation is filed and kept with project file information.

Once a consultant(s) has confirmed interest in the project, the PM or contract administrator/specialist completes the work order request and sends it to Consultant Services for review and approval, with the CONFIDENTIAL estimate. If the estimate of the work order is over \$300,000, a Cost Benefit Analysis must be completed and submitted along with the work order request. Work under the provisions of the work order agreement cannot begin until after approvals have been granted.

The work order process begins in earnest with the regional PM or contracts specialist assembling the basics of a work order package, to include special provisions, if appropriate, and any other materials specific to the needs of that project.

The region delivers the draft work order, including special provisions and a draft scope of services via email to the consultant selected. The consultant selected will review the information provided, fill in and complete all the details, then returns the completed work order package with the approved bid tab for final review and approval to the region by the deadline identified. We typically allow from five to ten working days, depending on the project size and complexity. It depends on the total amount of the work order who within WisDOT has final signatory authority for approval. Regional Consultant Services staff will help to coordinate the process to get proper signatures, ensure required documentation is in order, and will answer questions, provide guidance and assistance. Expect approximately two to six weeks from inquiry to work order authorization.

Once again, consultants ("fee" appraisers) must prepare all appraisal reports using established WisDOT formats. It is acceptable to supplement our current approved formats to meet the requirements of individual appraisals. For more information about appraisal, see [REPM/Chapter 2](#) and Chapter 6 for surplus land. Contracted appraisal work must be submitted through READS.

### 1.7.2.3 Full Service and Other Specialty Real Estate Services

Full service activities could be obtained under a purchasing contract or a consultant contract depending on the situation. RE consultant contracts, specifically master contracts, is the current preferred method for obtaining outside full service and other specialty consultant services. Special provisions to be included with full service and other specialty master contract work orders are available on the dotnet at our [Contracting for RE Services](#) site. The following types of RE activities are a sampling of what may be covered by a full service RE master contract: access services; acquisition services; appraisal reviews; appraisal services; asbestos/hazardous material inspections; fixture & equipment reports; miscellaneous\*; negotiations; parcel file preparation; project conference activities; project management; property disposal; property management; READS entry of project data; realty services; recording services; relocation services (business and/or residential); REPM updates; right of way certification; specialty training; title search services; and, utility moves.

\* Miscellaneous under a full service master contract could include any RE necessary activity.

### 1.7.3 Real Estate Contracting for Services Summary

- All such organizations, firms, or private individuals hired as consultants through written agreement must comply with WisDOT policies and practices. Authority for acquiring outside services through purchase contracts (low bid) is described in Chapter 16/Sub-chapter IV-Purchasing; Chapter 84 is the authority for master contracting and has contracting options unique to WisDOT. It is possible that you could use both types of contracting methods within a single project. Contracting for all WisDOT activities required in support of state right of way programs through use of private consultants and other services shall also conform to Code of Federal Regulation, [49 CFR 18.36 - Procurement](#). Details in 1.7.0.1 Roles, Authority and Contract Types.
- Amendments/change orders are possible, practicable and sometimes necessary. Amendment processes are typically associated with master contracting (Chapter 84) processes, while change orders are for purchasing (Chapter 16) processes and Chapter 84 demolition and site clearance. Site clearance activities are responsibility of our regional RE property managers and coordinated primarily through Division of Transportation System Development/Bureau of Project Development/Proposal Management Section-Proposal Management Unit (DTSD/BPD-PMU). See more about site clearance in REPM/Section 6.1.
- Current preference is to hire for consultant services using the master contracting process (Chapter 84 – provisions unique to WisDOT). A number of goods and services, however, could still be obtained through the purchasing process (Chapter 16 – low bid; statewide provisions). Regions sometimes have some discretion and choice over the contracting method depending on what might be quickest or more cost effective, and depending on the anticipated amount of the contract or the kinds of goods and services needed.
- Except for our hybrid appraisal master contract group, an initial consultant financial report (CFR) is required; then, annual updates are needed from the consultant for the CFR auditing process to remain active and eligible for work orders. No reminders are sent.
- In conjunction with the contracting process, CARS entries must be kept current. Consultants must maintain information for auditing purposes.
- Master contracts are typically held for two years. Solicitations for new master contracts are held at regularly scheduled times; information is available at <http://www.dot.wisconsin.gov/business/engrserv/caudesolicit.htm>. Consultants interested in a master contract must watch these postings for areas of interest, and then submit a Notice of Interest (NOI) using [ESubmit](#) (electronic) and per instructions of a solicitation notice.
- Method of contracting will be dictated by department policy and otherwise, by statute or rule. It is essential to keep terms and conditions as consistent as possible within regions and between regions, and uniform procedures and guidelines in the procurement and administration of consultant contracts to which the department is a party. As such, regions will find certain inflexibilities, limitations and a host of rules to follow. Each region has contracting specialists within the Consultant Services Section, as does the central bureau.
- Numerous and specialized WisDOT staff will be involved at varying stages, depending if you are using the master contract or purchasing process. PMs; regional RE and Consultant Services supervisors; regional RE contract administrators/specialists and/or Consultant Services specialists; central bureaus and/or Business Services staff; and, more will typically need to be involved at varying stages and will participate or play a key role in activities, such as to coordinate the process, review requests, negotiations, approval steps, etc.
- RE master contracts are coordinated statewide through the Bureau of Technical Services-RE (BTS-RE), but daily activities are administered in the regional RE offices in cooperation with WisDOT Consultant Services. Regional admin/general business services purchasing

and/or consultant services staff now serve as the main contacts for all RE project managers (PMs) and will handle day-to-day coordination of all contracting activities.

- When master contracting services are needed, the PM (sometimes the RE specialist) will typically draft the work order and will continue to work directly with their regional contract administrator/specialist to coordinate the work order process.
- WisDOT reviews master contracting NOIs to make “qualification” based selections (as opposed to lowest bid for purchasing decisions). After the qualification review process has concluded and consultants have been approved as being eligible for work under a master contract, work orders are drafted on an as needed basis.
- Work orders under the master contracting process are developed specific to each project as needed and must be approved prior to commencing any work on a project. All work orders include contact names for each party; payment method; a detailed scope of services; standard special provisions; and, must include a work completion date.



## 1.8 WISDOT RELOCATION INCENTIVE PROGRAM

### 1.8.0 Policy and Guidance

The Wisconsin Department of Transportation will offer a Relocation Incentive Program, which can be utilized on select projects for the owners and tenants of real property to be acquired in total. The purpose of the incentive program is to clear right of way in a shortened timeframe in order to advance highway projects. It is a voluntary program for the property owner/tenant. Incentive payments are payments that are over and above the computed relocation benefits normally provided by WisDOT. It has been demonstrated in recent pilot projects that the use of incentive payments on transportation projects can be effective in decreasing the time needed to acquire and clear needed rights of way.

WisDOT will implement a Relocation Incentive Program to encourage the vacancy of real property in a manner that is consistent with the intent of the Uniform Act to encourage the expeditious acquisition of real property. The use of this incentive program is discretionary on the part of WisDOT, and it will only be used on projects that meet all the criteria established in this document and provide a cost effective benefit as well as being in the interest of the public. If a project meets all the criteria, and is approved for use of the Relocation Incentive Program, all relocation parcels acquired during the project timeframe on the selected project will be eligible for incentive payments. Prior to implementation of the Relocation Incentive Program on any project, consideration of the use of early or advanced real estate acquisitions/relocations in place of incentive payments must be documented. See REPM sub-sections 1.4; 2.11 and 3.2 for more on early or advanced procedures. WisDOT uses the following criteria in selecting projects for the Relocation Incentive Program:

- a. Projects in areas where known market trends will increase right of way costs, such as with escalating property values as may be due to large new industries, real estate development, or property value inflation.
- b. Projects that have safety concerns that necessitates the acceleration of a project schedule, such as when a highway is washed out due to flooding, bridge collapses, highway safety improvement projects, etc.
- c. Projects where properties along the project are similar and where a reasonable analysis indicates that the project could be advanced under the procedures and terms of the WisDOT Relocation Incentive Program.
- d. When unanticipated funding becomes available (example: federal stimulus money) that results in WisDOT moving a letting date up for a project, thereby reducing the relocation timeline below the typical time period required. Note: This should be evaluated in conjunction with a, b, and c.

In reviewing the above criteria, WisDOT will, prior to the start of the highway project, when considering use of the Relocation Incentive Program, conduct a study and analysis to include a cost effectiveness estimate and public interest finding to determine whether use of the program will reduce project development time, thereby reducing monetary expenditures associated with administrative revisions, staff time, litigation, penalties for delays, etc., and if an accelerated schedule for a project is necessary to improve public safety on a shortened timeframe. Such

determination shall be in writing using the Public Interest Finding/Cost Effectiveness Estimate form. This document along with any additional supporting materials, as well as copies the Relocation Incentive Offers for Residential Owner; Residential Tenant; and/or, Business Owner or Tenant shall be retained by the regions, and shall be made available for review by FHWA upon request. See more on regional processes below.

Projects should be selected as early as possible in the highway development process, preferably by the time of the 30 percent design of the project. The purpose of early review and selection of a project to be included in the Relocation Incentive Program is to give the Real Estate section adequate time to complete the Public Interest Finding/Cost Effectiveness Estimate, receive approval, and implement the program procedures prior to the start of the normal real estate process.

Projects selected should have adequate comparable properties available, and have a high probability of success. It is important that regional offices engage in a thorough early analysis of projects that may have the potential to use the Relocation Incentive Program. Considerations analyzed relative to the criteria set out in this policy would include some or all of the following: businesses on the project, whether they are small (mom/pop), big box, industrial, etc.; whether the inclusion of the businesses will derail the abbreviated project timeline; the controversial nature of a project (if any); and, whether that controversy is environmental, political, local issues, etc. High profile projects, even though these may not at first be controversial in nature, may invite public disapproval over the use of additional incentive payments and expenditure of public dollars. The analysis should indicate that the inclusion of incentives on the project selected will be successful and that those affected by the project will be receptive to the incentives and have the desire and/or ability to comply successfully with the conditions of the program. The regional office should also consider the possibility of using an early advanced acquisition program. There may also be other considerations not listed here that become important to any analysis and should not be ignored.

Projects approved for the Relocation Incentive Program will be reviewed by FHWA on a yearly basis for effectiveness each year for the first two years following authorization and as warranted thereafter.

## **1.8.1 Procedures**

### **1.8.1.1 Approvals**

Regional WisDOT offices shall study potential projects that may be included in the Relocation Incentive Program based on the policy, guidance and procedures established in this document. The regional office conducting the study should use the Public Interest Finding/Cost Effectiveness Estimate form to document the cost effectiveness estimate and summarize findings. Prior to implementation, the finding and estimate, along with any additional supporting documentation shall be forwarded to the WisDOT DTSD/Bureau of Technical Services – Real Estate (BTS-RE) for review and approval by a Real Estate manager. A copy of the findings and estimate document as well any supporting documentation shall be retained by the region.

### **1.8.1.2 Regional Processes**

When a particular project has been selected for the Relocation Incentive Program, the WisDOT regional office conducting the study shall be responsible for preparing and maintaining a special “Incentive Program” folder to be kept with the official set of project files that will include a copy of the Public Interest Finding/Cost Effectiveness Estimate form as well as any other information,

documentation, analysis, correspondence, approvals, etc. specific to the study conducted in considering the use of and producing justification for an incentive initiative on the project. Regions should be prepared to make that file available for review by the FHWA upon request. Copies of the Relocation Incentive Offers, which include an acceptance and acknowledgement of understanding statement from the Residential Owner; Residential Tenant; and/or, Business Owner or Tenant shall also be retained by the regions and placed in the project's individual parcel file folders.

The success of the WisDOT Relocation Incentive Program to accomplish vacancy of all full take parcels goes hand in hand with the use of best practices and proactive administration of the acquisition of the properties. It is important that acquisition activities proceed on a timely basis consistent with the program. Clear guidelines, adherence to mandated timeframes for acquisition and the use of the Jurisdictional Offer and the Award of Damages should be thoroughly reviewed and discussed prior to the start of any program.

Prior to the start of any project, whether or not to extend the Relocation Incentive Program to landlords and the amount of incentives to be offered shall be reviewed and determined based on the type of properties on the project. Each Relocation Incentive Program undertaken shall develop procedures relative to whether offering incentives to landlords is feasible and necessary. Because of the wide variety and differences in rental properties, i.e., 200 unit apartment complexes vs. single duplex, or even the amount of personal property to be removed by a landlord, each situation on a project must be taken into account to ensure consistency of treatment under the guidelines of the program.

Property owner and tenant meetings (two) will be held in advance of each project selected for the Relocation Incentive Program (preferably one year and six months in advance). The purpose of these meetings is to explain the terms and procedures under which incentive payments will be made and to provide potential relocatees with advance notice and lead time.

A Relocation Incentive Program project meeting and training shall take place prior to the onset of the project; procedures developed shall be explained at this meeting. In attendance at this meeting, shall be WisDOT/Real Estate relocation specialists, acquisition specialists, lead workers, supervisors, review appraisers, project managers, public information officers and all others that will be instrumental in the success of the project.

A Relocation Incentive Offer containing the acknowledgement of understanding and conditions of acceptance will be provided at the initiation of negotiations along with the offer and relocation package. In the case of tenant occupants, all relocation and incentive packages shall be delivered within seven (7) days of the initiation of negotiations. The clock starts with the delivery of the relocation package. It is anticipated that regions will have to engage in advanced planning for parcels in which multiple tenancies will require additional relocation specialists with a time intensive work period. There will be no exceptions to this procedure.

The incentive payment for relocation does not affect the calculation of a displacee's relocation entitlements. All incentive payments will be processed on a separate WisDOT claim and payment request. One incentive payment per parcel, unit or relocatee shall be made. The regional offices shall send IRS 1099 forms for all incentive payments, informing the displacees they must seek tax advice from an accountant as to whether or not taxes are due on the incentive payment.

The acknowledgement of understanding and conditions acceptance section of the Relocation Incentive Offer will include an “assurance of no coercive action” clause and signature block, which states that the owner recognizes the offer was accepted of the owner’s free will and that no coercive actions were taken by WisDOT or its representatives.

A vacancy inspection of each parcel shall be completed within one business day by the region being notified that the property or parcel is vacant, provided the inspection is completed within the timeframe provided for in the incentive payment that is being requested. All personal property must be removed from the site in order to qualify for the incentive payment. There will be no exceptions to this procedure. Documentation of vacancy must also be placed in the regional project/parcel files, using the current Vacancy Notice (RE1783).

Any advanced acquisition of property for a selected project will not be offered an incentive payment since reducing the timeframes for the vacancy of the parcel is not the goal; however, displacees must be informed of the Relocation Incentive Program (and that they are not eligible as an advanced acquisition) if it is known that an incentive program will take place. As achieving a shortened timeframe would not be advanced by incentive payments to early acquisitions, there is no justification for the release of an incentive payment.

**1.8.1.3 Real Estate Vacancy Timetable and Payment Schedule**

Real estate vacancy timetables and incentive payments amounts are as described in the schedule below. Key points to remember are that the Relocation Incentive Offer containing the acknowledgement of understanding and conditions acceptance shall be provided at the initiation of negotiations along with the offer and relocation package. In the case of tenant occupants, all relocation and incentive packages shall be delivered within seven (7) days of the initiation of negotiations. The clock starts with the delivery of the relocation package. In all cases, a relocatee(s) must vacate and have all personal property removed in order to receive an incentive payment. Incentive payments are additional payment above any benefits provided under Chapter 32.19 of the Wis. Statutes and will not affect nor offset other relocation payments due.

<b>‘Residential Owner’ Vacancy Timetable and Payment Schedule</b>	
Parcel must be vacated and all personal property removed	
\$10,000	Property is vacated within 45 days of Initiation of Negotiations
\$ 5,000	Property is vacated within 60 days of Initiation of Negotiations
\$ 2,500	Property is vacated within 90 days of Initiation of Negotiations
\$0	Property is vacated more than 90 days of Initiation of Negotiations
<b>‘Residential Tenant’ Vacancy Timetable and Payment Schedule</b>	
Parcel must be vacated and all personal property removed	
\$ 5,000	Property is vacated within 45 days of Initiation of Negotiations
\$ 2,500	Property is vacated within 60 days of Initiation of Negotiations
\$ 1,250	Property is vacated within 90 days of Initiation of Negotiations
\$0	Property is vacated more than 90 days of Initiation of Negotiations

<b>'Business Owner/Tenant' Vacancy Timetable and Payment Schedule</b> Parcel must be vacated and all personal property removed	
\$30,000	Property is vacated within 60 days of Initiation of Negotiations
\$20,000	Property is vacated within 90 days of Initiation of Negotiations
\$10,000	Property is vacated within 120 days of Initiation of Negotiations
\$0	Property is vacated over 120 days of Initiations of Negotiations

WisDOT agrees to inspect all properties within one business day of being notified of the vacancy, and WisDOT will make payment based on the date the relocatee has vacated the property and as established in the Relocation Incentive Program. WisDOT agrees incentive payment will be made in a timely manner after the relocatee vacates the property.

## 1.8.2 Summary

The WisDOT Relocation Incentive Program is a discretionary program approved and to be monitored by the FHWA. It was designed to allow the Wisconsin Department of Transportation to acquire and relocate properties in a short timeframe by offering voluntary incentive payments to property owners/tenants when certain criteria are met. Relocatee(s) must acknowledge an understanding that the initiative payment is for the expressed purpose of WisDOT successfully relocating properties within a shortened timeframe and agree to all conditions of the program.

The Public Interest Finding/Cost Effectiveness Estimate form was developed as a tool to summarize and document the study and analysis performed by the region relating to each potential use of the Relocation Incentive Program for project. This estimate, the findings and any additional supporting documentation developed by the regions, require approval by a BTS-RE Real Estate manager. Recordkeeping is to be maintained by the regions. In addition, the Relocation Incentive Offers, which include an acceptance and acknowledgement of understanding statement from the Residential Owner; Residential Tenant; and/or, Business Owner or Tenant were developed to document the conditions of agreement with affected owner/tenant(s).