

State of Wisconsin

OFFICE OF STATE EMPLOYMENT RELATIONS

- COMPENSATION & LABOR RELATIONS BULLETIN -

Date: April 18, 2007

Subject: Contracting Out & Union Notice

Locator No: OSER-0162-CLR/LR

The purpose of this bulletin is to provide general guidance on the timing and content of union notice when contracting for services under Chapter 16, Department of Administration and Chapter 84, Department of Transportation, of the Wisconsin Statutes.

CHAPTER 16. DEPARTMENT OF ADMINISTRATION

Please consult the State Procurement Manual (<http://vendornet.state.wi.us/vendornet/procman/index.asp>) for more detail regarding the purchasing process, as well as the applicable collective bargaining agreement for specific contracting out provisions since notice requirements may vary between Agreements.

Note: In all cases where the contract is for services that would normally be performed by employees covered by a bargaining unit, whether or not such employees are employed by the contracting agency, notice must be sent to the appropriate union(s). See PRO-I-9, of the State Procurement Manual, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations, at <http://vendornet.state.wi.us/vendornet/procman/proi9.pdf>, for more detail.

Statewide Contracts

When a statewide contract for services is prepared, the Department of Administration (DOA) will provide notice to the appropriate union(s) at least 30 days prior to entering into contractual agreements with each of the vendors who are ultimately selected. This provides initial notice to the union that the contract will be let, however, no vendor names or specific contract for services information is available at this time.

Once a statewide contract is in place, agencies utilize this master contract at the time they need services by issuing a request for services to the vendors on the statewide contract. The request for services describes the specific programmatic need and the specific skill sets needed to complete the work. For purchases over \$25,000, the agency conducts a cost benefit analysis prior to issuing a request for services. The cost benefit analysis is conducted prior to the request for service so that a more complete and accurate comparison and justification for contracting can be made. A copy of the request for services is sent to the appropriate union(s). However, if the cost benefit analysis will be used as part of the decision-making process and/or for negotiating the cost of the contract, it is not sent to the union(s) at this time. Under those circumstances, the cost benefit analysis is sent to the union(s) and DOA after negotiations on the contract are completed.

Agency Independent Purchase of Services (Not Using Statewide Contract)

When an agency plans to conduct a procurement for services over \$25,000, the agency is responsible for completing a cost benefit analysis to assist in the decision making process for contracting out. In addition, the agency works with their human resources office to determine if union notification is required. If notice is required, the agency must provide notice to the appropriate union(s) at least 30 days prior to entering into contractual agreements (see PRO-I-9 of the State Procurement Manual, Compliance With Collective Bargaining Agreements/Notification of Labor Organizations at <http://vendornet.state.wi.us/vendornet/procman/proi9.pdf>). When union notification is required, a copy of the cost benefit analysis is included with the notification *unless* it will be used for negotiating the cost of the contract. In that case, the cost benefit analysis is provided to the union(s) and to the Department of Administration at the conclusion of negotiations on the contract. When union notification is not required, the agency forwards a copy of the completed cost benefit analysis to the Department of Administration, State Bureau of Procurement.

Union notification, when appropriate, must be sent to the applicable union(s) at the time the Request for Purchasing Approval/Authority (RPA) is submitted to the State Bureau of Procurement but not less than 30 days in advance of the implementation of the contract.

Document Changes & Training

DOA will modify State Procurement Manual sections PRO-I-4 and PRO-I-9 to reflect new requirements regarding union notice. A new procurement manual section (PRO I-15) will be issued to provide direction regarding the cost benefit analysis. A sample cost benefit analysis form will also be included in the Manual.

DOA Bureau of Procurement staff will provide training on the cost benefit methodology to agency purchasing and program staff.

CHAPTER 84 – DEPARTMENT OF TRANSPORTATION

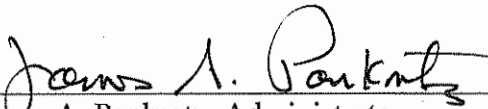
This procedure applies only to the services procured by the Department of Transportation (DOT) under s. 84.01(13), Wis. Stats. Please consult the applicable collective bargaining agreement for specific contracting out provisions since notice requirements may vary between contracts.

The Bureau of Project Development-Local Program Management and Consultant Section (BPD-LPMC) will prepare union notification documents for review and approval by the Bureau of Human Resource Services-Labor Relations Section. Union notification documents will include a report of proposed contracts for which cost benefit analyses were performed. Because Chapter 84 contracts usually include a mix of technical services, professional engineering services, and other professional services, Wisconsin State Employees Union (WSEU), Wisconsin Professional Employees Council (WPEC), and the State Engineering Association (SEA) will receive notifications of completed cost benefit analyses. Other unions will be notified only when state employees in their respective bargaining unit normally perform services to be procured under the proposed contract.

Since cost benefit analysis forms contain information related to DOT's estimate of costs used to negotiate the final contract, copies of cost benefit analysis forms will not be released until after a contract is negotiated or a decision is made not to engage in the proposed contract. Using a tracking system managed by the Audit and Contract Administration Section-Contract Administration Unit, BPD-LPMC will monitor executed contracts and distribute copies of cost benefit analysis forms to unions in accordance with applicable collective bargaining agreements. In addition, BPD-LPMC will provide an informational copy to the American Council of Engineering Companies-Wisconsin at the same time copies are sent to the applicable union(s).

REFERRAL OF QUESTIONS

Questions concerning the information included in this bulletin should be directed to Kathy Kopp by phone at (608) 266-0711 or e-mail kathy.kopp@wisconsin.gov, or Wil Mickelson by phone at (608) 267-5169 or e-mail wil.mickelson@wisconsin.gov.



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