April 27, 2006

UNION NOTIFICATION OF CONTRACTUAL SERVICES A-F

RFP: 06-5482 Moving Services Requiring Rigging and Cranes

Justification:

A. Site reference to the federal law or regulation or state law which requires or authorizes the procurement of the contractual services (if applicable).

WI Stats Ch 16.705.84.01 (13), Chapter 10, Wis. Admin Code, and DOA Procurement authority as outlined in PRO-C-12 provide the purchasing authority for this procurement.

B. A description of the services to be performed, a list of any items to be delivered, complete timetables, and any other specific conditions to be required of the contractor.

We are requesting purchasing approval to perform and complete an Official Sealed Bid process for the purchase of Moving Services Requiring Cranes and Rigging as needed. This bid process would be used to establish a Contract with a vendor(s) for an initial one year term with 2 additional one year optional extensions. We are requesting a 3 year term to allow for Contactors to “ramp-up” to the varied and specific needs of the UW Madison and requirements involved in this contract. The request is for an amount of $35,000.00 for the initial contact term. This request is based on an average of all expenditures with the current contractor for the past 3 year period. Our records indicate purchase orders totaling approximately $35,000 were issued for the period July 1, 2005 through March 20, 2006 for the current Contractor.

The types of work involved include transfer and placement of extremely large and/or heavy equipment requiring cranes, blocking and other specialized equipment or vehicles.

C. A statement showing why the services can be performed more economically or efficiently by contract rather than by current state employees or by hiring permanent, project, or limited term employees. The consideration of costs shall include, but not be limited to, cost of salaries, fringe benefits, training and unemployment compensation benefits.
For the service work to be completed, there are cases where UW Madison staff will not be available to do the work as needed, i.e. weekends and holidays. Failure to have Contractors available could result in the inability to move or place Researchers and Staff equipment or materials to new locations. There are also situations where a significant safety hazard could develop where staff does not have the heavy types of equipment or vehicles necessary to safely move or place the materials being moved or placed.

There are currently no staff personnel working on the UW Madison campus who are specifically employed in Moving Service related activities requiring cranes or rigging. While there are employees working in moving related services, these services are not similar to the types of services involved in this contract based on the size, weight and danger to staff and equipment being moved and placed. Current staff working for the UW Madison or State of Wisconsin do not have the equipment (i.e. trucks available, cranes, forklifts, blocking, rigging), the time (with other projects and jobs needing attention), the staff (when many employees are needed to complete a job quickly and then will not be needed for another project), or where staff may not have the time in their schedule to pick up and transport the materials or equipment needing to be moved.

D. A statement showing the proposed procurement is in compliance with applicable state collective bargaining Agreements and that the labor organization or organizations representing the appropriate certified collective bargaining unit or units have been notified of the proposed procurement.

Attached Confirmation from UW Madison Classified Personnel Office-Kathy Stella

E. A statement showing why it is not possible to have the services performed by another state agency.

There are no other State Agencies that have additional staff available to come to the UW Madison to perform the work needed. There are not LTE, Project, Sheltered Workcenter or BSI employees that are available for this work. There are no departments who have routine access to specialized equipment or vehicles necessary to do this work or the expertise to do the service on an ongoing basis.

F. A statement indicating that competitive bidding will be used or why competitive bidding cannot be used and the justification for using the proposed alternative.

A Request for Bid Process will be used for this procurement.

For any additional information or questions, please contact Vint Quamme at 608 245-2941 or by email at vquamme@bussvc.wisc.edu.
This letter with justification satisfies our requirement under the appropriate agreement or Administrative Code to notify the appropriate union of our intention to contract for services.

Sincerely,

____________________________________ ____________________________________
Kathy Stella      Don Miner
Classified Human Resources Dept   Asst. Vice Chancellor

Cc:   Mike Hardiman, Director of Purchasing
      Bid File
**LABOR ORGANIZATION NOTIFICATION**

**Part 1: Cost Analysis Worksheet**

**State Employees Compared to Contracting Out for Services**

<table>
<thead>
<tr>
<th>State Employee Costs: Facilities Planning and M</th>
<th>Contract Length</th>
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<th>Reference</th>
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</thead>
<tbody>
<tr>
<td>1. Wage and Salary Costs</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
<td>$0</td>
<td>$81,120.00</td>
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<td>2. Fringe Benefits Costs</td>
<td>$0</td>
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<td>3. Admin Overhead Costs (Vehicle)</td>
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<td>4. Other Operating Costs</td>
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<td>5. Total State Employee Costs</td>
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<td>$0</td>
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<tr>
<td>(Sum of Lines 1 through 4)</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
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<td>$81,120.00</td>
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**Contracting Out Costs**

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<th>Contracting Out Costs</th>
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<th>Reference</th>
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<tbody>
<tr>
<td>6. Contract Price-Reynolds Transfer</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
<td>$27,040.00</td>
<td>$0</td>
<td>$81,120.00</td>
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<td>7. Contract Monitoring</td>
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<td>8. One-Time Conversion Costs</td>
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<td>$0</td>
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<tr>
<td>9. Total Contract Costs</td>
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<td>$0</td>
<td>$81,120.00</td>
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</tbody>
</table>

**Cost Analysis and Decision**

10. Annual Savings/Cost
    (Line 5 minus Line 9, divided by number of performance periods)  
    n/a

11. Annual State Employee Costs
    (Line 5 divided by number of performance periods)  
    n/a

12. Average Annual Savings/Cost Percent
    (Line 10 divided by Line 11)  
    n/a

**Part 2: Assumptions**

1. There are no state employees who currently do this type of service on a routine basis.

2. As there are no State Employees to compare wage rates, we used the rates currently being paid to the existing contractor. The numbers used are inclusive of all fringes and any other costs that would be considered in the wage comparison in the contract.

**Part 3: Other Cost and Productivity Factors**

Please address all other cost and productivity factors that are outlined in PRO-I-9. These include:

1. Although we did not have any State Employee costs to compare, we showed the current annual cost of the contract based on the Current Contractor.

2. Even if State Employees could do the work, State staff would not always be available on a routine basis or for those times when a staff person moved needed immediate attention or specialized vehicles or equipment was necessary.

3. Purchase costs for the type of crane equipment used would be a minimum of $250,000.00 - $500,000.00 each.