April 27, 2006

UNION NOTIFICATION OF CONTRACTUAL SERVICES A-F

RFP: 06-5015 Moving Services for the UW Madison.

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 as needed. This bid process would be used to establish a Contract with multiple vendors 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 $140,000.00 for the initial contact term. This request is based on an average of all expenditures with the current contractors for the past 3 year period. Our records indicate purchase orders totaling approximately $140,000 were issued for the period July 1, 2005 through March 20, 2006 for the current Contractors.

The types of work involved include moving of office and laboratory supplies and equipment and the transfer of surplus equipment and materials to UW Madison SWAP.

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 Researchers and Staff equipment or materials to new locations or surplus materials and equipment to SWAP.

There are currently staff personnel working on the UW Madison campus who are employed in Moving Services related activities. These employees work in primarily 2 areas, Facilities Planning and Management (FPM) and Materials Distribution Services (MDS). The majority of these staff persons work for FPM. There are occasions where current staff working for these Departments do not have the equipment (i.e. trucks available, hand carts, pallet jacks), 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.

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 Proposal 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,

Page 2 of 3
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 Mgmt</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Additional</th>
<th>Total</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wage and Salary Costs</td>
<td>$170,050.00</td>
<td>$170,050.00</td>
<td>$170,050.00</td>
<td>$0</td>
<td>$510,150</td>
<td></td>
</tr>
<tr>
<td>2. Fringe Benefits Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>3. Admin Overhead Costs (Vehicle)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>4. Other Operating Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>5. Total State Employee Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

(Sum of Lines 1 through 4) $170,050.00 $170,050.00 $170,050.00 $510,150

**Contracting Out Costs**

<table>
<thead>
<tr>
<th>Contract Length</th>
<th>$138,718.79</th>
<th>$138,718.79</th>
<th>$138,718.79</th>
<th>$0</th>
<th>$416,156</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Contract Monitoring</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>8. One-Time Conversion Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>9. Total Contract Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

(Sum of Lines 8 through 11) $138,718.79 $138,718.79 $138,718.79 $416,156

**Cost Analysis and Decision**

10. Annual Savings / Cost
    (Line 5 minus Line 9, divided by number of performance periods) $63,964

11. Annual State Employee Costs
    (Line 5 divided by number of performance periods) $170,050

12. Average Annual Savings / Cost Percent
    (Line 10 divided by Line 11) 55.27%

**Part 2: Assumptions**

1. Straight time only was used and considered. No overtime or weekend hours.
2. More than one Contractor was on this contract. Graebel Movers had over 80% of the volume of the contract.
3. Rates used for State Employees cost comes from rebill rates that include all overhead.
4. For the annual hours, the total cost for all vendors was used divided by Graebels hourly cost as it was in between the other Contractors costs and was the majority of volume for the contract. Total hours were 4475 used.

**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 Straight time was use, if state employees were used, some workload would push into overtime and there would be times when employees would not have enough work to do pending completion of large projects and lack of additional projects or needs.
2. State staff would not always be available on a routine basis or for those times when a staff persons move needed immediate attention.
3. Contract management costs would be additional.