



AFT-Wisconsin, Local 4848
6602 Normandy Lane
Madison, WI 53719
Ph 608.662.1444
Fax 608.662.1443
Email wpec@aft-wisconsin.org

February 1, 2012

Secretary Mike Huebsch
Department of Administration
101 E. Wilson Street
Madison, WI 53703

Dear Secretary Huebsch,

I am writing to inquire about the status of the state's annual contracting out report. Every year, the Department of Administration publishes a report of the past year's procurement as well as recommendations for decreasing wasteful spending. Wisconsin statutes are clear on this requirement.

According to 16.705(8)

The department shall, annually on or before October 15, submit to the governor, the joint committee on finance, the joint legislative audit committee and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3), a report concerning the number, value and nature of contractual service procurements authorized for each agency during the preceding fiscal year. The report shall also include, with respect to contractual service procurements by agencies for the preceding fiscal year:

- (a) A summary of the cost-benefit analyses completed by agencies in compliance with rules promulgated by the department under sub. (2).
- (b) Recommendations for elimination of unneeded contractual service procurements and for consolidation or resolicitation of existing contractual service procurements.

For years, the Department of Administration has been required to produce a contracting out report. Although the report is due on October 15th, the report is often not published until early December. However, it has now been 3 months since the report was due, this should be more than enough time to produce the required report. Every year, the state spends hundreds of millions of dollars on procurement with private vendors. The annual contracting out report is the only public accounting of those expenses. Taxpayers deserve to see how the state is using their money.

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Last month, the audit bureau identified millions of dollars wasted by the Department of Health through costly contracting practices and recommended ways that the state could save money by bringing work in house and holding contractors more accountable for their spending. Earlier this month, the Waste and Fraud Commission set up by Governor Walker called for the state to explore options to decrease outsourcing and save taxpayer money.

The lack of action by the administration to address these problems is concerning. The fact that your agency has not yet produced its statutorily required report on outsourcing practices raises concerns about the Walker administration's commitment to cut waste and abuse in outsourcing.

I look forward to your timely response to this important issue.

Sincerely,

Greg Georg
President