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Date: June 18, 2026

To: Public Works and Transportation Committee

From: Nick Bubb
Assistant Director

Subject: Questions on Contracting for Labor

This memo addresses questions that you have raised to the Department of Administration. Along with this memo, the Department is sending a spreadsheet that provides the data requested.

Introduction / Overview of Questions

For review, Supervisor Engelberger raised the following questions:

1. Is there a county policy currently in place to guide decisions on whether to use internal or contract labor?
2. If there is a policy that DOA/departments have access to for these decisions, is it being used consistently?
3. In the absence of a policy, what are the factors that influence a choice to contract with outside entities vs. using internal represented workers and who makes that decision?
4. Does the county keep an inventory of these contracts and laborers? If not, what could we gain by doing an inventory?
5. If there is an inventory/tracking of these contracts:
    i. How many/what percentage of these jobs is contracted out instead of being assigned internally? (e.g., facilities services, building mechanical and electrical maintenance, light landscaping, snow removal, surge cleaning, cleaning and custodial services, grass cutting, vehicle and equipment maintenance, security guards and any other manual labor duties)?
    ii. What are the factors that influence a choice to contract with outside entities vs. using internal represented workers?
6. Have other options been explored to reduce privatization of these duties?

To best answer these questions, it is important to discuss several areas including trades staffing around the County and in Facilities Management, the county procurement process, and the Employee Benefit Handbook.

Background Information

Facilities Management

In the 2026 budget, Facilities Management (DCFM) has 54.00 FTE. These staff provide facilities maintenance services, including custodial services, building maintenance and repairs and trades-related services to 2.2 million square feet of space. DCFM provides these services to a majority of all county owned buildings, except for the Alliant Energy Center and the Airport, both of which have their own maintenance staff provide these services. In 2025, Facilities Management responded to 8,788 work orders across 52 buildings, not including the routine and supplemental cleaning that is provided by the County's janitorial staff, of which there are 29.00 FTE in Facilities Management (4.00 FTE Lead Janitors and 25.00 FTE Janitors).

There are 20.00 FTE Trades positions in Facilities Management. This includes: 1.00 FTE Building Automation Specialist, 1.00 FTE Carpenter, 2.00 FTE Electricians, 1.00 FTE Lead Building Trades, 2.00 FTE Painters, 1.00 FTE Plumber, 3.00 FTE Steamfitters, 2.00 FTE Lead Mechanics, and 7.00 FTE Mechanical Repair Workers. These staff are assigned projects and repairs around county facilities, completed based on priority and ongoing needs around the county. From time-to-time, some of these trades staff may help assist other trades staff around the County. For example, during events such as World Dairy Expo the Facilities Management Electricians have assisted with the setup of events.

While most classifications are self-explanatory, as explained in the February 3, 2026 memo on snow removal, Mechanical Repair workers remove snow around the downtown campus (City-County Building, Public Safety Building, and the Courthouse) and the Lakeview Human Services campus, as well as conducting maintenance repairs across County facilities. Those smaller repair projects include maintenance repairs to heating/cooling systems, plumbing, electrical systems, power circuits, generators, control equipment, and carpentry repairs such as replacing doors, adjusting door closers, replacing lock sets, and replacing ceiling tiles.

When Facilities Management hires an outside contractor for related services it is usually because the size and scope of the project exceeds the time of our staff, the project required a specialized skill set, the work was connected to an approved public works project, or the time of event makes it more efficient for a contractor to respond. For example, last year a sprinkler pipe burst in the Courthouse and it flooded the Clerk of Courts' office. The County used a team of its employees and contractors in order to respond and clean up. Facilities Management staff stopped the leak, ServePro was hired to assist with the cleanup, and a fire sprinkler contract replaced the sprinkler line. Facilities Management hired these contractors because they carry the necessary certifications and equipment in order to repair and rehabilitate the space.

In many of these circumstances where an outside vendor is providing a service to a repair an aspect of Dane County buildings, the trades staff from Facilities Management are still involved in the project. A good example of this is the recent generator projects at the City-County Building. Forward Electric and Wolter, electrical contractors were involved in upgrading the generator equipment, however, Dane County's electricians were included in the project to ensure that the systems were functioning properly during and after the installation of the equipment and also to provide and review the information included in the updated building one-line drawings produced through the project.

Alliant Energy Center and the Dane County Regional Airport

As mentioned above, the Alliant Energy Center and the Airport also maintain their own trades and skilled staff. In addition to the Facilities Management trades there are 2.00 FTE Electricians, a 1.00 FTE steamfitter, 1.00 Mechanic, a 1.00 Mechanical Repair Worker and 1.00 FTE Groundskeeper.

The Dane County Regional Airport has the following trades and skilled staff: Terminal Maintenance Division: 2.0 FTE Electricians, 1.0 FTE Lead Building Trades, 2.0 FTE Steamfitters, 4.0 FTE Airport Maintenance Mechanic (facility maintenance), 3.0 Lead Terminal Maintenance Workers (lead janitors), 15.0 FTE Terminal Maintenance Workers (janitors), 8.0 FTE Terminal Facility Workers (parking enforcement, security work). Airfield Maintenance Division: 2.0 Electricians (airfield electrical systems), 3.0 Mechanics (airport fleet), 1.0 FTE Airport Maintenance Worker, 3.0 FTE Airport Maintenance Crew Leaders, 10.0 FTE Skilled Laborers-Airport.

All of the above Airport employees perform snow removal duties. Custodial services at the Airport are performed by County employees on 3 shifts. When the Airport utilizes an outside contractor for related services it is usually because the size and scope of the project exceeds the capabilities of Airport staff; frequency and duration do not justify long-term employee costs; the project requires a specialized skill set; or the work is connected to a major capital improvement project with federal, state, and Airport funding.

Purchasing

County Department Heads, with guidance from the County Executive's Office and the Department of Administration, make decisions that are the best for the operations of their department. If the operational needs of their department determine that the department needs to request an outside vendor to provide goods and service, then the Department goes through the procurement process to acquire those goods and services, subject to available funding.

Purchases under $13,000 require one quote and use the Department's best judgement. Purchases over $13,000 but under $46,000 require three quotes. Purchases over $46,000 require a Request for Bid or Request for Proposal. Contracts are required when those amounts or extensions exceed $100,000 or if the County Board has deemed the purchase significant. Additionally, many of these service providers are on the state contract and the Purchasing Division works with relevant Department to use a cooperative purchasing agreement for services rendered under this procurement threshold.

The Department of Administration keeps all records of the purchase orders and contracts that are issued. However, the information is kept for accounting purposes and that data is not tagged or categorized by use case.

In compiling information requested, the Department of Administration has compiled a spreadsheet about contracts and purchase orders. In trying to find which contracts and purchase orders are of interest to the committee, we have limited the scope to include contracts and purchase orders that involve landscaping, snow removal, and other areas of labor. We have excluded any service contracts with the Department of Human Services, any kind of professional consulting services, and any kind of information technology services. We have also tried to exclude any procurements that are strictly related to goods, however this is difficult, because in many situations where a repair occurs the county is also charged for the replacement hardware in addition to the labor costs.

Employee Benefit Handbook

After Act 10, the Employee Benefit Handbooks replaced the previously existing labor contracts. These Employee Benefit Handbooks describe the terms and conditions of employment and the rights and benefits of employees. The Employee Benefit Handbooks provide the relevant policy on this subject matter.

The Employee Benefit Handbook has provisions on subcontracting. Since there are several different handbooks, here's a quotation from the EG 720 Handbook (EG 720 is the largest Employee Group in Dane County).

"It is the policy and intent of the County to use its employees as much as practical for work on the operations involved and to contract work out only when that course is required by sound business considerations."

This language in the Employee Benefit Handbook forms the policy basis from which the County makes any decision regard the use contractors. The intention of this provision is for the county not to subcontract out for any of the labor that county employees are currently providing. The goal is to ensure employment security of our current employees.

Utilization of Contracts

The county does not view the procurement of services as an effort to "privatize" services. Instead, the County views these acquisitions as a way to bolster its services, meet community needs, and wisely spend tax payer resources. The County's view is focused on the subcontracting as it is explained in the Employee Benefit Handbook.

The County does review whether any service contract would reduce the number of FTE authorized in the budget. The focus of the policy in the Employee Benefit Handbook is to preserve employment security of our current employees. None of the resolutions that have come before the Public Works and Transportation Committee on snow removal or landscaping services removes any work from any current employee or reduces the number of FTE authorized. As such, the Department does not feel that any of these contracts have violated the provision against subcontracting.

The data provided shows contracts and purchase orders in several major areas: plumbing maintenance and plumbing related purchase orders, electrical maintenance and electrical purchase orders, HVAC maintenance and HVAC purchase orders, custodial maintenance, grounds maintenance, and snow removal. It is useful to analyze each of these major areas. In many of these areas, there is only a purchase order and there is not contract. The total expenditures in 2025 for both labor-related contracts and POs was $1.9 million, however, only $964,200 of that was GPR expenditures (not out of an enterprise funds including the Airport and Waste and Renewables), this is equivalent to 8.5 FTE staff. This amount was spread across all County Departments including: Facilities Management, Waste and Renewables, the Alliant Energy Center, the Airport, and the Zoo.

Using purchase orders in this way ensures that County spending is responsive to the County's needs; spending on a purchase order is only done when a repair is immediate and necessary. This allows the county flexibility to ensure that the most important needs are addressed and are done in a fiscally responsible manner, especially for specialized labor that the county does not have an ongoing need for.

As previously explained, when Facilities Management hires an outside contractor for these services it is because the size and scope of the project exceeds the time of our staff, the project required a specialized skill set, the work was connected to an approved public works project, or the time of event makes it more efficient for a contractor to respond. In analyzing a breakeven point for increased FTE and contracted labor, it's important to note that these costs don't equate to a 1:1 savings; labor is only one facet of the cost. If the County were to expand the Facilities Management team with county-employed FTE, the county would still incur costs for parts and assume liability for delays since we do not staff all of the same parts that trade-specific business might.

For plumbing, the county spent $287,988 across all departments for projects, repairs, and parts in 2025. The spending for 2026 is anticipated to be less as the Facilities Management recognized the ongoing need for plumbing service and prioritized hiring the organization's first plumber in the fall of 2025. While that spending is anticipated to be lower, Facilities will still have to purchase parts directly and any savings would be reinvested into making additional building repairs. The budgeted cost of a new plumber position is $150,600.

For electrical services the county spent $283,102 across all departments, repairs, and parts in 2025. Many of these expenditures cannot be avoided as they are fees to utilities to relocate, establish, or upgrade the services at various locations. Other aspects of these costs are also for parts or controls. The budgeted cost of a new electrician is $144,900.

For HVAC services related to buildings, the county spent $489,144.02 for parts and repairs across all county departments. Some of this work is related towards Commissioning Services, which needs to be conducted by a third party and should not be conducted by County Staff. Commissioning Services are reports that evaluate whether the buildings heating and cooling systems are working as designed. A commissioning report lists recommendations for the building owner to make in order to make the systems work more efficiently and effectively. This is another non-labor cost that could not be assumed by county staff.

For custodial services, the county spent $164,325 for the buildings that do not receive custodial services from Facilities Management. While the vast majority of county owned and leased buildings are cleaned by FM janitors, there are handful of buildings that are not. The budgeted cost of a new janitor position is $104,700.

For grounds maintenance, the County spent $254,709 in 2025 across all county departments. For snow removal, the County spent $408,777 across all County Departments. As discussed in the February 3, 2026 memo on snow removal, these grounds and snow removal expenditures are an efficient use of government resources. By using these service providers, the County saves on acquiring necessary and expensive capital equipment and can only spend resources on these expenditures when it is necessary to do so. Further, this spending also ensures that snow removal is performed when it is necessary and ensures that all buildings can remain publicly accessible and safe.

For security, the County spent $307,110 across all county Departments in 2025. The buildings that required a security were the City-County Building, the Dane County Job Center, Northport, and the Henry Vilas Zoo.

To absorb the entirety of labor-related contracts and PO's, the County would need an incredibly diverse team of generalists as well as multiple trades to have the capacity to respond to every situation that has utilized outside labor. If the average Mechanical repair Worker costs roughly $113,000 with benefits, the 2025 contract and PO equivalency would be 17.00 FTE. The cost of a position increases over time: employees earn step increases and longevity pay and the cost of health insurance increases. This dynamic means that over time the county would afford less staff to do this labor over time or the costs to the county would increase beyond the equivalent cost of using contractors. It is worthwhile to note that the corresponding spreadsheet shows that contract/PO spending can vary and has decreased since 2023.

The FTE equivalency for 2024 spending is roughly 4.36 FTE. This contract/labor spending to FTE comparison illustrates that the work conducted through outside labor is not stable or predictable. Building a team internally that could respond to limited and time-constrained needs means creating more FTE than needed year-around.

Conclusion

In many of the areas for which Facilities Management hires for outside vendors, it does so because the project required a skill set not possessed by our staff, it was more efficient for a contractor to respond, or the scope of the project exceed the ability for County staff to be able to respond appropriately. It is not efficient for the County to build a staff team that can respond to every conceivable need and develop the staffing capacity to address those needs internally. The County cannot hire a team of generalists in order to be able to replace the specific expertise provided by contracted providers. Further, using purchase orders allows the County to efficiently manage its repair needs and it budgetary resources. This helps the County remain responsive, meet needs, and do so in ways that respond to our current structural deficit.

For many of these expenditures there are both labor and non-labor costs. The County cannot avoid these non-labor costs – we need to pay for parts one way or another. Additionally, this memo does not calculate the additional cost of purchasing, maintaining, and storing the necessary equipment and tools required to bring all contracted services in-house. This analysis also does not consider testing and certification costs required by the applicable Employee Benefit Handbook for trade positions the County would need to employ to absorb the totality of these responsibilities.

Finally, the policy related to subcontracting is provided by the Employee Benefit Handbook and it focuses on preserving the employment security of our current county employees. Many of the contracts discussed by the committee do not seek to replace work that is conducted by our current employees. The policy does not prohibit Departments from hiring outside contracts from delivering efficient services.