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January 16, 2012

Mark Gottlieb, Secretary
Wisconsin Department of Transportation
4802 Sheboygan Ave 120b
Madison WI 53705

Dear Secretary Gottlieb:

The State Engineering Association (SEA) has reviewed the newly released report of the Governor's Commission on Waste, Fraud and Abuse. SEA has noted in particular the report's Section F, which compares state and contract engineers. That section considers WisDOT outsourcing practices and Act 89, the state law which requires that consultant contracts be analyzed on a cost-benefit basis.

SEA presented its long-standing and well-documented views on these matters to the governor's commission at a meeting last year. SEA is gratified that, in its final recommendations, the commission has agreed with many of our own recommendations to improve consultant contracting itself as well as the performance evaluation process.

However, SEA was dismayed to note the content of a WisDOT letter included in the commission report. In his Nov. 29, 2011 written response to the commission chair, Deputy Secretary Michael Berg wrote that:

“...the department has begun discussions on possible improvements to Act 89 with the American Council of Engineering Companies (ACEC) of Wisconsin. We are eager to discuss modifications that improve the process and provide a better mechanism to deliver projects in the most cost efficient manner for the public. Discussions with ACEC are continuing.”

SEA has no problem with WisDOT seeking the advice of ACEC. However, the department has not likewise contacted SEA to obtain our input, as the governor's commission recommended. This is disappointing in several ways:

First, on many occasions over the years, SEA has met with the department and brought this issue forward, never with a substantive response. Now, WisDOT is “eager to discuss modifications that improve the process,” but apparently is focused on doing so with an association of for-profit engineering firms, not with its own engineering staff.

Second, SEA has explored and documented this issue thoroughly, even developing a statistically valid study analyzing the practice of outsourcing. Indeed, SEA was the organization that, years ago, brought the department's attention to this issue in the first place.

Third, individual SEA members are WisDOT engineers who are hands-on familiar with the issue and who possess invaluable experience, some of that gained from overseeing consulting contracts.

Fourth, SEA represents an important stakeholder in this matter, one that balances the competing interests of ACEC. It's simply untoward for WisDOT to ask private consultants how they would improve the department's private contracting practices, yet not invite similar responses from the public employees whose work is sometimes reassigned to those very consultants.

Therefore, SEA respectfully requests an early meeting with the department to discuss this issue, offering its advice and its expertise as WisDOT considers how best to implement improvements. We believe those improvements should be focused on reducing costs through front-end evaluation, not on after-the-fact performance measurements that leave open the opportunity for further waste.

I hope our Association and the department can work through this issue together in a way that improves state government efficiency for the benefit of taxpayers and the public in general. SEA was pleased that on several occasions – notably 1985 and 2004 – the department itself arrived at conclusions similar to those of the governor's commission. Now it is time to move beyond studies and achieve something truly corrective, and truly beneficial to the taxpayers.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Klipstein". The signature is fluid and cursive, with a large, stylized initial "M" and a long, sweeping underline.

Mark Klipstein
President