

COUNTY OF MILWAUKEE
DEPARTMENT OF HUMAN RESOURCES
INTER-OFFICE COMMUNICATION

DATE : January 5, 2015

To : Chairwoman Marina Dimitrijevic, County Board of Supervisors

FROM : Matthew Hanchek, Director of Benefits – Department of Human Resources

SUBJECT: **Report from the Director of Benefits, Department of Human Resources, requesting waiver of MGCO 56.30 (9) and authorization to contract with the Joxel Group for Vitech Co-Development Team services.**

Policy

Section 56.30(9) of the Milwaukee County Ordinances states that no work shall be performed by any professional service contractor until a written contract has been executed and signed by all appropriate officials.

Issue/Background

ERS has had a contract with the Joxel Group to provide a co-development team for Vitech programming. The effect of the contract was a dramatic reduction in the cost of maintaining the system based on paying a significantly lower rate for programming than is charged by Vitech. The co-development team is primarily utilized for maintaining the core system for ERS, but also services the County's retiree medical and life insurance component.

Originally, it was thought that ERS would hit the maximum billable hours under the contract, and consequently there would not be an incremental cost for the additional time spent maintaining the retiree life and medical components. As such, the directors of the Benefits Division who were in place at that time did not contemplate a method of addressing payment for services rendered by Joxel for non-pension benefits. Further, we've observed that ERS has not needed to utilize all hours under the not-to-exceed contract.

As Joxel was not tracking the programming hours utilized by the County (as opposed to ERS) separately, we didn't have any basis for establishing a contract or billing the County for services. We instructed Joxel to begin tracking the County hours separately in 2014 to allow us to address the issue at the end of the year.

Requested Board Action

The request is authorization for the Director of Benefits, Department of Human resources to execute a 3-year contract between Milwaukee County and the Joxel Group for co-development team services related to non-pension benefits. The contract period would run from May 2014

through May 2016, parallel to the term of the ERS contract, not to exceed \$25,000 in 2014, and \$20,000 in 2015, and \$20,000 in 2016.

In addition, I am requesting a waiver of MCGCO 56.30(9), to allow payment of billable hours incurred prior to the execution of this agreement. As of 11/14/2014, approximately \$12,500 of charges have been incurred and invoiced. Work to support changes for 2015 due to the annual budget, regulatory changes, general maintenance, etc. remains ongoing, however, the total work for this year will not exceed the funding requested for 2014.

Sufficient funds are in place in org unit 1950 – professional services to pay this invoice, however, the Comptroller’s office must have both the contract and waiver of 56.30(9) approved by the County Board before the 2014 charges can be resolved.

CC: County Executive Chris Abele
Raisa Koltun, Chief of Staff, County Executive’s Office
Kerry Mitchell, Chief Human Resources Officer
Paul Bargren, Corporation Counsel
Supervisor Theodore Lipscomb Sr., Co-Chairman, Personnel, Finance & Audit Committee
Supervisor Willie Johnson Jr., Co-Chairman, Personnel, Finance & Audit Committee
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Teig Whaley-Smith, Director of Administrative Services
Josh Fudge, Director, Performance, Strategy, and Budget
Scott Manske, Comptroller
Stephen Cady, Comptroller’s Office