

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: August 28, 2014

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by: Dennis Buesing, Administrator, DHHS Contract Services

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into purchase of service contracts for the operation of the Wisconsin Home Energy Assistance Program (WHEAP) in the Management Services Division

Issue

Section 46.09 of the Milwaukee County Code of General Ordinances requires County Board approval for the purchase of human services from nongovernmental vendors. Therefore, the Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into purchase of service contracts with the Social Development Commission (SDC) and Community Advocates to operate the Wisconsin Home Energy Assistance Program (WHEAP) in the Management Services Division (MSD). The contracts will follow the Federal Fiscal Year (FFY) beginning October 1, 2014 and ending September 30, 2015.

Background

The Wisconsin Department of Administration (DOA), Division of Energy Services (DES) administers statewide low-income household energy assistance programs involving electric and heating bill payment assistance as well as benefits and services to assist with energy crisis situations. WHEAP serves as the umbrella program for the federally-funded Low Income Energy Assistance program or LIHEAP and the Public Benefits Program funded from fees collected through the electric utilities. LIHEAP focuses mainly on heating assistance while Public Benefits provides benefits for non-heating electric usage.

Section 16.27 of the Wisconsin Statutes governs the operation of the Wisconsin Home Energy Assistance Program (WHEAP) in the State of Wisconsin and prescribes a role for counties in delivering such assistance. Section 46.215 of the statutes specifically addresses Milwaukee County's role in providing energy assistance to eligible residents.

DHHS traditionally has sought to maintain a social service delivery system comprised of both County provided and purchased services. Partnerships with community organizations have helped DHHS make use of available community resources and expertise in carrying out its

mission. For FFY14, DHHS administered \$2.4 million in energy assistance subcontracts with two Wisconsin Home Energy Program purchase of service community agencies resulting in assistance to 58,000 households that received \$29.6 million in home energy assistance and 6,017 households that received \$1.7 million in crisis assistance.

This program was last bid out through a Request for Proposal (RFP) process in 2011 and since that time, the contractors have successfully met performance expectations and contract requirements.

Discussion

The DHHS Director is recommending purchase of service contracts with the Social Development Commission (SDC) and Community Advocates to operate the Energy Assistance Program for Milwaukee County. Under the FFY2015 contracts, SDC and Community Advocates would continue to operate WHEAP to insure eligible households in Milwaukee County are provided with benefits and services. SDC operates three Energy Assistance sites (south, northwest and east sides of Milwaukee County) and Community Advocates currently operates one, centrally-located Energy Assistance site in downtown Milwaukee.

Both agencies utilize several locations including senior/disabled housing sites, senior centers, and community events throughout the county to process applications from within the community and promote the program. In addition, the two remaining County energy staff members have been deployed to the agencies to provide services along with their regular staff.

DHHS is recommending that a 12-month contract be awarded to SDC for \$1,331,028 and to Community Advocates for \$699,642 for the period of October 1, 2014 to September 30, 2015. The 2014/2015 contract recommendations are based upon the percentage of applications processed by each agency for FFY2014 at the time this report was prepared, as well as on the number of potential new applicants. DHHS' ability to execute these contracts will be contingent upon review and approval by the Wisconsin Department of Administration. Any contract increases received by DHHS during the course of the State DOA/DHHS contract period will be proportionately passed onto both SDC and Community Advocates.

The revenue available to fund these contracts as well as county staff and overhead costs is included in the State WHEAP contract. This State contract reflects a term of three years (FFY2013-2015) and was approved in September 2012 (Resolution File No. 12-710). The total WHEAP allocation to administer the program for FFY15 is \$2,356,669.

Recommendation

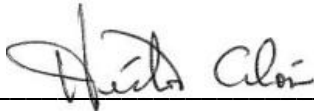
It is recommended that the County Board of Supervisors authorize the Director of the Department of Health and Human Services, or his designee, to execute a FFY2015 contract for the period of October 1, 2014 to September 30, 2015 with the Social Development Commission (SDC) in the amount of \$1,331,028 and with Community Advocates in the amount of \$699,642.

Further, the Director is authorized to proportionately amend the contracts upon receipt of any addenda received by Milwaukee County DHHS from the Wisconsin Department of Administration increasing the state/county contract for the operation of the WHEAP program during FFY2015.

Fiscal Impact

Each of the recommended contracts is funded with WHEAP revenue, and approval of the recommendations delineated above would have no additional tax levy impact beyond what has been allocated in the Department's 2014 Budget and 2015 Requested Budget. A fiscal note form is attached.

Respectfully Submitted,



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
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