

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/12/15

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to enter into a contract with ARAMARK Correctional Services, LLC

FISCAL EFFECT:

No Direct County Fiscal Impact Expenditures

Increase Capital

Existing Staff Time Required

Decrease Capital

Expenditures

Increase Operating Expenditures
(If checked, check one of two boxes below)

Increase Capital Revenues

Absorbed Within Agency's Budget

Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures

Use of contingent funds

Increase Operating Revenues

Decrease Operating Revenues

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	\$44,085
	Revenue	0	\$85,000
	Net Cost	0	(\$40,915)
Capital Improvement Budget	Expenditure	0	(\$100,000)*
	Revenue	0	0
	Net Cost	0	(\$100,000)*

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will authorize the Superintendent of the House of Correction (HOC) to enter into a three year contract with two one-year extensions with ARAMARK Correctional Services, LLC (ARAMARK) to provide commissary services for the inmates residing at both the HOC and at the County Jail. ARAMARK shall also install computer hardware and related equipment and software, including but not limited to ARAMARK's CORE® commissary management information systems (the "CORE® System") as necessary to support ARAMARK's commissary operations and other inmate accounting services. If adopted, commissary and inmate accounting systems will be upgraded, revenues will increase, and costs should be reduced.

ARAMARK will provide the County with commission checks based on the gross amount of commissary sales at both the HOC and County Jail. The estimated revenue under the new Commissary agreement for the HOC and the County Jail is \$525,000 per year. Collections in 2014 were about \$440,000 in total for both facilities. **Therefore, the County should collect about \$425,000 more over the term of this new agreement.** However, since commissary revenues are already included in each annual budget, only the variance for 2016 is input above for the fiscal impact.

ARAMARK will also be providing indigent and booking kits. These kits are given to inmates who cannot afford to purchase a few necessary hygiene items. The HOC and County Jail pay for these kits unless it is determined that the inmate can afford to do so. ARAMARK is selling these kits to the County at cost. These kits will cost the County approximately \$10,000 per year.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Since those costs have traditionally been included in each annual operating budget, no fiscal impact is input for the kits.

ARAMARK is also providing each facility with the option of utilizing their inmate accounting software package, called, the "CORE® System." The HOC believes the CORE® System provides more functionality, ease-of-use, and reporting capabilities, as well as redundancy, staffing and software support (24x7) than the software now being used at both facilities. By migrating to the new software agreement, the County can also reduce costs of software changes and upgrades by approximately \$15,915 per year because ARAMARK is including the software and ongoing maintenance at no cost.

The costs of interfacing with our current system is also waived. However, since the County is migrating to a new Jail Management System in 2016, the HOC agreed to pay for those additional interface licenses in the amount of \$30,000 for each facility (HOC and jail) for a total of \$60,000.

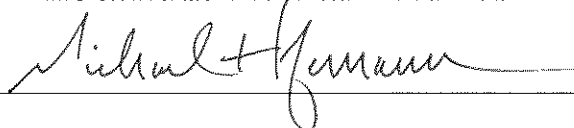
The HOC previously submitted a capital project for a new inmate accounting system. Project #WJ07001 was estimated at \$100,000. That capital project was dropped* once we realized the vendor might include it "for free" in an RFP bid. Yet, we wanted to note that the capital project estimate did not include the updated commissary equipment also included in this contract. The vendor estimates the value of the new commissary equipment and associated networking at \$76,000 for the HOC alone. The final implementation design for the MCSO is still under consideration, so any cost savings on their commissary system is not yet known.

This project has undergone preliminary review and approval by the ITSC.

This report makes an assumption on revenue collections, which are variable, by assuming sales volumes will be similar to last year at both facilities.

Department/Prepared By HOC/Michael Bickerstaff & June Jackson

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review? Yes No Not Required