



COUNTY OF MILWAUKEE INTEROFFICE COMMUNICATION

Office of the Comptroller
Scott B. Manske, Comptroller

DATE : March 14, 2018

TO : Scott B. Manske, Capital Improvements Committee Chairman

FROM : CIC Sub-Committee

SUBJECT : Review of CB File 18-217: Request for authorization to enter into a Countywide Master Services Agreement with Integration Partners Corporation for Avaya Aura VOIP Phone and Voicemail System.

REQUEST

On March 05, 2018, the Chairman of the Milwaukee County Board of Supervisor referred County Board File 18-217 (File) to the Capital Improvements Committee (CIC).

Subsequent to the referral, the Chairman of the CIC referred the File to the CIC Sub-Committee. The Chairman of the CIC directed the Sub-Committee to draft a report and respond to the questions below as they relate to the File:

- Does the File change the Project's standing?
- Does the File impact the CIC Sub-Committee's scoring for the Phone and Voicemail Project as "Not Funded"?
- What is the out year budget commitment for the Phone and Voicemail Project?
- What is the impact of the 2018 Adopted Budget to not include financing for the Phone and Voicemail Project?

BACKGROUND

In September of 2014, County Board Resolution File 14-701 approved the creation of Project WO217 Phone and Voicemail System Replacement (Project WO217) with an appropriation of \$552,062. Subsequent appropriations were approved in 2016 (\$250,000) and 2017 (\$900,000).

Two appropriation transfers were approved in 2017 that moved \$195,739 from WO217 to a new capital project WT117 – MCTS Phone and Voicemail Replacement (Project WT117). The expenditure authority was provided to finance the infrastructure cabling related to the MCTS portion of the overall project.

The financing for the replacement of the phone and voicemail system at General Mitchell International Airport (GMIA) was included in the operating budget for GMIA. These funds (\$350,000) have been requested to be carried over into 2018 so that they can be used to finance the GMIA related expenses.

The 2018 Capital Improvement Budget requests were submitted to provide additional funding for the replacement of the phone and voicemail system. An appropriation of \$2,130,000 was requested for Project WO217 and \$505,000 was requested for Project WT117. The requested appropriations were not included in the 2018 Adopted Capital Improvements Budget.

As of March 2018, there are no remaining available funds in Project WT117 and there is \$1,212,000 available in Project WO217. It is anticipated that \$350,000 will be carried over in the GMIA operating budget for the Project.

Responses to Referral Questions

- **Does the File change the Project's standing?**

The File does not change the Project's standing. The 2018 CIC Sub-Committee report was finalized in September 2017. The Project was deemed not eligible for bond financing due to unit costs for the equipment being lower than the County's capitalization threshold. The relevant page from the CIC Sub-Committee report is attached.

The total 2018 Requested appropriation in the CIC Sub-Committee report was \$2,130,000 for Project WO217 and \$505,000 for Project WT117 and included a 2019 out year cost of \$1,550,000 for Project WO2017. The total future amount in the CIC Sub-Committee report for the Phone of Voicemail Projects was \$4,185,000. The future amounts were based on the responses to the 2016 Request for Proposals.

The total future appropriations included in the File are \$3,342,000 for the Phone and Voicemail Projects. The out-year project costs are anticipated to occur during 2019-2021. The future costs anticipated in the File are based on the response to the 2017 Request for Proposals (RFP) that is seeking to be accepted. The estimate future appropriations in the File are \$843,000 less than the estimated future appropriations included in the CIC Sub-Committee report. The lower amount is a result of the 2017 response requiring less cabling and, since it is based on a similar phone system to what the County uses now, does not require the same level of consultants to assist in project implementation.

- **Does the File impact the CIC Sub-Committee's scoring for the Phone and Voicemail Project as "Not Funded"?**

The File does not impact the CIC-subcommittee's scoring. The project, which was Continuing, was listed as "Not Funded" due to the scoring of the project and the total amount of available cash financing. Continuing, Mandated, and Contractual projects are typically listed as "Funded" in the CIC Sub-Committee report. The requested cash amount for Continuing, Mandated, and Contractual projects was approximately \$14.7 million, which was higher than the cash amount available of approximately \$10.6 million. The \$10.6 million financed other projects scored higher than the Phone and Voicemail Projects. A subsequent review would not change the scoring.

- **What is the out-year budget commitment for the Phone and Voicemail Project?**

The File indicates that additional appropriations of \$3,342,000 (\$2,942,000 for Project WO217 and \$400,000 for Project WT117) would be required in 2019-2021 for the Phone and Voicemail System Replacement. The Agreement included in the File does include a Termination for Insufficient Funds provision (2e). The Provision states:

“This Agreement shall terminate at such time, if any, that the County fails to appropriate sufficient sums in the budget year for which the Agreement applies to pay the amount due. County will immediately notify Integration Partners Corporation (IPC) when it becomes aware that funding may not be appropriated. County will use its best efforts to provide IPC with at least thirty (30) days written notice prior to terminating the Agreement for lack of sufficient funds. The County’s decisions to whether sufficient appropriations and authorizations are available shall be accepted by IPC as final...”

Although the Agreement and the Report include a Termination for Insufficient Funds Provision, this Provision is not specifically cited in the Resolution included in the File.

The File itself does not include maintenance and support fees for which a separate contract will be presented to the County Board for consideration. Maintenance and support for the phone system is estimated to cost \$120,000 per year once the system is implemented. The current support fees associated with the current legacy phone system is \$292,000 per year.

- **What is the impact of the 2018 Adopted Budget to not include financing for the Phone and Voicemail Project?**

The 2018 Adopted Budget did not include any additional appropriations for the Phone and Voicemail System Replacement Project. Currently, \$1,212,000 remains in Project WO217. These funds have been identified to provide 2018 financing for the project. Future appropriations would need to be approved by the County Board and County Executive to finish the work included in the Agreement.

RECOMMENDATION

Although this report is for information purposes, the CIC Sub-Committee recommends that the Department of Administrative Services – Information Management Services Division communicates to the Committee on Finance and Audit the scope of work and risk mitigation that would be addressed with **existing** appropriations and what the impact would be if **future** appropriations were not to be approved.

Cash Financed Projects

DEPT: ALL Depts (EXCL Airport)

Mandated, Contractual, On-Going (FUNDED) 1-13:	10,540,544
High Score (FUNDED) 19:	52,071
Mandated, Contractual, On-Going (NO FUNDING) 14-18:	4,155,202
Projects Over the Cash Goal (NO FUNDING) 20-76:	20,871,335
Total	\$35,619,152

Alpha-Numeric Scoring

A1	44.0 - 38.0	B1	29.0 - 23.0	C1	14.9 - 12.0	D1	8.9 - 8.0	F1	5.9 - 3.0
A2	37.9 - 24.0	B2	22.9 - 19.0	C2	11.9 - 10.0	D2	7.9 - 7.0	F2	2.9 - 1.0
A3	23.9 - 29.0	B3	18.9 - 15.0	C3	9.9 - 9.0	D3	6.9 - 6.0	F3	.09 - 0

Item #	REQ DEPT	DEPT RANK	Project Number	Project Name	Mandated	Continuing	Contractual	2018 County Financing	Cash/Bond Financing	A-F ADJ Grading	Sub-Project Continues into Out-Years?	2019	2020	2021	2022	Total Out-Year Costs
1	DOT-HWY	3	WH09401	W Rawson Ave Int w/ 10th St. & 6th St.		YES	YES	\$507,500	CASH	B2	NO	-	-	-	-	-
2	DOT-HWY	4	WH09201	S. 76th St. & W. Layton Ave. Adapt Signal System		YES	YES	\$100,000	CASH	B3	NO	-	-	-	-	-
3	EMERGENCY MNGT	1	WO30301	Public Safety Data Interoperability		YES	YES	\$762,650	CASH	C1	NO	-	-	-	-	-
4	DAS-FM-EE	1	WV04901	County-wide Sanitary Sewers Repairs-2018	YES			\$150,000	CASH	C1	NO	-	-	-	-	-
5	SHERIFF	1	WO44701	CJF Camera System		YES		\$640,908	CASH	B1	NO	-	-	-	-	-
6	CAVT	1	WO52801	Charles Allis Façade Repair		YES		\$1,356,056	CASH	B2	NO	-	-	-	-	-
7	DAS-IMSD	2	WO18001	Information Technology Security		YES		\$388,200	CASH	B2	NO	-	-	-	-	-
8	DAS-IMSD	1	WO60201	Enterprise Platform Modernization		YES		\$2,781,106	CASH	B2	YES	6,981,045	-	-	-	6,981,045
9	DAS-IMSD	6	WO17601	Mainframe Retirement		YES		\$163,504	CASH	B2	NO	-	-	-	-	-
10	CAVT	2	WO52901	Charles Allis Roof Replacement (Main House)		YES		\$1,828,455	CASH	B2	NO	-	-	-	-	-
11	DAS-FM-FM	9	WC09301	Courthouse Penthouse Masonry		YES		\$1,346,746	CASH	B3	NO	-	-	-	-	-
12	DOT-HWY	7	WH09501	W Rawson Ave- S. 27th St to S. 20th St.		YES		\$100,000	CASH	C1	YES	-	600,000	-	-	600,000
13	MC HIST SCTY	1	WO13601	Trimborn Farm Stone Barn Roof		YES		\$415,419	CASH	D3	NO	-	-	-	-	-

Sub-Total Mandated/Continuing/Contractual (Funded) \$10,540,544

14	DAS-IMSD	3	WO21701	Phone and Voicemail Replacement		YES		\$2,130,000	CASH	B3	YES	1,550,000	-	-	-	1,550,000
15	DHHS	4	WO53004	Case Management and Software Conversion-2018		YES		\$1,200,400	CASH	C2	NO	-	-	-	-	-
16	PARKS	1	WP52501	Point of Sale Replacement		YES		\$890,000	CASH	C2	NO	-	-	-	-	-
17	DOT-TRANSIT	2	WT11701	Phone and Voicemail Replacement - MCTS		YES		\$505,000	CASH	D3	NO	-	-	-	-	-
18	PARKS	28	WP55301	Mitchell Park Conservatory Planning		YES		\$630,202	CASH	F3	NO	-	-	-	-	-

Sub-Total Mandated/Continuing/Contractual (NOT Funded) \$4,155,202

19	ZOO	2	WZ13501	Zoo Aquatic & Reptile Center Structural Repairs				\$52,071	CASH	B3	YES	252,825	-	-	-	252,825
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Sub-Total High Score (Funded) \$52,071

20	PARKS	4	WP55001	Parks Building Demolition-2018				\$523,163	CASH	A3	NO	-	-	-	-	-
21	DAS-FM-FM	15	WC12601	CJF Fire Alarm System Replacement-Feasibility				\$76,000	CASH	B1	NO	-	-	-	-	-