

County of Milwaukee
Interoffice Communication

DATE: 3/22/2019
TO: Theodore Lipscomb, Sr. Chairman, Milwaukee County Board of Supervisors
FROM: Donna Brown-Martin, Director, Department of Transportation
SUBJECT: Informational Report about Milwaukee Transport Services, Inc.

BACKGROUND

Milwaukee Transport Services, Inc. (MTS) as it currently exists was created by and is under the control of Milwaukee County.

From 1975 until 2014, MTS was a private, non-profit contractor to Milwaukee County. In 2014, MTS became a quasi-governmental instrumentality of Milwaukee County. To facilitate this transition, Milwaukee County's office of Corporation Counsel, along with external counsel, prepared a revision of the MTS corporate bylaws. After adoption of these bylaws, by the previous MTS Board of Directors in November 2014, a new MTS Board and reporting structure was created. In addition, restated articles of incorporation consistent with the new bylaws were submitted to and accepted by the State of Wisconsin Department of Financial Institutions. A copy of the bylaws accompanies this report.

MTS Board Members

According to the bylaws, the Board of Directors is now comprised of the Milwaukee County Director of Transportation, the Deputy Director of Transportation, the Senior Fiscal Manager of the Department of Transportation, the General Manager of MCTS and a member of the County Board as designated by the County Board Chair and is filled by the position of Chairman of the Transportation, Public Works and Transit Committee.

The MTS Board of Directors recognizes Ms. Donna Brown-Martin, Milwaukee County Director of the Department of Transportation as the chairperson of the Board. Ms. Julie Esch, Deputy Director of the Milwaukee County Department of Transportation is recognized as vice-chair.

MTS Board Member Meetings

Pursuant to its bylaws, the MTS Board holds an annual meeting each January. Annual meetings were held in 2015, 2016, 2017, and 2019. Changes in leadership within Milwaukee County's Department of Transportation delayed the 2018 annual meeting until January of this year. A copy of the draft minutes from the January 15, 2019 MTS Board meeting accompanies this report. The minutes are not considered final unless approved at the next meeting of the MTS Board.

MTS Corporate Structure

Officials of MTS, the Corporation, include President & CEO, Dan Boehm, who also serves as the MCTS Managing Director. Mark Stein, the MCTS Deputy Director was recognized by the MTS Board in January 2017 as vice-president. Mr. Bill Lochemes, Senior Fiscal Manager of the Milwaukee County Department of Transportation has been serving as the Secretary – Treasurer of MTS, since December 15, 2014.

The changes made in 2014 identified members of the MTS Board of Directors and established responsibilities for these members but had little effect otherwise on the day-to-day operation of the Milwaukee County Transit System (MCTS) from past practice. As a separate employer, MTS has its own corporate legal resource, establishes its own collective bargaining agreements, and abides by rules and regulations specific to the transit industry. MTS also has an employee pension plan, other-post employment benefit account, and healthcare structure independent of Milwaukee County. Although MTS continues to have its own staff for such activities as human resources, payroll, accounting, IT, procurement, risk management, etc., collaborations have been made with Milwaukee County when possible. Furthermore, additional integration with Milwaukee County is anticipated as the Enterprise Resource Planning (ERP) software project continues towards development and implementation.

Purchasing Activities

Day-to-day operation of the transit system typically includes buying bus parts, tools, and equipment necessary to maintain a large fleet of buses. New and replacement equipment, IT hardware and software, non-revenue service vehicles, diesel, oil and other maintenance related fluids are other regular purchases.

MTS procurement processes follow federal rules when making purchases that involve federal funding. For non-federal purchases, MTS uses competitive procurement practices such as Bids, and Requests for Proposals (RFP) that are consistent with Milwaukee County ordinances and best practices for procurements.

For example, in 2018, MTS issued RFPs for a variety of services. Consultants were hired for such purposes as conducting a compensation study, a threat & vulnerability study, new bus inspections at the Gillig Bus Manufacturing Plant (as required by Federal rules), and a Battery Electric Bus analysis. RFPs were also used to get best value for facility improvements such as new security gates for employee parking lots.

Another example of professional services procured using an RFP in the past would be legal services. MTS used an RFP process to identify counsel that could assist us with legal matters primarily in Human Resources, employee relations and labor relations. The current contract with Quarles & Brady began January 1, 2017 and continues thru December 31, 2019, with an option for an additional year (e.g. through December 31, 2020).

By policy, MTS is prepared to re-issue RFPs for services at least six months in advance of the pending expiration. This allows for ample time to review proposals, interview vendors as necessary and address any protests or appeals.

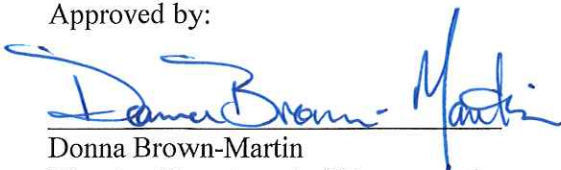
RECOMMENDATION

This report is for informational purposes unless otherwise directed.

Prepared by:

Dan Boehm, President & Managing Director, MCTS

Approved by:



Donna Brown-Martin

Director, Department of Transportation

cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Steve Cady, Research Director, Office of the Comptroller