

**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

**DATE:** August 20, 2012

**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. Per Section 46.09, 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 Wisconsin Home Energy Assistance Program (WHEAP) in the Management Services Division (MSD). The contracts will follow the Federal Fiscal Year (FFY), beginning October 1, 2012 and ending September 30, 2013.

**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 mostly 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. A separate report is being submitted to the County Board this cycle regarding the State-County contract for FFY 2013 for the operation and funding of low-income energy assistance.

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 the FFY ending September 30, 2011, DHHS administered \$2.7million in Home Energy Assistance subcontracts with community agencies resulting in assistance to 67,458 households, who received \$40.2 million in Home Energy and Crisis Assistance.

This program was last bid out through the Request for Proposal Process in 2011 and 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 FFY 2013 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 and deploys the remaining two County energy staff along with its regular staff. Community Advocates currently operates one Energy Assistance site, and utilizes public library facilities throughout the city to process applications from within the community.

DHHS is recommending that a twelve-month contract be awarded to the Social Development Commission (SDC) for \$1,509,849 and to Community Advocated for \$616,104, for the period of October 1, 2012 to September 30, 2013. The recommended contract for SDC represents a decrease of \$52,866 from the initial base contract of \$1,562,715 for the 2011/2012 federal fiscal year. The recommended contract for Community Advocates represents an increase of \$154,981 in the initial base contract of \$461,123 awarded to them for the 2011/2012 FFY.

The FFY 2012/2013 contract amount recommendations are based upon percentage of applications processed YTD by each agency for FFY 2011/2012 at the time of this report, 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 on to both SDC and Community Advocates.

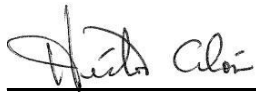
### **Recommendation**

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 FFY 2013 contract for the period of October 1, 2012 to September 30, 2013 with the Social Development Commission (SDC) in the amount of 1,509,849, and with Community Advocates in the amount of \$616,104, with the understanding that 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 FFY 2013 will proportionately increase both the SDC and Community Advocates contracts.

**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 2012 Budget and 2013 Requested Budget. A fiscal note form is attached.

Respectfully Submitted,



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Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
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