

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 30, 2011

To: Johnny Thomas, Chair, Committee on Finance and Audit
Michael Mayo, Chair, Committee on Health and Human Needs

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Audit of County Preventive Maintenance Program (File No. 10-389)

At its meeting on October 28, 2010, the Committee on Finance and Audit passed a motion to refer our audit report "Milwaukee County Needs to Commit to a Preventive Repair & Maintenance Program to Ensure Public Safety," to the Committee on Transportation, Public Works and Transit to "read the response from Public Works and develop a plan to move forward."

At the Committee on Transportation, Public Works and Transit meeting on January 19, 2011, a motion to receive and place the report on file was approved. Additionally, the Committee Chair directed that a report be brought back in six months on the progress of the inspections, recommendations for the 2012 budget, and a list of all 902 County buildings. In response to this directive, the Department of Transportation and Public Works (DTPW) submitted a report dated August 22, 2011, to your respective committees.

Attached for your review is a status report, also from DTPW, describing progress toward implementation of our audit report recommendations. As noted in the report, DTPW management describes its efforts and the progress made to date. In two instances we added comments urging additional efforts to achieve compliance with audit recommendations.

In recognition of the significant level of work that remains, we suggest that DTPW management develop an implementation plan, including a timetable for completion, for each of the recommendations.

This status report is informational and unless directed otherwise, we will request that DTPW management provide an updated status report for the March 2011 cycle.


Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members
Transportation, Public Works and Transit Committee Members
Chris Abele, County Executive
Jack Takarian, Director, Department of Transportation and Public Works
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Martin Weddle, Research Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Milwaukee County Needs to Commit to a Preventive Maintenance Program to Ensure Public Safety **File Number:** 10-389

Audit Date: October 2010

Status Report Date: 08-18-11 **Department:** Transportation & Public Works

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

<p>1. Draft a policy, for County Board consideration, establishing minimum standards for assessing, inspecting and maintaining proper building conditions.</p>	No	Yes				<p>Auditee: A policy appears to already be in place. Section 56.20 of the County Ordinances states "Administration of all public works projects shall be the function of and centralized in the Department of Transportation and Public Works". Administration is defined to include "establishment of a program for maintaining structural integrity of all capital improvements and routine major maintenance." Based on existing County Ordinance Section 56.20, DTPW staff is developing a DTPW Director mandated county-wide annual building inspection program for "maintaining structural integrity of all capital improvements and routine major maintenance."</p> <p>In the 2011 Adopted Budget 5 skilled trade positions (Inspection Unit) were created in the DTPW Director's Office but not funded for Building Inspections. Once this DTPW inspection team has been assembled, they will visit all County facilities on an annual basis using a recently developed "Inspection Manual for Building Components and Other Structures". The inspections performed by this unit would take into account the VFA data, as well as pending capital requests for each building. The Property Management (PM) Units will be provided a list of deficiencies that the inspectors have found on each building. This notification process would provide a record of current building condition, and highlight the immediate necessary remedies that would make sure public safety is not compromised. Inspection reports will be generated and submitted to the PM Units with the directive to implement any repair or removal of imminent threat to employee or public safety. If, upon revisiting the facilities, the directed repair or removal of imminent threats has not been completed, a report to the County Board will be generated.</p> <p>Concurrently, DTPW recognizes that PM Units will want to be proactive in confirming that the buildings they are responsible for maintaining are in compliance. In January of each year, all PM Units will be required to submit to the Director of DTPW a copy of an inspection checklist that they completed for each appropriate building and/or structure for which they are responsible. A listing of buildings will be established with and for each PM Unit. A similar process will be established for all County buildings leased, operated and maintained by third parties.</p>
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<p>2. Request sufficient funding to perform proactive, cyclical assessments and inspections of County-owned infrastructure assets.</p>			<p>Yes, assuming future budgets include required funding.</p>		<p>Auditee: In 2010, DTPW requested and received funding of \$1.6 million in the adopted 2011 Capital Budget to assess the condition of all County facilities that had not yet been included in DTPW's existing Building Inventory and Assessment Program (VFA). \$1.2 million was provided from the UWM land sale revenue and \$400,000 was provided from various airport accounts for airport facilities. Building assessment tasks at the airports are ongoing. All other assessments have been delayed due to a delay in receipt of the funding revenue from land sales.</p> <p>The process of performing assessments and inspections is the first step in understanding the extent of building condition. From the inspection, a determination must be made regarding the severity of the structural condition and the immediacy of the repair. Therefore, in terms of establishing funding for assessments and inspections, the process must be broken down into three parts: building assessment and inspection, cost of repair and the timeframe for repair. This must be done for interior as well as exterior assessments.</p> <p>DTPW is proposing an Inspection Unit identified earlier. This unit will inevitably refine the inspection and assessment process over time producing better cost estimating for such services. In the mean time, establishing a cost base line for cyclical assessments and inspections will be based on recent work performed by the façade inspections done county owned buildings. Costs for façade evaluations are expected to be \$350,000 to \$400,000 annually based on inspections required by City ordinances. Necessary repairs needed based on inspection findings are difficult to estimate given the variety of building materials and their costs and the extent of the needed repair.</p> <p>Interior evaluations could be performed for a cost of roughly \$150,000 to \$200,000 annually assuming 120 buildings would be inspected once every 5 years. This level of analysis would be done using the expertise of the inspection unit with necessary repair work being the responsibility of the owner department.</p>
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<p>3. Draft a framework for consolidating all property management functions within DTPW to ensure focused, streamlined building management in a manner that ensures the safety of the public and County employees.</p>	No			No	Yes		<p>Auditee: DTPW agrees that consolidation of all county owned property should be under one property management function as proposed both by an earlier audit report as well as a previous budget request. A stand-alone Department could be created to ensure building management is streamlined and that maintenance of county owned property is prioritized in an unbiased manner with safety as the priority.</p> <p>Dept. of Audit Comment: We reiterate our recommendation that a framework be drafted which consolidates all property management functions Countywide within DTPW to provide the benefits noted in our report.</p>
<p>4. Establish a protocol that ensures that data concerning repair and maintenance work completed to address identified deficiencies are input into VFA, and that completed work be archived as appropriate.</p>	No			No	Yes		<p>Auditee: For many of the public works capital budget projects, DTPW is already working on inputting data concerning repair and maintenance work completed to address identified deficiencies into VFA, and that completed work be archived as appropriate. For most other public works projects performed for the Owner departments by T&M contractors or by county staff, DTPW still needs to coordinate with the Owner Departments to make the data available to DTPW.</p> <p>DTPW staff is working with all PM Units to develop a process and procedure that ensures data concerning repair and maintenance work completed to address identified deficiencies are input into VFA, and that data on the completed work is archived as appropriate. This will include access and training on the appropriate property management software.</p>

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	5. Ensure that assessment results are discussed with PM units prior to entering the data into VFA. If disagreement exists, establish a procedure for arbitrating the disagreement, and for subsequently identifying such deficiencies within VFA.		No			No	

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	<p>6. Require PM units to review all open deficiencies and update VFA to reflect their proper status, with emphasis directed toward Priority 1, Life Safety deficiencies initially.</p>	No				No	

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<p>7. Develop a strategy and timetable for using existing systems in the County, and/or other available systems, to achieve a comprehensive property management system to become fully operational for preparation of the 2013 County Budget.</p>	No				No	<p>Auditee: Based on existing County Ordinance Section 56.20, DTPW staff is developing a DTPW Director mandated county-wide annual building inspection program for "maintaining structural integrity of all capital improvements and routine major maintenance." In the 2011 Adopted Budget 5 skilled trade positions were created but not funded for Building Inspections. Additionally, in 2010 consultants hired by DTPW found approximately \$2.9 million in repairs that were needed in 2011 for the buildings that were inspected in 2010. The money that was earmarked to make those repairs came from the UWM Land Sales. When the land sales were deferred, funding was lost to make the repairs in 2011. In February of 2011 and again in April reports were sent to the County Board highlighting these issues. The County will need to plan for funding in 2012 to make these repairs and fund the inspection team positions. Once the DTPW inspection team has been assembled, they will be visiting all County facilities on an annual basis using a recently developed "Inspection Manual for Building Components and Other Structures". Inspection reports will be generated and submitted to the PM Units with the directive to implement any repair or removal of imminent threat to employee or public safety. If, upon revisiting the facilities, the directed repair or removal of imminent threats has not been completed, a report to the County Board will be generated.</p> <p>A challenge to this process is the lack of staff and resources for the PM Units to allocate time for those with the expertise necessary.</p> <p>While some existing systems may be appropriate for certain activities, newer systems may be available that create a single source for warehousing data, estimating costs, track progress and generating reports for multiple users. Therefore, DPTW staff will perform an analysis of the current county data systems, along with the possible integration of new systems including enterprise GIS, to provide a streamlined approach to building condition and assessment management.</p>
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