

**MILWAUKEE COUNTY  
INTEROFFICE COMMUNICATION**

DATE: December 19, 2018

TO: Supervisor Theodore Lipscomb Sr., Chair, Milwaukee County Board of Supervisors  
Supervisor Marcelia Nicholson, Chair, Economic and Community Development Committee  
Supervisor John Weishan, Jr., Chair, Transportation, Public Works and Transit Committee

FROM: Rick Norris, Director, DAS Community Business Development Partners

SUBJECT: Requested to provide a report on contract performance monitoring policies including Disadvantaged Business Enterprise

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**REQUEST**

The Director of Community Business Development Partners (CBDP) Division in the Department of Administrative Services was requested to provide a report on contract performance monitoring policies including Disadvantaged Business Enterprise (DBE) and Targeted Business Enterprise (TBE) pledged goals and reporting to the Economic and Community Development Committee.

**BACKGROUND**

On September 10, 2018, the Committee on Economic and Community Development reviewed File No. 18-674, in which the Director of Community Business Development Partners reported the Milwaukee County Transit System (MCTS) contract with a Milwaukee marketing firm was at-risk of not meeting its pledged DBE goals.

The Committee requested the Director of Administrative Services and the Director of Community Business Development Partners to study and provide a written report to the Committee providing options to enhance and expand TBE/DBE contract opportunities and utilization; and requested the Director of Administrative Services to provide a written report to the Committee on how departments will monitor overall contract performance and ensure that Milwaukee County taxpayers are receiving the services they are paying for and expect as part of signed agreements.

Milwaukee County currently has a decentralized procurement and contract management process that results in opportunities to improve administrative efficiencies, leveraging economies of scale, consistent use of contract terms and conditions, standardization in contractual enforcement, joint / cooperative purchasing, Targeted Business Enterprises (TBE) utilization, custom TBE goal creation, ensure contractual risk transfer regarding insurance provisions, and obtain purchasing best practices to achieve optimal outcomes.

## ACTIONS TAKEN TO DATE SUMMARY

- **Cop & Con Man** - Centralization of purchasing (Cop) and contract management (Con Man) plan addresses administrative changes needed to ensure the best return on investment by reducing costs. Through this approach, all transactions can be easily managed through a uniform contracting model. The Cop & Con Man approach addresses key items associated with the RFP/BID process, contract administration, and DBE/TBE participation.
- **Contract Database** – Compiled a master contract database for contracts \$100,000 and greater. Three main data sources were used to create the master list; B2G Now, Comptroller’s office, and the 2019 budget submission databases. Approximately, 1,000 records were reviewed and migrated into a central system for the Acquisition Plan process.
- **Acquisition Planning** - The findings from the master database resulted in the creation of a list defined as Functional Areas (Appendix A). A Functional Area is an administrative area (high or low org) where the contract administrator resides. Identifying the contract administrator by Functional Area is key in improving the RFP/BID process and setting DBE/TBE goals. The planning efforts occur over a three-year period. The first 5 Functional Areas were selected from Appendix A for Phase 1. The Cop & Con Man team interviewed the first 5 groups, Department of Aging, Parks, DHHS, BHD, and HOC. Department of Aging and Parks were identified as departments for the pilot study.
- **Pilot Program** – Two functional areas, Department of Aging and Parks were identified to participate in the pilot program. The pilot program will help shape the methodology associated with the Acquisition Plan and Contract Management Tool Kits. Meetings with the pilot group were completed in December. A detail action plan with the pilot group begins January 2019.
- **Contract Management Tool Kit Training** – Develop procedures, software tools, and training kits for Contract Administrators to use for managing contracts. The Contract Management Tool kit is a standardized set of administrative procedures for ensuring uniformity and consistency in managing vendor outcomes.
- **Draft AMOPs** - AMOPs were drafted to address the Acquisition Plan, DBE/TBE monitoring, invoicing submittal requirement, procurement procedures, and Contract Management Tools.

The following sections go into greater details of the above initiatives.

### **Centralization of Purchasing and Contract Management**

Centralization of purchasing and contract management (COP & CON MAN) will ease administrative burdens, leverage buying power in terms of economies of scale, ensure proper terms and conditions in agreements and RFPs for protection of the County, promote adherence to ordinances and statutes, maximize TBE participation, prevent vicarious liabilities, result in better service and contract outcomes, allow for greater enforcement and purchasing transparency, improve process efficiencies, and improve department support to allow more of their time and energy to be focused on their mission and core competencies.

## **Acquisition Plans for “Functional Areas”**

Definition of Functional Area - Functional areas are primarily departments, except for those departments where specific divisions had volume and frequency of contracts and purchasing that required treatment as a separate entity.

By February 2019, functional areas will have a documented 2019 acquisition plan, with a schedule of RFP release dates, due dates, contract renewals, assigned buyers, and the pilot departments will have RFP intake meetings and Purchasing-authored first draft of all RFPs / Bids. Acquisition plans allow for identification of joint purchasing opportunities, comprehensive research and planning, and appropriate time for each RFP to be vetted. The Cop & Con Man Project Team will have finalized draft AMOPs of the following:

- DBE and TBE definitions and requirements
- DBE and TBE Goal Setting
- Invoicing submittal requirements and Monthly Process reporting
- Disqualification of Vendors Based on Contract Performance

## **Departmental/Customized Goals**

CBDP develop customized goals for all functional areas as shown in Appendix A of the Cop & Con Man charter. Customized goals will be developed by using acquisition plans to research and review all purchases. The numerator is the number of all functional areas outlined in Appendix A with customized goals. The denominator is defined as all functional area as outlined in Appendix A.

The Acquisition Plan will increase DBE / TBE participation through County purchases and contracts. Eligible contracts will be identified for DBE/TBE participation opportunities through the Acquisition Plan process. Customized goals will be developed per Cop & Con Man charter by review of all purchases. The current baseline for DBE/TBE participation is 22% for all County eligible spend.

### **A three-year, stepped goal, that:**

- By 12/31/2019, 23% participation of all County eligible spend
- By 12/31/2020, 25% participation of all County eligible spend
- By 12/31/2021, 30% participation of all County eligible spend

## **Contract Management Toolkit**

The following requirements are associated with a single year, or multi-year contracts totaling \$100,000 or greater, will require the Prime consultant/contractor to submit invoices. Consultant/Contractor shall submit an invoice to the County each month for expenditures \$500 or greater for the work performed during the previous month. The invoice should include Request for Payment of Services, an invoice number, the dates covered by the invoice, a description of the hours expended and the work performed, expenses, DBE/TBE payments status, and the contract number. Invoices must cover the same period of time as the Monthly Progress Report, shown in Appendix B, with sufficient detail so that work listed on the Monthly Progress Report can be easily correlated to the invoice. Consultant/Contractor shall make payments to all sub-contractors, for the invoiced within 7 days from receiving payment from Milwaukee County. In addition, the Consultant/Contractor shall enter payments to all sub-contractors into B2G Now, Milwaukee County online payment system. If Consultant/Contractor is not in compliance, the Contract Administrator can withhold approval of invoices.

### **Contract Management Process/Proper Invoice and Performance Review**

To assist the contract administrator, the Vendor will be required to submit a monthly process report with the monthly invoice. Required information submitted on the Monthly Process report include, but not limited to project budget status to date, payment to DBE/TBE firms to date, and timeframe when DBE/TBE firms will be utilized on the contract, etc.

Annually, Procurement, CDBP, and the owner Department will review the department's budget to identify projects prior to the development of RFP/Bid documents as defined in Appendix A of the Cop & Con Man being a list of separate functional contracting areas. The goal is to facilitate a process that will result in the delivery of competitive proposals and bids that are of high quality, cost-effective and manageable contracts. The contracts will have all the requirements such as but not limited to insurances, DBE/TBE participation, project milestones, etc.

At the conclusion of each contract, the Contract Administrator will perform a vendor and project performance evaluation. The process will include a review of the financial performance of each project to be used to develop future budgets.

### **Determination /Debarment of Non-Responsible Bidders**

At the end of a contract, Vendor's performance evaluations will be completed by the Contract Administrator. .. Non-compliance from vendors to contract terms may disqualify that vendor from future contract awards with the County. The process gives the Vendor the right to appeal.

### **Impact of initiatives**

- Ensure the best cost-effective return on investment by managing transactions through a uniform contracting model.
- Increase DBE/TBE participation.
- Implementing contract management tools to ensure contracts are managed properly; and ensuring that DBE/TBE companies are paid in a timely matter.



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Rick Norris, Director, Community Business Development Partners

CC: Chris Abele, County Executive  
Raisa Koltun, Chief of Staff, County Executive's Office  
Teig Whaley-Smith, Director of Administrative Services  
Amy Pechacek, Deputy Director of Administrative Services

**APPENDIX A**  
**“32 Functional Areas”**

**Department/Division**

Behavioral Health Division  
Combined Court Related Operations  
Corporation Counsel  
County Executive - General Office  
County Executive-Office on African American Affairs  
Courts - Pretrial Services  
Department of Child Support Services  
Department of Health and Human Services  
Department of Human Resources  
Department of Parks, Recreation & Culture  
Department of Transportation - Highway  
Department of Transportation - Fleet  
Department of Transportation - Airport  
Department of Transportation - Director's Office  
Department of Administrative – Economic Development  
Department of Administrative – A&E  
Department of Administrative - CBDP  
Department of Administrative Services - Administration & Fiscal Affairs  
Department of Administrative Services - Information Management Services  
Department of Administrative Services - Risk Management  
Department of Administrative Services - Facilities Management  
Department on Aging  
District Attorney  
House of Correction  
MEDICAL EXAMINER  
Milwaukee County Transit  
Office of Emergency Management  
Office of the Comptroller  
Office of the County Treasurer  
Office of the Sheriff  
Personnel Review Board  
Zoological Department

**APPENDIX B**

**MONTHLY PROGRESS REPORT**

**Project Name:** \_\_\_\_\_  
**CONTRACT NO.** \_\_\_\_\_  
**Consultant & Report No.** \_\_\_\_\_  
**Period from** \_\_\_\_\_ **to** \_\_\_\_\_

**I. Work Effort this Period**

- A. Tasks Started
- B. Tasks Completed
- C. Tasks under Development
- D. Meetings Held

**II. Work Effort Between \_\_\_\_\_ and \_\_\_\_\_ next period**

- A. Tasks to Be Started
- B. Tasks to Be Completed
- C. Tasks to Be Worked on
- D. Meetings Scheduled

**III. Issues for Milwaukee County Information and/or Resolution**

- A. Potential Impacts on Budget
- B. Potential Contract Amendments
- C. Potential Impacts on Schedule
- D. Potential Time Extensions
- E. Other

**IV. Schedule Issues**

- A. Original Schedule
- B. Actual Delays
  - 1. Cause
  - 2. Corrective Action
  - 3. Impacts on Other Tasks
- C. Current Schedule

**V. Budget Issues**

- A. Original Budget
- B. Approved Amendments
- C. Current Budget
- D. Earned Value Projection (optional)

**VI. Status of Deliverables**

**VII. DBE/TBE Participation Payment Status**

- A. DBE/TBE Payment To Date
- B. DBE/TBE Amount Invoiced To Date *(including this month's invoice)*
- C. DBE/TBE Schedule for Performing Works *(Work yet to be performed, and when)*