

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: August 15, 2015

TO: Theodore Lipscomb, Sr., Chairman, 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 confirm the purchase of service contracts issued on an emergency basis with Community Advocates, Inc. for \$1,430,181 and United Migrant Opportunity Services/UMOS, Inc. for \$808,842 for the operation of the Wisconsin Home Energy Assistance Program (WHEAP) within the Management Services Division, DHHS, for the period effective August 1, 2015 through September 30, 2016.

Issue

As an exercise of emergency contracting authority under Section 32.28 of the Milwaukee County Ordinances, the Director of the Department of Health and Human Services (DHHS) issued Energy Assistance Program contracts to two agencies. He did so after finding on August 3, 2015, that immediate action was required to protect life, health or welfare of as many as 64,000 county households, since delay would have jeopardized the program in the upcoming energy season. The contracts were subject to a \$100,000 spending cap pending full approval by the County Board, as noted by the Comptroller and Corporation Counsel in their contract endorsements. Therefore, the Director is now requesting authorization from the County Board for the full contracts with Community Advocates, Inc. and United Migrant Opportunity Services/UMOS, Inc.

Background

On August 3, 2015 the director of DHHS, under the authority of MCO Section 32.28 declared an emergency to ensure there would be no interruption of services for the Milwaukee County Energy Assistance Program (also known as WHEAP) for the 2015-16 energy season (see August 5, 2015 memo to the chairman attached to this record). Contracts were executed with Community Advocates, Inc. and United Migrant Opportunity Services/UMOS, Inc. for the period of August 1, 2015 through September 30, 2016 so that FFY 2016 promotional material could be created and published and FFY 2016 state plans could be prepared and submitted to the State Division of Energy Services.

Milwaukee County is contractually bound to provide services for the entire Federal Fiscal Year (FFY) for the residents within our jurisdiction with no lapses in services to the community. The early application period for the FFY 2015-16 energy assistance season, which focuses on elderly and disabled individuals on a fixed income (primarily social security and SSI), starting in August of 2015. The early application period not only requires the processing of applications, but extensive marketing for the community and training of staff (including updates in the State's policies and procedures). Maintaining the operations of these critical services helps ensure that members of the community have heat and electricity or a safe alternative.

Without authorization for funding for contracts for the FFY 2016 prior to the start of the season, Milwaukee County DHHS could not provide services in August, September and October and could not publish or provide the necessary application information to the community.

At its July 30th meeting, the County Board had rejected DHHS' recommendation to award the contracts to UMOS and Community Advocates and had recommended instead that DHHS extend the current Energy Assistance contracts with Social Development Commission and Community Advocates for six months, survey public opinion, and issue a new RFP for 2016-17. However, DHHS could not offer a 6 month plan to the state DES without risking another emergency or incurring costs that would exceed the funds available to administer this contract, nor could the recommendations by the County Board be planned, developed, implemented and evaluated within the 6 months recommended. The recommended extension of the existing contracts also raised sole-source, no-bid concerns. After decades of using SCD as the sole-source contractor for Energy Assistance services, the County Division of Audit Services raised this concern in 2006. At the direction of the Division of Audit Services, and per the procurement requirements of the WHEAP State/County contract, an RFP for WHEAP services was issued in 2006. Further, SDC's 2014-2015 contract was for 1 year and did not permit amendments, while the state required a 1 year contract.

Emergency contracts under Section 32.38 allow for procurement of service on the open market. Following the RFP process recommended by the Division of Audit Services and the guidelines for administering federal funds listed in the Milwaukee County contract with DES, and the recommendations of two independent, diverse panels of experts, DHHS chose the two vendors that met the highest standards of service based on the responses to the 2015-16 RFP process that began in February 2015.

Discussion

The DHHS Director has initiated purchase of service contracts on an emergency basis with Community Advocates, Inc. and UMOS, Inc. to operate the Energy Assistance Program for Milwaukee County and is requesting authorization for the full amount of the FFY 2016 contracts. Community Advocates and UMOS operate WHEAP under the supervision of, and in partnership with Milwaukee County DHHS per the guidelines set forth by DES in its FFY 2015-16 Wisconsin

Home Energy Assistance Program Operations Manual to insure eligible households in Milwaukee County are provided with benefits and services in a manner and setting of their choice.

Additionally, two DHHS energy staff members have been deployed to these agencies to provide compliance monitoring and other quality assurance services to assist their staff.

Without authorization for additional funding, DHHS will not be able to provide energy assistance services to the residents of Milwaukee County for the remainder of FFY 2015, nor the 2015-2016 energy season. An interruption in energy assistance services risks widespread confusion among the most vulnerable county residents and endangers the elderly, frail and disabled scheduled to be served in the early application process. Additionally, it would place Milwaukee County in a condition of noncompliance and breach of its state contract, subject the County to fiscal sanctions and jeopardizes receipt of state funding and County administration of the program.

DHHS is recommending that authorization for the additional funds for the 14-month contracts be awarded for the period of August 1, 2015 to September 30, 2016 to Community Advocates, Inc. UMOS, Inc. as follows:

<u>Sub-Contractor</u>	<u>Contract</u>
Community Advocates, Inc.	\$1,430,181
UMOS, Inc.	<u>\$ 808,842</u>
Total Contracts	\$ 2,239,023

The FFY 2015-16 contract recommendations are based on providing Outreach and Crisis services to Milwaukee County residents, the number of current applicants in the area each agency is serving and the number of potential new applicant these agencies will be working to serve.

The contract amounts are increased by \$180,003 from those in the prior resolution because the State DES issued a state contract addenda for Outreach and Crisis Services for the remainder of the FFY 2015 contract and the contracts with Community Advocates and UMOS include the last 2 months of the same FFY year.

Community Advocates and UMOS were chosen from among four proposers who responded to the RFP process that began in February. The proposals were independently scored by an evaluation panel of community members and county staff not associated with the RFP or contracting process, resulting in the notice of intent to award issued April 29, 2015. On May 6, 2015, incumbent SDC appealed the determination, which led to an administrative review under MCO Chapter 110. The 110 panel met on June 30, 2015, and ordered a more diverse evaluation panel be named to re-score the RFP submissions. Community Advocates and UMOS were again the top finishers after being re-scored by a more diverse panel. DHHS presented those two contracts to a special meeting of the County Board's Finance, Audit and Personnel Committee on

July 15 for possible Board action later that day. Ultimately, on July 30, 2015, the Board rejected the contracts.

DHHS' ability to execute these contracts will be contingent upon review and approval by the Wisconsin Department of Administration, Division of Energy Services. Any contract increases received by DHHS during the course of the State DOA/DHHS contract period will be proportionately passed on to both agencies based on the same calculations used to determine the above figures, contract funding source(s) and/or state directives and initiatives.

The revenue available to fund these contracts as well as county staff and overhead costs is included in the State WHEAP contract. This state contract reflects a term of three years (FFY 2016-2018) and will be presented to the board in a separate report upon receipt of the contract. The total WHEAP allocation to administer the program for FFY 2016 is estimated to be \$2.5M.

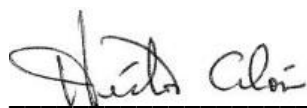
Recommendation

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 an amendment to the 2015/2016 contracts for the period of August 1, 2015 to September 30, 2016 with Community Advocates, Inc. in the amount of \$ 1,330,181 for a total contract of o \$1,430,181 and with UMOS, Inc. in the amount of \$708,842 for a total contract of \$808,842. Further, the Director is authorized to amend the contracts upon receipt of 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 2016 as directed by the State amendment or in proportion to the current allocations.

Fiscal Impact

Each of the recommended contracts is funded with WHEAP revenue, and approval of the recommendations delineated above would have no tax levy impact beyond what has been allocated in the Department's 2015 Budget and 2016 Requested Budget. A fiscal note form is attached.

Respectfully Submitted,



Héctor Colón, Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
Raisa Koltun, County Executive Chief of Staff
Kelly Bablitch, County Board Chief of Staff
Teig Whaley-Smith, Director – DAS
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