

DATE: August 27, 2013

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Mike Hafemann, Superintendent, Milwaukee County House of Corrections (HOC)

SUBJECT: Report from the Superintendent, House of Corrections, requesting authorization to enter into a 3-year service contract extension with Aramark Correctional Food Services; Annual contract costs estimated to decline from \$3,434,449 budgeted for 2013 (\$3,406,362 projected actual) to \$3,304,172.

### Issue

The Aramark contract expires 12/31/13. This year, 2013, was the final one-year contract extension. No additional extensions are available at this time. The vendor has provided the service levels and flexibility needed, and they have provided the county with a new proposal that we believe to be unmatched in the industry. We are not aware of any other vendor that would be of sufficient size to provide the amount of inventory, capital investment, and inmate programming required by the HOC and Sheriff's department.

### Discussion

Historical fiscal records indicate that kitchen costs totaled over \$6.6 million a year for the county. Outsourcing this service brought costs down by over \$2 million dollars each year. Staffing and other costs have continued to increase, yet meal pricing with Aramark has been relatively stable over the last few years. The 2013 extension was contracted at just 2.31% higher than 2012. The new contract proposal is somewhat less than 2012 pricing, as it is for a 3% reduction in Year 1 and 1.65% in Year 2. Total savings on meals should be about \$102,190 in Year 1 & \$56,397 in Year 2.

Additionally, our kitchens are in need of structural renovations and upgrades. They also have some outdated equipment that is no longer serviceable. On top of annual savings on meal costs, Aramark is also offering a significant capital infusion of \$150,000, plus installation. The HOC can select what equipment we need to replace first, and the county will own the equipment at the end of the 3-year contract period.

If this extension is agreed to, Aramark will also be providing an inmate food services program. Developing inmate programming is key to the mission of the HOC. This is a unique program provided by Aramark that will help inmates learn about food services and prepare them for extremely tangible employment opportunities. Aramark will be absorbing the cost of the program which is estimated at about \$15,000 a year or \$45,000 over the proposed 3-year term.

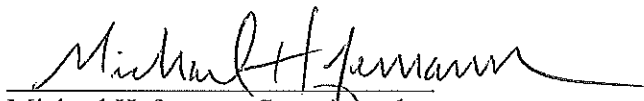
Recommendation

It is recommended that the County Board of Supervisors authorize the Superintendent of the House of Corrections, or his designee, to enter into a 3-year service contract extension with Aramark Correctional Food Services. The time frame for the contract would be January 1, 2014 to December 31, 2016.

Fiscal Effect

Funds for these services have already been identified in the 2013 and 2014 budget. A fiscal note form is attached.

Respectfully Submitted,



Michael Hafemann, Superintendent  
Milwaukee County House of Corrections

cc: County Executive Chris Abele  
Raisa Koltun, County Executive's Office  
Kelly Bablitch, County Board  
Don Tyler, Director, DAS  
Josh Fudge, Fiscal & Budget Administrator, DAS  
Steve Cady, Fiscal & Budget Analyst, County Board  
Janelle Jensen, Committee Clerk-Finance, County Board Staff