

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

**DATE:** October 10, 2014

**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 a three-year, non-professional services contract with Aramark Corporation to provide food services to the Delinquency and Court Services Division

**Issue**

The Director, Department of Health and Human Services (DHHS), is requesting authorization for the Delinquency and Court Services Division (DCSD) to enter into a three-year, non-professional services contract with Aramark Corporation to provide food services to the Delinquency and Court Services Division's Juvenile Justice Center (JJC) detention facility beginning January 1, 2015.

**Background**

DCSD food service functions have been outsourced to a non-governmental organization since 2009. The contract with the incumbent vendor expires on December 31, 2014. Section 32.41 of the Milwaukee County Code of General Ordinances requires non-professional service contracts with an estimated aggregate value of \$50,000 or greater to be solicited by publicized Request for Proposals (RFP) from all potential sources. DHHS issued an RFP for food services in August of 2014. DHHS has completed the RFP process and is recommending that the contract be awarded to Aramark Corporation.

**Discussion**

DHHS issued a joint RFP for food services with the House of Correction (HOC) on August 11, 2014, with a proposal submission date of September 9, 2014. Four companies attended the pre-proposal conference on August 15, 2014. Three organizations submitted proposals. The RFP review panel consisted of representatives from DHHS Management Services Division and DCSD staff who reviewed and scored each of the three proposals. Proposals for JJC and HOC were all evaluated and scored separately and will result in two separate contracts.

After the review and scoring process was concluded, the panel came up with two finalists whose scores, per the published criteria, were in a competitive range. At that point, per the RFP guidelines, a "best and final offer" for cost only was solicited from the two finalists. The proposer with the lowest cost was Aramark Corporation, and per the terms of the RFP, Aramark is being recommended for the JJC Food Service contract.

Aramark is a privately held fortune 500 company headquartered in Philadelphia, Pennsylvania with regional offices in Downers Grove, Illinois. It is the 23<sup>rd</sup> largest employer on the Fortune 500 list. In business since 1936, Aramark has a staff with extensive food service experience providing food service to the education, healthcare, corrections and sports and recreation industries in 22 countries.

DHHS is recommending a three-year contract with an option for two additional one-year terms. The 2015 contract will begin January 1, 2015, and the total contract will not exceed five years. The 2015 contract amount is recommended at \$528,000, including labor, food, transportation and other commodities. This contract will move JJC food preparation to the HOC food preparation kitchen and reduce overall food service costs for the JJC. The 2015 proposed budget includes \$695,700, which will result in savings of \$167,700, or a 24% reduction.

Aramark Corporation responded to the Disadvantaged Business Enterprise (DBE) requirements included in the RFP and currently meets its DBE goal in its contract with the House of Correction. Aramark has identified vendors that will allow it to meet its pledged goal of 17 percent for the JJC contract as well.

Aramark will have an equivalent of approximately 3.85 FTE's dedicated to the JJC facility. They will offer an average hourly wage of \$12.75 with a minimum hourly wage of \$11.50.

### **Fiscal Effect**

Funds for these services have already been identified in the 2015 budget and this contract would have no additional tax levy impact beyond what has been allocated in the Department's 2015 Recommended Budget. A fiscal note form is attached.

### **Recommendation**

It is recommended that the Milwaukee County Board of Supervisors authorize the Director, DHHS, or his designee, to execute a non-professional services contract with Aramark Corporation with a term starting January 1, 2015 to December 31, 2017 for \$528,000 annually.

Respectfully Submitted,



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Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
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Kelly Bablitch, County Board  
Don Tyler, Director, DAS  
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