

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: December 21, 2023

To: Marcelia Nicholson, Chairperson, Milwaukee County Board of Supervisors

From: Sean Hayes, Director, Architecture, Engineering and Environmental Services

Subject: Informational report regarding an update to board report 22-953 including Architecture, Engineering and Environmental Service staffing issues and impacts to Milwaukee County's capital program.

File Type: Informational Report

REQUEST

This informational report provides an update to board report 22-953 including Architecture, Engineering and Environmental Services staffing issues and impacts to County capital program.

POLICY

Chapter 56 of Milwaukee County Code of Ordinances states:

Policy. Uniformity of bid documents, contracts, and procedures for construction of public works projects and centralization in one (1) office of related activities is essential to efficient management of public construction programs.

Chapter 44 of Milwaukee County Code of Ordinances designates the Department of Administrative Services (DAS) as the authority for administering such (non-transportation) public works contracts. The Architecture, Engineering and Environmental Services (AE&ES) section of the Facility Management Division (FMD) of DAS is the longstanding responsible organization within Milwaukee County for public works projects within the County capital program. AE&ES has well-established procedures for administering projects within compliance of all federal, State, and County contracting and procure codes.

OVERVIEW

In September 2022 the Department of Administrative services provided an information board report on the AE&ES staffing situation and the impact on the capital program (Board Report 22-953). At the time of the September 2022 report, AE&ES was in the midst of a staffing resource crisis. The entire AE&ES leadership team had recently retired or was poised to retire, and several other positions turned over. At the same time, AE&ES experience an \$100+ million influx of new ARPA funded projects on top of the normal capital program. The increased workload coupled with high turnover rates forced our team to develop a plan to address these challenges. The report presented AE&ES's plan to address these challenges. This report provides status updates since then.

1. Projects on Hold:
 - a. 2022 Status:
 - i. Working with the County Executive's office and leaders of County departments we developed a 12-step project prioritization scheme and assigned priority ratings to all active capital projects. We then allocated our resources against all high priority projects and placed some lower priority projects on 'hold'. As of the time of the 2022 board report 22 projects were on hold.
 - b. 2023 Update:

- i. In early 2023 AE&ES implemented a plan to provide variable outside resources to supplement internal staff capabilities. This allowed us to take all projects off hold. **Currently, AE&ES has no projects on hold due to staffing resource constraints.**
- ii. In addition, AE&ES has filled several key positions, including Senior Airport Engineer, Senior Architect, Airport Construction Coordinator, Principal of Project Management, Project Manager, and Project Assistant. Each of these positions help to support project delivery.
- iii. Some positions, however, remain difficult to fill due to market pressures. These positions include Principal Architect and Senior Mechanical Engineer. AE&ES is working with DAS leadership and Human Resources to address this.

2. ARPA Influx of Work:

- a. 2022 Status:
 - i. For ARPA-funded capital projects, we contracted with an external consultant to set up and operate a Project Management Office, work with customer departments to assist in project execution, and provide additional project management resources to assign to projects as needed. We also planned to add ARPA funded internal resources (new positions) to assist with the workload and provide a talent pipeline to fill future vacancies.
- b. 2023 Update:
 - i. **The ARPA Project Management Office continues to drive ARPA project delivery with \$73 million (63% of total \$116M in ARPA Revenue Loss Recovery funds) obligated as of December 2023.** With contracts currently in process, this figure will reach \$80 million (69%) in January.
 - ii. In 2023 we filled our ARPA funded positions and one of those hired has already moved up to fill a vacant leadership role within the organization. Because of this promotion we currently have one vacant ARPA project manger position we are actively working to fill.
 - iii. Staffing additions within our administrative team as part of the reorganization effort led to improvements in the way we process professional service and construction contracts and payments. This has helped us better meet the needs of the ARPA program.

3. Reorganization

- a. 2022 Status:
 - i. For the first time in over 20 years, we began working through a major reorganization of AE&ES with all our team members to increase our efficiency, productivity, and customer focus. Our specific goals include:
 - 1. Improve performance of all aspects of project delivery
 - 2. Create paths for career succession
 - 3. Deliver superior customer services
 - 4. Provide workload balance

This reorganization will result in new roles and responsibilities within the organization and will create new career opportunities at the same time. This effort began in December 2021.
- b. 2023 Update:
 - i. The 2023 and 2024 budgets created new positions addressing the needs identified in our reorganization effort. **These new positions include the creation of a new Principal of Project Management who leads the newly created AE&ES Project Management Unit focused on project management excellence and providing superior customer service.**
 - ii. In addition to staffing changes the reorganization effort looked at areas to target for improvement. AE&ES 2023 achievements that support capital project

delivery include:

1. Implemented the construction manager at risk (CMAR) project delivery method for the first time at the New Cogg's facility and other large projects such as the new Secure Youth Facility at Vel Phillips, Zoo Rhino and Zoo Penguin. CMAR improves collaboration between design and construction phases, can expedite project schedule, and can reduce risk to Milwaukee County.
2. Implemented the first major revisions of construction and professional service contracts in over twenty years. This helped us to align with industry best practices and improve contracting consistency.
3. Expanded the use of master service agreements for professional services based on 2022 initial success. These agreements help us to be nimble, save time, and improve project delivery consistency.
4. Established project reporting tools that allow us to better understand portfolio resource needs, project issues, and to better communicate with departments and stakeholders. See Table 1 for a draft of this tool.
5. Improved the way AE&ES administers public works Time and Materials contracts. These improvements help facility managers better react to urgent needs through more vendor options and increased price competition.

In 2022 we highlighted the unprecedented challenges with AE&ES staffing and capital project delivery. In 2023 I am happy to report that our reorganization efforts are helping us stabilize and have already put us in a position to be successful now and in the future. But our work is not over. With upcoming ARPA deadlines and once in a generation investment in Milwaukee County infrastructure including a new Criminal Courthouse, AE&ES remains focused on implementing our reorganization plans and continues to pursue our goals of project management excellence and superior customer service.

ALIGNMENT TO STRATEGIC PLAN

3B: Enhance the County's fiscal health and sustainability.

FISCAL EFFECT

None, report is informational only.

TERMS

None, report is informational only.

VIRTUAL MEETING INVITEES

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ATTACHMENTS:

Table 1 – Draft Work in Progress Project Portfolio