

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** December 16, 2022Original Fiscal Note Substitute Fiscal Note **SUBJECT:** Requesting authorization to execute a professional service agreement with Baker Tilly, for digital transformation consulting services for total fees of \$498,131.**FISCAL EFFECT:**

- No Direct County Fiscal Impact Increase Capital Expenditures
- Existing Staff Time Required Decrease Capital Expenditures
- Increase Operating Expenditures (If checked, check one of two boxes below) Increase Capital Revenues
- Absorbed Within Agency's Budget Decrease Capital Revenues
- Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures Use of contingent funds
- Increase Operating Revenues
- Decrease Operating Revenues

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure	\$498,131	TBD – Based on Assessment Output
	Revenue	\$0	\$0
	Net Cost	\$498,131	\$0

*Expenditure and Revenue is reflective of the Non-IMSD as initial budget authority has previously been established for the IMSD related items under existing capital project WY072601-Milwaukee County Digital Transformation Initiative (adopted County Board file #22-106).

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will allow DAS-IMSD to execute a professional service agreement with Baker Tilly for digital transformation consulting services, with the output of an executable roadmap of follow-on projects.

This agreement will be funded by the \$500,000 allocation in capital project WY072601 – Milwaukee County Digital Transformation Initiative from the County's American Rescue Plan Act (ARPA) to provide third party consulting resources.

Once the assessment is completed, IMSD and the associated business departments will work with the ARPA Task Force to obtain approval for the execution of the roadmap's identified digital transformation projects. The identified projects will, at a minimum, include the following information:

- Digital transformation project description, department, and desired goal (e.g., revenue generation / recapture, operational cost savings, operational efficiencies, etc.)
- Planned one-time project costs
- Return on Investment (ROI) calculations, including future maintenance costs (e.g., hardware, software, personnel, etc.)
- Summary of project risks
- Other items as the assessment may recommend

Costs are anticipated to start being incurred in the 1st and 2nd Quarters of 2023 on the Contract Effective Date and shall continue for (8) months, unless terminated.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Funding for the project will be disbursed from the County's allocation of ARPA funds to fully offset the costs with no additional impact to the tax levy for 2023.

After the County Board's approval in February 2022, DAS-IMSD and Procurement issued a Request for Proposal (RFP) for the digital transformation assessment project. Baker Tilly was awarded the project in October 2022, and DAS-IMSD and Procurement have completed contract negotiations. The assessment is scheduled to start upon the County Board's approval of this contract.

Department/Prepared By DAS-IMSD – Matt Johnson – IT Director Governance and Business Solutions

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required