

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 10/09/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to enter into a contract with Aramark Correctional Food Services

FISCAL EFFECT:

No Direct County Fiscal Impact Expenditures

Increase Capital

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		\$3,209,938 (a)
	Revenue		
	Net Cost		\$3,209,938 (a)
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

(a) Sufficient funding has been included in the 2015 Recommended Budget

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 authorize the Superintendent of the House of Corrections (HOC), beginning on January 1, 2015, to enter into a three year contract with two one year extensions with Aramark Correctional Food Services (Aramark) to provide food services at the HOC and jail.

Aramark will be providing food services to the HOC at \$1.11 per meal which is a reduction from current price of \$1.178 per meal. The estimated number of meals served in a year at the HOC and the Jail is 2,891,836. This contract will reduce costs from approximately \$3,406,583 to \$3,209,938, an estimated savings of \$196,645.

Aramark will also be providing an immediate capital investment of \$450,000. The funds will be used to replace most of the considerably outdated kitchen equipment and to make needed updates to the kitchen. The county will own the equipment after the 3-year contract term, but since Aramark is making the purchases (including installation) directly, there is no impact on expenditures, but it reduces the need to request this amount in the capital budget. As part of this contract Aramark will maintain all of the equipment at their cost. This will save the HOC an estimated \$50,000 to \$80,000 in staffing costs by minimizing County maintenance workload.

Aramark will also be providing an inmate food service program. They are absorbing the estimated cost of \$15,000 per year or \$45,000 over a 3-year term. This is a tremendous value to the HOC, but does not result in any tangible fiscal changes.

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.

Calculations in this report are based on the assumption that the average number of meals will continue to total approximately 2,891,836 per year for the jail and HOC.

Department/Prepared By HOC/Michael Bickerstaff & June Jackson

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review? Yes No Not Required