

COUNTY OF MILWAUKEE
Department of Health and Human Services
Inter-Office Communication

Date: August 5, 2015

To: County Executive Chris Abele
Theodore Lipscomb, Chairman, Milwaukee County Board of Supervisors
Teig Whaley Smith, Director, Department of Administrative Services

From: Héctor Colón, Director, Department of Health & Human Services

Subject: **Exercise of Emergency Contracting Authority**

Issue

Section 32.28 of the Milwaukee County Ordinances authorizes any department head to enter into contracts with agencies without prior County Board approval in order to respond to emergency situations in which the health and welfare of county residents may be at risk. The ordinance requires the department head to formally notify the County Executive, County Board Chairman and Department of Administrative Services (DAS) within 48 hours of taking this action. This report serves as official notification of such an emergency action taken by the Department of Health and Human Services (DHHS) to respond to a situation involving its Wisconsin Home Energy Assistance (WHEAP) program.

Background

The Wisconsin Department of Administration (DOA), Division of Energy Services (DES) administers statewide low-income household energy assistance programs involving electric and heating bill payment assistance as well as benefits and services to assist with energy crisis situations. Milwaukee County is contractually bound by its state contract to provide services within its jurisdiction 12 months per year, 7 days per week, 24 hours per day. These critical services help ensure that members of the community have heat or a safe alternative.

RFP Process

In February of 2015, DHHS initiated a Request for Proposals (RFP) process for competitive proposals from community agencies to provide services for WHEAP. On March 27, 2015, DHHS received proposals from four respondents. The proposals were independently scored by a review panel of community members and county staff not associated with the contracting or RFP process. On April 29, 2015, letters were sent to the proposers notifying them of the department's intent to contract with Community Advocates and UMOS. One of the incumbent contract agencies, SDC, was not recommended for a contract.

On May 6, 2015, the director of DHHS received letters from SDC appealing the determination of the department and requesting that the department reduce the reason for its determination to writing. On May 8, 2015, pursuant to section 110.06 MCO, the department sent responses to SDC denying its appeal and upholding the department's determination. On May 15, 2015, the Director, DHHS submitted to the Chairwoman, Milwaukee County Board of Supervisors, a report requesting authorization to enter into purchase of service contracts with Community Advocates, Inc. and UMOS, Inc. to operate the Wisconsin Home Energy Assistance Program. Also on May 15, 2015, as provided for under section 110.07 MCO, SDC delivered a notice to the Director appealing the department's determination to the County Board Standing Committee on Health and Human Needs. As provided for under section 110.09 MCO, the standing committee appointed an appeal panel to conduct a hearing to review the department's determination. The hearing panel convened on June 30, 2015 and after receiving evidence from the appellant and DHHS, instructed the department to assemble a second, more diverse scoring panel, to re-score the RFP proposals. The second scoring panel met on July 8, 2015 and reaffirmed the results of the initial scoring panel. On July 9, 2015 letters were sent to the proposers notifying them of the second scoring panel results and the department's intent to contract with Community Advocates and UMOS.

On July 23, 2015, DHHS brought before the Finance, Personal and Audit Committee Resolution 15-377 authorizing the Director, DHHS, or his designee, to execute contracts for WHEAP services with Community Advocates, Inc. and UMOS, Inc. for the period August 1, 2015 through September 30, 2016. The resolution passed and was recommended for adoption.

On July 30, 2015, DHHS brought before the Milwaukee County Board of Supervisors that same resolution authorizing the Director, DHHS, to execute contracts with these agencies for the same period. An amendment to Resolution 15-377 was adopted on 7/30/2015 which rejected the request to enter into contracts with the above vendors. The amendment went on to say, "the County Board of Supervisors recommends the following approach to the operation of the Wisconsin Home Energy Assistance Program (WHEAP):

- "Extending the current energy assistance contracts (due to expire September 30, 2015) by six months using the existing model and service delivery."

The amendment went on to recommend a number of steps to be completed over the next six (6) months culminating in "the development of a new energy assistance request for proposals (RFP)."

Action Taken

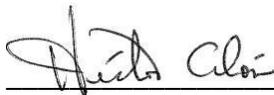
In response to this development, the Director of DHHS identified an emergency condition on August 3, 2015 that required immediate action to preserve property or protect life, health or welfare of persons and took immediate action to enter into emergency contracts with the above vendors. The recommendations of the County Board of Supervisors could not be implemented for the following reasons:

- Given the time critical benchmarks of the 2015/2016 energy application season, the department does not have sufficient time to implement the board's recommendations.
- The department's written state plan for outreach, crisis and coordination must be for a one-year period (i.e., the entire federal fiscal year).
- Incumbent contractor SDC could not commit to assurance of remaining at its primary energy application intake site beyond December 31, 2015.
- Not having the department's plan in place by August 1, 2015 risks widespread confusion among eligible county residents and endangers approximately 20,000 elderly, frail or disabled individuals scheduled to be served in the early application process in August and September of this year.

We have consulted with the Corporation Counsel's office, which indicated that we have the authority to carry out this response on an emergency basis.

Fiscal Effect

The maximum total amount of funds to be made available under this emergency response is set at \$2,239,020. The emergency contracts involve no property tax levy funding or new spending that has not already been approved in the current budget, or proposed under the department's 2016 budget.



Héctor Colón, Director
Department of Health and Human Services

cc: Raisa Koltun, Chief of Staff - County Executive's Office
Kelly Bablitch, Chief of Staff - County Board