COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

**Date:**  January 4, 2016

**To:** Chairman Theodore Lipscomb, Milwaukee County Board of Supervisors

**From:**  Jeremy Theis, Director, DAS Facilities Management Division

**Subject:**  Consolidated Facilities Plan (CFP) Quarterly Update – Informational Report

**BACKGROUND**

Resolution #14-483 was approved at the Special Transportation, Public Works & Transit Committee Meeting and the June 26, 2014 Milwaukee County Board Meeting providing direction from the Board to the Department of Administrative Services (DAS) regarding specific actions related to the Consolidated Facilities Plan (CFP).

The 2013 C.B. Richard Ellis (CBRE) Comprehensive Facilities Plan Report reviewed Milwaukee County’s core facilities and presented a series of recommendations to the County Board that, if implemented, would result in significant efficiencies being realized by Milwaukee County, reducing its overall costs and better serving the needs of departments, employees and customers. These recommendations are:

1. Sell assets to reduce the footprint of occupied space
2. Consolidate all real estate functions under one County “Landlord”
3. Improve occupied space and optimize utilization
4. Develop systems and invest in training and tools
5. Reallocate available savings from real estate back into the portfolio

The Department of Administrative Services has formed a Consolidated Facilities Planning (CFP) Steering Committee to continue implementation of all CFP initiatives based on Milwaukee County’s requirements and supported by CBRE’s recommendations and analyses.

During the 2014 December cycle, CBRE presented to the County Board the Milwaukee County Consolidated Facilities Plan Phase 2 Report which included the framework of a Master Space Plan. Subsequently, during the 2015 March cycle, the Director of DAS presented to the County Board an informational report regarding the status of seven deliverables listed in said County Board resolution, including:

1. Detailed Space Program and Relocation Strategy for City Campus
2. Agreement with the State for Marcia Coggs Center
3. Finalization of an Updated County Master Space Plan
4. Disposition Plan for the City Campus Property
5. Comprehensive Plan for County Grounds
6. Courthouse Complex Plan
7. Facility Management Consolidation

This informational report is within the scope of the County Board approved 2014 resolution and is meant to provide an update to the committee.

Three deliverables are considered complete (1, 2, and 4). Deliverables 3, 5, and 6 are expected to be complete in 2016 and deliverable 7 is a sustaining initiative that will always drive Facilities Management Division in its processes and procedures.

##

**UPDATE ON PHASE 2 OF THE CFP**

**Deliverable # 1 – Detailed Space Program and Relocation Strategy for City Campus**

* The relocation out of City Campus of all County employees and services is complete.

**Deliverable #2 – Agreement with the State for Marcia Coggs Center**

* The State/County space lease, approved by the County Board in the November 2014 cycle, was executed by the State in February of 2015.

**Deliverable #3 – County Master Space Plan**

* A summary of the Master Space Plan effort is presented here:
	+ CFP 1.0: The County Master Space Plan (CBRE Comprehensive Facilities Plan) published in 2013 is being utilized as the baseline for current CFP efforts.
	+ CFP 2.0: The updated Space Plan and options presented in December 2014 frames the CFP’s current actions and framework for future efforts.

* + CFP 3.0: The Courthouse Complex Plan is discussed in detail in the Phase 3 update. When complete, the process to update the Space Plan and further develop the County’s direction will be developed in CFP 4.0.
	+ CFP 3.1: Effort to More Formally Establish CFP processes & outcomes
		- Complete steering committee charter outlining roles & responsibilities of membership. (Deliverable)
		- Distribute first annual building reports to Departments that maintain County assets.
		- City Campus outcome analysis
			* Post-closing City Campus fiscal analysis (Deliverable).
			* Survey relocated staff and provide results (Deliverable).
		- Update Coggs facility status and provide market analysis
			* Is State lease a recommended short-term or long-term solution?
			* Develop potential long-term options for Coggs (Deliverable).
	+ CFP 4.0: Detailed scope and acquisition tool are being reviewed. Key elements that will likely be included in the plan are:
		- Overarching goal to produce sustainable space plan for FMD and tenants (i.e. no more musical chairs and avoid ‘inward costs’)
		- 4.1: Core Campus Master Space Plan
			* Incorporate Courthouse master space plan (CFP 3.0)
			* Non-courts space planning
			* Core campus optimization
				+ Safety Building, Criminal Justice Facility, Courthouse, Public Museum, Medical Examiner, Community Corrections Center (CCC), Leased Administrative Facility (Currently 633 W. Wisconsin Ave.), Coggs Building
			* Financial analysis and recommendations
			* Initial transition planning
		- 4.2: Past Project Analysis
			* Case & fiscal analysis for actions to date
				+ Day Hospital, Food Service, CCC, Technology Innovation Center)
			* Client satisfaction surveys on CFP process
			* **CFP 1.0 Reset to Conclude 2013 CBRE Comprehensive Facilities Plan & Initiate New Effort in Conjunction with Newly Hired Facilities Planning & Development Staff and Contract support (if needed)**

**Deliverable #4 – Disposition Plan for the City Campus Property**

* The City Campus property transaction closed November 20, 2015.

**Deliverable #5 – Comprehensive Plan for County Grounds**

* Facilities Management Division is supporting multiple efforts at the County Grounds:
	1. Potential New County Tenants to be relocated to the County Grounds:
		+ Office of the Medical Examiner
		+ Office of Emergency Management
		+ These Departments are working through the Department of Administrative Services to possibly consolidate their facilities adjacent to the MRMC partners.
		+ No formal plans to date, but meetings beginning in 2016 to discuss concepts.
	2. Excess Footprint:
		+ D-18 / Former Food Service: Parcel to be surveyed and facility mothballed prior to soliciting a RFP.
		+ D-19 / D-29 / D-32 / Former Day Hospital Site: Parcel to be surveyed and facility mothballed. Discussions ongoing with MRMC regarding best way ahead for Milwaukee County and partners.
		+ Milwaukee County Research Park’s Technology Innovation Center: County staff all moved to Fleet addition; no County staff remain. Research Park has option to purchase property.
	3. Water Distribution System:
		+ Facilities Management Division developing plans in partnership with MRMC and the City of Wauwatosa regarding future operations of the water, storm, and sanitary systems.
		+ The goal of the discussions is to develop the system in a manner that is beneficial to all; operators, end users, and municipalities.
	4. Existing County Buildings
		+ Vel Phillips Juvenile Justice Center: Facility is part of Courts Master Plan and considered a sustainable solution with no major actions required currently. Focus is on capital project development for 2016.
		+ Children’s Adolescent Treatment Center: Houses UW-Extension and Emergency Management staff in addition to various lease holders. Facility is challenged in terms of optimization as a schoolhouse and is being assessed by DHHS and other potential users.
		+ Mental Health Complex: Actively utilized by DHHS. The interior space is extensively utilized since D-19 / Day Hospital’s closure.

**Deliverable #6 – Courthouse Complex Plan**

* The CFP Committee is executing a project to “identify a consolidated, redesigned space for the people working in and served by Milwaukee County Courts. The initial objective is to identify the highest and best use of the Milwaukee County Courthouse.”
* The project was awarded in August 2015 and should be completed by early 2016.
* Further details are delineated in the Phase 3 update below.

**Deliverable #7 – Facility Management Consolidation**

* Facilities Management Division Centralized Staffing
	+ The 2016 budget approved Director of Facilities, Planning & Development will be hired in winter 2016.
	+ Two Facilities Space Planners will be hired in spring 2016. These positions are also included in the 2016 Adopted Budget.
	+ One newly created Facilities Management Specialist should be hired in spring 2016. This position will be responsible for landlord-tenant communications and major maintenance/capital project coordination. This is a reclassified, existing position.
	+ One newly created Operations Manager should be hired in spring 2016. This position will be responsible for operational quality assurance in FMD’s facilities such as mail distribution, pest control, janitorial services, and supervising the building operations staff. This is a reclassified existing position.
* Computerized Maintenance Management System (CMMS):
	+ A key initiative associated with this deliverable is the implementation of a County-wide CMMS.
	+ The system chosen for implementation and utilization is Cityworks.
	+ Proposals are due to the County in January 2016. The RFP review process will commence immediately and results planned to be presented to the County Board in March 2016.
* Facility Manager’s Round Table:
	+ We have held two round tables, with a third planned in February to be held at the Zoo.
	+ Current initiatives are:
		- Developing contracting toolbox
		- Updating the group on Cityworks rollout and process changes
		- Making available Milwaukee County’s EnergyCAP data (‘utility bills’) for facility managers to track and minimize utility costs.
* Facilities Management Manual:
	+ Facilities Management is in the first stage of development of the Facilities Management Manual.
		- Currently focused on contents as they relate to existing regulations.
		- Next stage to include common definitions, programs, and procedures.
* CFP Steering Committee Charter
	+ The CFP Steering Committee is developing a charter to be included in the Administrative Manual of Procedures.
		- Currently being reviewed by CBRE for industry input.
		- Next steps include sharing with Departments of Corporation Counsel, and the Administrative Manual of Procedures review process.

**UPDATE ON PHASE 3 OF THE CFP**

In August 2015 Milwaukee County awarded a contract to an architectural consultant, HGA, to complete the Courthouse Complex Plan. The work is ongoing with over 50 interviews taken place and extensive analysis underway regarding Courts space planning, caseload projections, and options for future development.

1. Leadership Engagement: Three meetings have occurred with a leadership planning team receiving updates on the Courthouse Complex Plan project. The leadership team includes members of Courts, Sheriff, District Attorney, Clerk, County Board Chairman, DAS, and many others.
2. Current Status: The contracted team has completed their analysis of all staffing, case load, current facility conditions and multiple other drivers for the development of the County Courts’ facility priorities. Of all the Court spaces and processes reviewed, the Criminal Court System is clearly the top priority for required facility changes. The team is finalizing recommendations to be reviewed by County Leadership. Recommendations may include a complete facilities redesign of the criminal court system for Milwaukee County because these facilities are not within current court standards, create safety and security risks, and would be extremely difficult to modify to comply with 21st century practices.
3. Next Steps: The team is working on conceptual estimates, space requirements, and engineering plans for the recommendations. The plan is to present the consultant’s recommendations to the County Board during the March cycle assuming they are fully ready. If not, the presentation could occur in May.

**CONTRACT TOOLBOX - TIME & MATERIALS (T&M) VERSUS FIRM FIXED PRICE (FFP)**

During the October 2015 committee cycle, Facilities Management Division was requested to provide an overview of common construction contract types; specifically Time and Material and Firm Fixed Price contracts.

There are hundreds of contract types in the acquisition community, these are two extremely common general types that provide for a good overview. Not all acquisitions should utilize the same contract type and having options available for the Government is always the best scenario. There is not a ‘one size fits all’ solution in Public Works contracting, but instead the Project Managers should develop a scenario-based acquisition plan to maximize the desired effect of the contract.

In some cases the project’s urgency does not allow for full scope development, while in others, the Government is fully aware of what it requires and has produced extensive specifications. These two simplified scenarios can lead to very different acquisition plans.

When discussing the contract toolbox, facilities is describing any and all tools available to acquire public works products and services. It can be viewed as a menu of options to best accomplish the task within regulations, but not all work must be accomplished by the same contract type. Facilities Management Division is currently working with all Departments to develop the County’s facilities contracting toolbox in order to better manage quality, cost, and schedule complexities.

An overview of statutory requirements and the two most common contract types is provided below. Descriptions are provided from the Federal Acquisition Regulation (FAR) as an industry accepted resource.

Wisconsin Statutory Requirements (Chapter 66, Subpart IX, Public Works and Projects):

(1m) Method of bidding.

[66.0901(1m)(a)](http://docs.legis.wisconsin.gov/document/statutes/66.0901%281m%29%28a%29)(a) Except when necessary to secure federal aid, whenever a political subdivision lets a public contract by bidding, the political subdivision shall comply with all of the following:

[66.0901(1m)(a)1.](http://docs.legis.wisconsin.gov/document/statutes/66.0901%281m%29%28a%291.) 1. The bidding shall be on the basis of **sealed competitive bids.** [Versus Contracting by Negotiation]

[66.0901(1m)(a)2.](http://docs.legis.wisconsin.gov/document/statutes/66.0901%281m%29%28a%292.) 2. The contract shall be awarded to the **lowest responsible bidder**. [Versus Best Value Trade-Off]

[66.0901(1m)(b)](http://docs.legis.wisconsin.gov/document/statutes/66.0901%281m%29%28b%29) (b) Except when necessary to secure federal aid, a political subdivision may not use a bidding method that gives preference based on the geographic location of the bidder or that uses criteria other than the lowest responsible bidder in awarding a contract.

Definitions and Applications from Federal Acquisition Regulation on Acquisition.gov:

**TIME-AND-MATERIAL CONTRACTS**

(b) Description. A time-and-materials contract provides for acquiring supplies or services on the basis of—

(1) Direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and

(2) Actual cost for materials (except as provided for in [31.205-26](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2031_2.html#wp1095981)(e) and (f)).

(c) Application. A time-and-materials contract **may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.** See [12.207](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2012_2.html#wp1087410)(b) for the use of time-and-material contracts for certain commercial services.

(1) Government surveillance. A time-and-materials contract **provides no positive profit incentive to the contractor for cost control or labor efficiency.** Therefore, **appropriate Government surveillance of contractor performance is required** to give reasonable assurance that efficient methods and effective cost controls are being used.

(d) Limitations. A time-and-materials contract or order may be used only if—

(1) The contracting officer prepares a determination and findings that **no other contract type is suitable.**

(2) The contract or order **includes a ceiling price** that the contractor exceeds at its own risk.

**FIRM-FIXED-PRICE CONTRACTS**

16.202-1 Description.

A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor’s cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. **It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties.** The contracting officer may use a firm-fixed-price contract in conjunction with an award-fee incentive (see [16.404](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2016_4.html#wp1078278)) and **performance or delivery incentives** (see [16.402-2](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2016_4.html#wp1078229) and [16.402-3](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2016_4.html#wp1078238)) when the award fee or incentive is based solely on factors other than cost. The contract type remains firm-fixed-price when used with these incentives.

16.202-2 Application.

A firm-fixed-price contract is suitable for acquiring commercial items (see [Parts 2](https://www.acquisition.gov/sites/default/files/current/far/html/FARTOCP02.html#wp284164) and [12](https://www.acquisition.gov/sites/default/files/current/far/html/FARTOCP12.html#wp1033864)) or for acquiring other supplies or services on the basis of reasonably **definite functional or detailed specifications** (see [Part 11](https://www.acquisition.gov/sites/default/files/current/far/html/FARTOCP11.html#wp226850)) when the contracting officer can establish fair and reasonable prices at the outset, such as when—

(a) There is adequate price competition;

(b) There are reasonable price comparisons with prior purchases of the same or similar supplies or services made on a competitive basis or supported by valid certified cost or pricing data;

(c) Available cost or pricing information permits realistic estimates of the probable costs of performance; or

(d) Performance uncertainties can be identified and reasonable estimates of their cost impact can be made, and the contractor is willing to accept a firm fixed price representing assumption of the risks involved.

****

**CONCLUSION**

The CFP Steering Committee and Facilities Management Division continue to focus their efforts on providing exceptional customer service to the employees and citizens of Milwaukee County. Daily efforts are put forth towards developing tools and processes that maximize the ability of County facilities staff to accomplish their missions, regardless of what Department they work for. Through process improvement, real estate accountability, and total life cycle planning, the County is working towards a much more sound financial future for Milwaukee County facilities.

Thank you for your consideration.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Jeremy Theis, Director

Facilities Management Division, DAS

cc: Chris Abele, County Executive

Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee

Supervisor John R. Weishan, Jr., Vice Chairman, Transportation, Public Works and Transit Committee

Raisa Koltun, Chief of Staff, County Executive’s Office

Kelly Bablitch, Chief of Staff, County Board of Supervisors

 Teig Whaley-Smith, Director, Department of Administrative Services (DAS)

 Julie Esch, Director of Operations, DAS

Steve Kreklow, Fiscal & Budget Director, DAS

 Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS

 Pamela Bryant, Capital Finance Manager, Comptroller’s Office

Justin Rodriguez, Capital Finance Analyst, Comptroller’s Office

Katarina Lucas, Research & Policy Analyst, Comptroller’s Office

 Shanin Brown, Committee Coordinator, County Clerk