

COUNTY OF MILWAUKEE
DEPARTMENT OF HUMAN RESOURCES
INTER-OFFICE COMMUNICATION

DATE : June 28th, 2017

To : Chairman Theodore Lipscomb, County Board of Supervisors 

FROM : Matthew Hanchek, Director of Total Rewards – Department of Human Resources

SUBJECT: **Report from the Director of Benefits, Department of Human Resources, requesting waiver of MGCO 56.30 (9) and authorization to extend the contract with Morneau Shepell for employee benefits administration software through December 31st, 2017.**

Policy

Section 56.30(9) of the Milwaukee County Ordinances states that no work shall be performed by any professional service contractor until a written contract has been executed and signed by all appropriate officials.

Issue/Background

In 2015, Ceridian abruptly sold the Benefits and COBRA services that Milwaukee County relied upon to Morneau Shepell. To avoid disruption of service to County operations, the Employee Benefits Division sought and received authorization to extend a two contracts with Morneau Shepell, one for COBRA administration, the other for benefits administration software.

I mistakenly believed that I sought approval for both contracts through 2017, but following a review of the documents and resolution, the COBRA contract was extended through 2017, but the benefits contract was only requested through 2016. This was presumably due to the uncertainty of timing with the ERP.

The contracted services for this year were included in the 2017 budget authorized by the County Board, but the contract itself expired on December 31st, 2016. While funds are appropriately in place to pay this invoice, the Comptroller's office must have approval from the County Board to waive 56.30(9) to allow payment for the services to date, and the contract amendment to for the remainder of 2017.

Requested Board Action

The Director of Total Rewards, Department of Human Resources requests that 56.30(9) be waived, with authorization to execute a contract extension with Morneau Shepell under the current terms from January 1, 2017 – December 31, 2017. Total cost of services are approximately \$400,000 for 2017.