

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

**DATE:** July 12, 2013

**TO:** Supervisor Michael Mayo Sr., Chairperson, Transportation, Public Works and Transit Committee

**FROM:** Patrick Lee, Director of Procurement, Department of Administrative Services

**SUBJECT:** Housekeeping and Janitorial Services for Milwaukee County Facilities  
For Information Only

**REQUEST**

A request was made by the Chairman of the Transportation, Public Works and Transit Committee that the Department of Administrative Services ("DAS") provide specific information related to the process and results of Housekeeping and Janitorial Services RFP, while this information was provided verbally, the following narrative provides presented and additional information.

**DISCUSSION**

As current agreements were expiring for housekeeping and janitorial services a solicitation of proposals from vendors for provision of these services to County facilities was required.

A RFP process was used for the solicitation and acquisition for these services. This process allows for 'best value' based acquisition, ability for negotiations and subsequent award and is process is based on the general procedures outlined in the County's ordinances.

A business group, consisting of both subject matter experts, facility stakeholders, operational personnel and staff members with a professional interest in the success of the RFP was assembled to establish business needs, acquisition strategies and the development of performance requirements related to these services. Consideration was also given to the Comprehensive Facilities Planning effort underway as the result of a facilities study completed by CBRE earlier this year, encouraging a "one County, one landlord" approach to facilities and the use of vendor rationalization best business practices.

The resulting RFP outlined such elements as minimum standards and requested services in order for proposers to offer solutions to the objectives, problems, and needs set forth in the RFP. Proposers were encouraged to define how they intended to meet or exceed the RFP requirements. The RFP described evaluation criteria (including cost, technical knowledge and experience, quality of labor/personnel, and references/work history) and the relative weights applied to each criteria.

Upon completion a broad notification of the RFP was performed via publication, posting on the Milwaukee County Procurement website, posting on the Milwaukee County Business Opportunity Portal, submission to CBDP office, use of the County's E-notify System, and direct identification of potential vendors. The use of E-notify alone, achieved notification to thousands

supplying janitorial services to Milwaukee County. The RFP provided for a five-week response timeframe, with a submission deadline of December 3 2012.

Additionally, a pre-bid conference and tours of all facilities covered by the RFP was held. These Pre-Bid Tours and Meeting began on November 12, 2012 with 19 potential proposers represented.

An opportunity to request RFP clarification was also provided through an open 'Question and Answer' period, with notification of submitted questions and corresponding answers being publicly posted on October 29 2012.

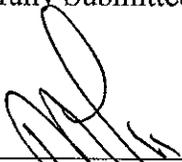
Numerous proposals were received by the deadline. Upon receipt of these proposals an Evaluation Panel was formed for technical scoring of each proposal. Each proposal was individually and independently scored for technical merits. A separate cost scoring was performed. Scores (technical and cost) were merged and resulted in a 'recommended' vendor by evaluation panel. The recommended vendor's total evaluative score (cost, technical knowledge, experience, quality of labor/personnel, and references/work history) by the Evaluation Panel members was the highest of all proposers and determined a competitive range; as such the Evaluation Panel recommended that the Department of Administrative Services ("DAS") enter into negotiations with recommended vendor.

As RFP process provides for a negotiated agreement and after conducting additional in-depth tours of all facilities and extensive negotiations, the recommended vendor submitted its best and final offer on May 22, 2013. This best and final offer is incorporated into the proposer's original RFP response to create the final terms of the agreement.

Required reviews and approvals were also secured as required from Corporation Counsel, CBDP for DBE compliance and Risk for meeting insurance standards.

Milwaukee County issued an "Intent to Award" as required on Monday, June 03, 2013. No protests were received by the required deadline.

Respectfully Submitted:



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Patrick Lee, Director of Procurement  
Department of Administrative Services

cc: Don Tyler, Director of Administrative Services

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** Monday, July 1, 2013  
**To:** Supervisor Marina Dimitrijevic, Chairwoman  
Milwaukee County Board of Supervisors  
**From:** Jerome J. Heer, Director of Audits  
Audit Services Division, Milwaukee County Office of the Comptroller  
**Subject:** Residency of Contractor Employees Working on County Construction Contracts (File No. 10-135)

We have completed a review of the residency of construction workers charged to County construction contracts for payments made over the 19-month period of June 1, 2011 through December 31, 2012. The review is part of an ongoing monitoring effort directed by a Resolution (File No. 10-135) from a previous session of the County Board. Therefore, please refer the attached memo to the Committee on Transportation, Public Works and Transit, as well as to the Committee on Economic and Community Development, for the July meeting cycle.

Please contact me if you have any questions.



Jerome J. Heer

JJH/cah

cc: Scott B. Manske, CPA, Milwaukee County Comptroller  
Kelly Bablitch, Chief of Staff, County Board Staff  
Jenelle Jensen, Chief Committee Clerk, County Board Staff

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** July 1, 2013

**To:** Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee  
Supervisor Patricia Jursik, Chairperson, Economic and Community Development Committee

**From:** Jerome J. Heer, Director of Audits

**Subject:** Residency of Contractor Employees Working on County Construction Contracts (File No. 10-135)

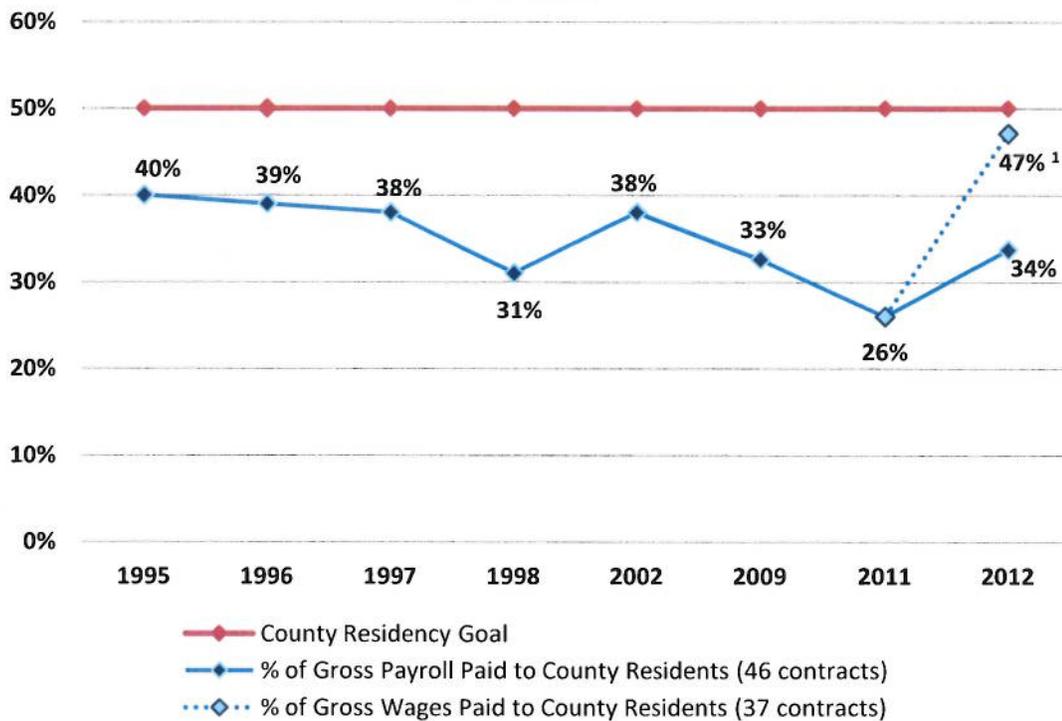
We have completed a review of the residency of construction workers charged to County construction contracts for payments made over the 19-month period of June 1, 2011 through December 31, 2012. The scope was extended to cover a longer time period than previous reviews to better assess the effectiveness of procedures implemented by the Department of Administrative Services – Facilities Management Division’s Architectural, Engineering and Environmental Services (AE&ES) unit beginning July 2010. The new procedures were created to help improve contractors’ compliance in achieving goals for percentage of gross payroll paid to Milwaukee County residents over the project period.

The overall percentage of gross wages paid to County residents for 37 projects where a residency goal had been established was 47.1% of \$919,543 in reported gross wages. However, we identified an additional \$882,023 paid under nine other projects where it was unclear if a residency goal had been established. For these nine contracts, only 19.8% of total gross wages were paid to County residents. Assuming the standard 50% residency goal should have been applied to these projects, the overall gross wages paid to County residents for all 46 projects drops to 33.7%.

On a project basis, we found goals were met (or being met in the case of open projects) in 16 of the 37 projects (43.2%). Three of the nine projects (33%) missing a documented residency goal had met or were meeting an assumed 50% residency goal.

The following chart shows the results of seven prior reviews since 1995, along with current review. The results of the current review are shown under two scenarios, the first assuming all of the nine contracts with missing Contractor Residency Recommendation Forms were subject to the residency goal (solid line), the second assuming none of the nine had a residency goal (dotted line).

**Milwaukee County Residents Participation in  
 County Construction Contracts  
 1995-2012**



Note <sup>1</sup> : The 47% rate applies if no residency goal is required for the nine contracts missing the recommendation form (results based on 37 contracts)

Source: Payroll information supplied by contractors to the AE&ES unit of DAS-Facilities Management Department of Transportation and Public Works, and reviewed by the Audit Services Division

**Contracts Without a Residency Requirement**

It should be noted that contractor residency requirements do not apply to all projects. Residency requirements are waived in some contracts due to the specialty nature of the project and the lack of County expertise to perform the work.

Additionally, projects involving direct federal or state pass-through funding are expected from the requirement. According to a Corporation Counsel opinion, "...the County may not apply a geographical preference to projects funded directly by the federal government or by the State when it merely "passes through" federal funds for local projects."

## **Background**

County Board Resolution 95-573 established a residency requirement in County construction contracts. In 2010, a Residency Contracting Workgroup was formed to come up with recommendations to reach the 50% County residency goal and better monitor its achievement. From this, AE&ES formalized procedures for project management staff to follow for all construction contracts. From a procedural standpoint, this included:

1. Preparing a Contractor Residency Recommendation Form to establish the residency goal, and to document reasons for which less than a 50% goal was recommended.
2. Requiring contractors to submit a Resident Utilization Report with every invoice submitted for payment. Contractors are required to report on a cumulative basis the total gross payroll incurred to date, how much of that amount was paid to County residents, and the resulting percentage. This information provides project management staff with the ability to assess compliance with the residency goal on a continuous basis, and take actions noted below if needed to help attain compliance.
3. Upon project completion, requiring contractors to complete, sign and have notarized the Final Payment Affidavit of Compliance With Wage Rate and Contractor Residency Provisions. This form includes a summary of gross payroll dollars paid to both County resident and nonresident workers.

If a contractor is not in compliance with the specifications, the County will notify the contractor in writing of the corrective action that will bring the contractor into compliance. If the contractor fails or refuses to take corrective action as directed, or if the contractor, prime or sub, submits any documents which contain any false, misleading, or fraudulent information, or if the contractor or subcontractor fail to comply with this contract provision, the County may take one or more of the actions listed below.

- Withhold payments on the contract.
- Terminate or cancel the contract, in whole or in part.
- Consider possible debarment of the contractor from bidding for a period of up to two years.
- Any other legal remedies available to the County.

## **Project management staff need to place more emphasis on following established procedures related to contractor residency.**

Specifically, staff need to enforce provisions designed to improve contractor compliance with County residency, and better document actions taken to enforce program requirements. We noted

shortcomings throughout the contract monitoring process which affected project management's ability to consistently achieve residency goals. Specifically,

- Project management staff could not provide us with the Contractor Residency Recommendation Form for 41 projects awarded after the new procedures went into effect in July 2010. This includes a number of federal and state funded projects for which residency goals may not be permitted. However, procedures call for the form to be generated for all projects so that residency goals, or reasons for excluding a residency goal for specific projects, are properly documented.
- Contractors did not routinely submit required Resident Utilization Reports with each request for payment. These forms provide the basis for project management staff to identify contractors who are falling short of their residency goals, and take corrective action as needed.
- The design of the Resident Utilization Report lends itself to improper residency calculations by contractors. We noted 14 projects where contractors overstated the achieved goals on one or more forms submitted to the County during the project. For example, a contractor reported paying 76.4% of its gross wages to County residents on one form, followed by 88.0% on its next submission, whereas the correct percentages were 38.2% and 44.0%, respectively. If the contractors' reported figures were relied upon, project management staff would have concluded that the residency goal was being met, with no follow-up action needed. In nearly all cases, the errors were due to the unnecessarily confusing design of the form, which does not clearly indicate which amounts need to be used for the residency percentage calculation. Using a copy of the form (see attached), we highlight in yellow the amounts that should be used for making the proper residency calculation, and highlight in green the amount erroneously used. A more clearly designed form should prevent such miscalculations in the future.
- Contractors are required to submit documentation supporting gross payroll paid to their workers. This documentation is the basis for summary totals reported on the Resident Utilization Reports, and ultimately the Summary of Gross Payroll Dollars submitted upon project completion. For projects in which contractors submitted both payroll data and Resident Utilization Reports, we found no evidence of project management staff comparing detailed payroll data to amounts reported on accompanying utilization reports (when provided) to verify accuracy. The fact that Resident Utilization Reports contained significant calculation errors in 14 projects reviewed, plus detailed wage data contained no address information for almost 10% of the gross wages (\$171,911) reported in 13 projects, indicates that little more than a cursory review of the data is performed.
- Perhaps one reason this is not done is the labor intensive data entry needed to analyze payroll data. This effort is hampered by the lack of uniformity in the format used by contractors when submitting the data. The County provides a form that contractors may use for reporting their payroll, but there is no requirement for them to do so. Consequently, many contractors submit copies of their own computer-generated payroll reports that can be confusing, often requiring manual calculations to properly reflect fringe benefits paid to workers, an allowable component of gross payroll. This effort could be eliminated by having contractors provide required wage data and other information in an electronic format that better lends itself to verification and analysis.

- Past practice has been for Audit Services Division staff to enter payroll data need for analysis and subsequent reporting on goal achievement. While this effort provides a meaningful product, our results do not provide the same value as if it were done by project management staff on an ongoing basis. Current information would provide project management staff with the ability to identify projects in need of additional efforts to meet contractor residency requirements.
- Project files did not contain evidence of actions that project management staff may have taken to hold contractors accountable for compliance with residency goals before project completion. Discussions with project managers did bring to light some email communication to the contractors, but there was no consistency in documenting such actions in the project files.
- We found no instances where a negative action was taken against a contractor for projects that did not achieve residency goals.

### **Recommendations**

Overall, the procedures in place have the potential to significantly improve participation in construction contracts by County residents. However, a more concerted effort by project management staff in following those procedures is still needed to realize residency goals. To improve its ability to monitor County residency for each construction project on day-to-day basis, we recommend AE & ES management:

1. *Establish and document a residency goal for each project, including documenting reasons for which less than a 50% goal was recommended;*
2. *Require contractors to provide all required forms both during and at the conclusion of each project.*
3. *Verify reported gross payroll information with accompanying reports as they are provided. This includes revising the Resident Utilization Form to improve the accuracy of reported ongoing residency participation. Also, to facilitate this verification, design a system for use by contractors for reporting payroll data on construction projects that provides for the ability to electronically verify residency information.*
4. *Work with contractors to improve participation as needed while the project is still active for projects underachieving on its residency goals; and*
5. *Impose available sanctions when contractors fail to provide required documents and achieve residency goals.*

Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee  
Supervisor Patricia Jursik, Chairperson, Economic and Community Development Committee  
July 1, 2013  
Page 6

We will continue to work with AE&ES management to ensure that the process in place for accumulating payroll data and monitoring compliance is functioning as intended. Please contact me if you have any questions.



Jerome J. Heer

JJH/cah

cc: Milwaukee County Board of Supervisors  
Kimberly Walker, Corporation Counsel  
Don Tyler, Director, Department of Administrative Services  
Stephen Cady, Fiscal and Budget Analyst, County Board Staff  
Greg High, Director, Architectural Engineering and Environmental Services, DTPW  
Kelly Bablitch, Chief of Staff, County Board Staff  
Jodi Mapp, Committee Clerk, Transportation, Public Works and Transit Committee  
Alexis Gassenhuber, Committee Clerk, Economic and Community Development Committee

SUBMIT WITH ALL YOUR  
PAYMENT APPLICATIONS

DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS  
MILWAUKEE COUNTY RESIDENT UTILIZATION REPORT\*

NAME OF CONTRACTOR \_\_\_\_\_ TELEPHONE NO. ( ) \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ (ZIP CODE) \_\_\_\_\_

PROJECT TITLE \_\_\_\_\_ PROJECT # \_\_\_\_\_

CONTRACT RESIDENCY REQUIREMENT - % OF EMPLOYMENT OF THE CONTRACT LABOR FORCE WITH EMPLOYEES THAT  
RESIDE WITHIN MILWAUKEE COUNTY BASED ON PERCENT OF GROSS PAYROLL DOLLARS \_\_\_\_\_%

TOTAL CONTRACT \$ AMT \_\_\_\_\_ TOTAL CONTRACT PAYMENT YTD \$ \_\_\_\_\_

CONTRACT % COMPLETE \_\_\_\_\_%

TOTAL ANTICIPATED GROSS PAYROLL DOLLARS PER CONTRACT \$ \_\_\_\_\_ (B)

TOTAL ANTICIPATED GROSS PAYROLL DOLLARS TO RESIDENTS PER CONTRACT \$ \_\_\_\_\_ (C)

TOTAL PAYMENT TO RESIDENTS TO DATE \$ \_\_\_\_\_ (A)

PAYMENT TO RESIDENTS % OF ANTICIPATED TOTAL TO DATE \_\_\_\_\_ A/B %\*\*

COUNTY PROJECT/CONTACT PERSON \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

REPORT FOR THE PERIOD FROM: \_\_\_\_\_ TO: \_\_\_\_\_ 201 \_\_\_\_\_ FINAL REPORT: ( ) Yes ( ) No

Report Prepared by: \_\_\_\_\_ Approved by: \_\_\_\_\_  
(Name & Title)

\*Directions for completion of report - see reverse side

\*\*if the % of gross payroll paid to resident employees is less than the % anticipated at contract completion, please attach an explanation as to why the residency requirement is not being met at this time.

RESIDENCY UTILIZATION FORM

Rev. 06/2010

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(ITEM ) From the Director of Audits, a report titled “Residency of Contractor Employees Working on County Construction Contracts (File no. 10-135),” requesting County Board action to receive and place on file said report and to concur with the recommendations provided therein, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, the Audit Services Division of the Milwaukee County Office of the Comptroller has completed a review of the residency of construction workers charged to County construction contracts for payments made over the 19-month period of June 1, 2011 through December 31, 2012, and issued a report summarizing the results of its review on July 1, 2013; and

WHEREAS, a number of recommendations are provided in the report; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors receives and places on file, the Office of the Comptroller – Audit Services Division report, “Residency of Contractor Employees Working on County Construction Contracts (File no. 10-135),” and concurs with the recommendations contained therein.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** July 1, 2013

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Resolution to receive and place on file the Milwaukee County Office of the Comptroller – Audit Services Division report, “Residency of Contractor Employees Working on County Construction Contracts (File no. 10-135),” and to concur with the recommendations contained therein.

**FISCAL EFFECT:**

- X No Direct County Fiscal Impact  Increase Capital Expenditures
- X 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

**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.<sup>1</sup> 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.

This resolution requires no additional expenditure of funds.

Department/Prepared By Office of the Comptroller – Audit Services Division/Paul Grant

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required

<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.  
Special TPWT 07/23/13 Page 13

**COUNTY OF MILWAUKEE****INTER-OFFICE COMMUNICATION**

**DATE:** July 15, 2013

**TO:** Marina Dimitrijevic, Chairwoman County Board of Supervisors  
Michael Mayo, Sr, Chairman Transportation, Public Works and Transit  
Committee

**FROM:** Brian Dranzik, Director, Department of Transportation

**SUBJECT:** Approval of a Relocation Settlement on the Warehouse Building Located  
at 10310 and 10310-A West Watertown Plank Road.

**POLICY**

County Board approval is required.

**BACKGROUND**

The County Board at its April 2013 meeting approved Resolution File # 13-288 adopting a Relocation Order for the warehouse building located at 10310 and 10310-A West Watertown Plank Road. The warehouse facility is owned by Milwaukee Research Medical Center (MRMC) on property owned by Milwaukee County. The relocation of the facility is necessary to make the Fleet/Highway Maintenance site functional once the extension of Swan Boulevard is constructed later in 2013 as part of the Zoo Interchange reconstruction project.

As stated in prior reports, the warehouse property houses functions of Children's Hospital, Froedtert Hospital, and Milwaukee County Facilities Management. While MRMC is the owner for of the property, for the purposes of settling the Relocation Order, Milwaukee County would have to negotiate a settlement with MRMC, Children's and Froedtert Hospital since they are the tenants who would be impacted. Legal counsel for MRMC, who also represents the two other hospitals, indicated that all three interested parties were interested in one comprehensive settlement package rather than three independent settlements. For that reason, legal counsel for MRMC took the lead role in negotiations for all three entities.

As part of the \$17,000,000 cash compensation already received from WisDOT, the County has \$8,910,000 allocated for costs associated for the replacement of the warehouse facility. In the June committee cycle, the County Board approved the acquisition of a replacement facility for Facilities Management functions at 10930 West Lapham Street.

From discussion with the County Executive and members of the County Board it was clear to the Department that the preferred alternative would be to reach a settlement agreement with MRMC and its users. With this direction, the Department and its legal counsel sought to reach an agreeable settlement with the interested parties on the warehouse site.

Milwaukee County determined the value of the facility with related moving and relocation costs to be \$3,000,000 based on an appraisal and estimates for the related expenses. MRMC through their appraisal and estimates determined the value to be \$6,400,000. Though negotiations, Milwaukee County and MRMC was able to agree on an acceptable value of \$3,900,000. Under the agreed to terms, Milwaukee County will provide \$3,900,000 to MRMC, Children's and Froedtert Hospitals, the other warehouse tenants for the full settlement and related moving and relocation expenses.

By agreeing to these terms, Milwaukee County can provide resolution to the relocation issue and save costs that may result from the uncertainty of litigation. This will allow the County to acquire the property and deliver it to the State as required in the agreement between the State and the County with regard to the Fleet/Highway site. Should the board not agree to this settlement amount Milwaukee County would still have the option to take the property under a Jurisdictional Offer that would likely result in a court settlement between Milwaukee County and MRMC and its users.

### **RECOMMENDATION**

The Director of the Department of Transportation recommends that the County approve the settlement amount of \$3,900,000 to be provided to MRMC and the users of the warehouse for settlement of leasehold interests and related moving and relocation expenses. Funds are available in WO229012 for the purposes of the warehouse replacement.

Approved by:

---

Brian Dranzik, Director  
Department of Transportation

Cc: Chris Abele, Milwaukee County Executive  
Scott Manske, Comptroller  
Amber Moreen, Chief of Staff, Milwaukee County Executive  
Chris Abele  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Don Tyler, Director, Department of Administrative Services

Mark Grady, Corporation Counsel  
Julie Esch, Director of Operations, Department of Administrative Services  
Josh Fudge, Fiscal and Budget Administrator, DAS  
Pam Bryant, Capital Finance Manager, Office of the Comptroller

1 (Item )From the Director, Department of Transportation requesting approval of an  
2 agreement between Milwaukee County and the Milwaukee Regional Medical Center for  
3 the relocation of the warehouse facility located at 10310 and 10310-A West Watertown  
4 Plank Road.

5  
6  
7 **A RESOLUTION**  
8

9  
10 WHEREAS, in April, the County Board adopted Resolution File 13-288, a  
11 Relocation Order for the property located at 10310 and 10310-A West Watertown Plank  
12 Road; and

13  
14 WHEREAS, the purpose of the Relocation Order was to allow Milwaukee County  
15 the ability to gain control of the site in a timely manner; and

16  
17 WHEREAS, Milwaukee County needs to gain control of the site so that it can  
18 provide the site to the State of Wisconsin Department of Transportation (WisDOT) as  
19 part of the \$17 million dollar agreement necessary for making the site functional for  
20 future Milwaukee County Department of Transportation activities; and

21  
22 WHEREAS, while the building is owned by MRMC, its users consist of Children's  
23 Court and Foreddert Hospital, therefore, any settlement as a result of the Relocation  
24 Order must involve the entities that will be displaced as a result of the relocation action;  
25 and

26  
27 WHEREAS, Milwaukee County sought to reach a settlement with MRMC and its  
28 users to avoid the option of Jurisdictional Offer; and

29  
30 WHEREAS, MRMC and its users had expressed an interest in reaching an  
31 agreement of one comprehensive settlement package inclusive of all relocation fees  
32 and expenses; and

33  
34 WHEREAS, based on appraisals and estimates from both sides, an amount of  
35 \$3,900,000 has been agreed to covering the all-inclusive costs of settlement and  
36 relocation for MRMC, Children's and Froedtert Hospital; and

37  
38 WHEREAS, by agreement of the settlement amount Milwaukee County avoids  
39 the need to move forward with the Jurisdictional Offer process that would most likely  
40 lead to a legal settlement; now, therefore,

41  
42 BE IT RESOLVED, that the Director of Transportation is authorized to enter into  
43 an agreement, and make payment to, the Milwaukee Regional Medical Center (MRMC)  
44 for the purpose of relocating the warehouse facility owned by MRMC located on County  
45 property for an amount of \$3,900,000 from the available expenditure authority in capital  
46 project WO229012.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 7/15/13

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Authorization of a relocation settlement for the warehouse property located at 10310 and 10310A West Watertown Plank Road in Wauwatosa.

**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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0 see explanation	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

**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. <sup>1</sup> 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.

This resolution adopts a relocation settlement with MRMC, Children’s Hospital and Froedtert Hospital for the warehouse facility located at 10310 and 10310A W. Watertown Plank Road. The settlement amount of \$3,900,000 includes the cost of purchasing the warehouse facility, relocation and moving costs. Budgeted funds are available in Capital Account WO229012 base on a fund transfer approved in March of 2013 to make the necessary payment to MRMC.

Department/Prepared By   Brian Dranzik, Director of Transportation  

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?     Yes             No

Did CBDP Review?<sup>2</sup>             Yes             No             Not Required

<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners’ review is required on all professional service and public work construction contracts.