

**2015-2016**

*Working to Accelerate  
Progress*

**Annual Report**

**Milwaukee Public Schools  
Contract Compliance Services**





## Executive Summary

The Contract Compliance Services Annual Report was commissioned to examine the impacts and outcomes of Administrative Policy 3.09: Purchasing and Bidding Requirements, 3.10: Historically Underutilized Business Program and 3.13: Communities in Need Initiative where contract requirements are assigned to District bids, exceptions to bid and requests for proposals.

The report provides the Milwaukee Board of School Directors, Milwaukee Public Schools Administration and its constituents with performance summaries related to the HUB, COIN and Student Engagement programs. Moreover, these figures represent benchmarks for the future as we assess and align goals and objectives aimed at the District's efforts towards economic development, workforce development and diversity inclusion efforts.

Contracts monitored by CCS have resulted in increased outcomes for historically underutilized businesses bringing the District closer to its annual goal of 25%. Additionally, constituents benefitted from increased workforce hours on Facility and Maintenance Service projects through the COIN initiative and MPS students have experienced exponential growth rates of employment opportunities with a record high of 30,780 employment hours assigned in fiscal 16 thus providing real-world paid workforce experiences to our young people.

Process improvements continue to incorporate the District's strategic goal objectives to anticipate market demands and fluctuations while upholding fiduciary responsibility to the community it serves providing a three-year, over-year comparison involving the aforementioned administrative policies.

The table below highlights the participation requirements assigned to contracts during the 2015-16 school year. Detailed information is available within this report.

Contracting Summary				
Category	HUB	SE	CE	Total
FMS-General Construction	37	37	37	41
FMS-Professional Services	16	10	16	26
Title One	4	4	4	4
Transportation	29	26	27	31
CLC	50	0	50	50
Goods & Services	16	23	29	30
Total	152	100	163	182

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The following maps detail MPS contractor and vendor payments on contracts with CCS requirements from 2015 to 2016. As shown in Figure 1.1; 78% of vendor payments were made to firms located in Wisconsin displaying the economic impact MPS contracting opportunities provided to businesses when participation assignments were applied. Figure 2.0 and 2.1 provides a detailed comparison by county for dollars paid to companies located in Wisconsin.

**MPS Vendor Payments throughout the United States**

Figure 1.0

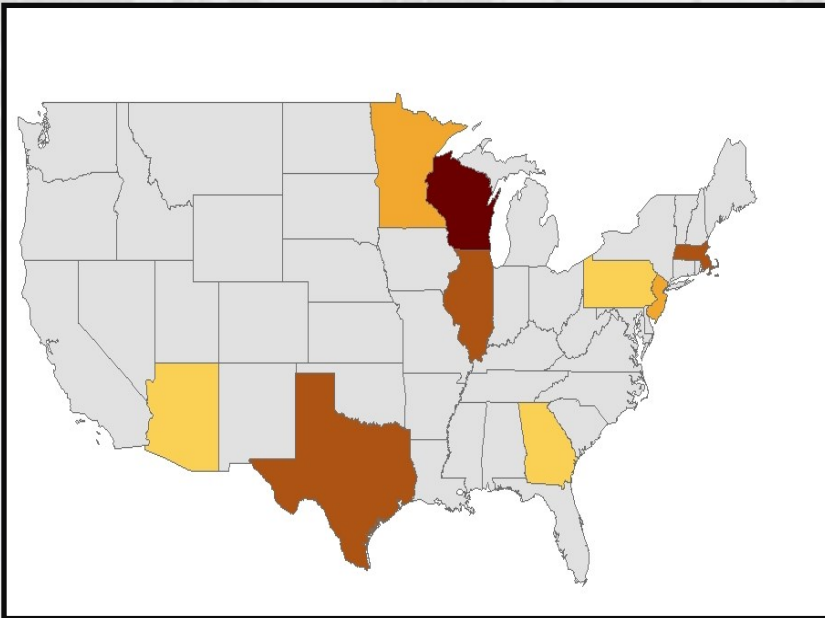


Figure 1.1

Top 10 States for Prime Payments		
State	Payments	%
Wisconsin	130,525,473	78%
Texas	12,800,431	8%
Massachusetts	9,235,896	5%
Illinois	8,562,840	5%
District of Columbia	2,470,000	1%
New Jersey	2,058,918	1%
Minnesota	1,478,288	1%
Pennsylvania	391,815	0%
Arizona	387,500	0%
Georgia	332,388	0%
Other	144,265	0%
<b>Total</b>	<b>168,387,814</b>	

**MPS Vendor Payments in Wisconsin**

Figure 2.0

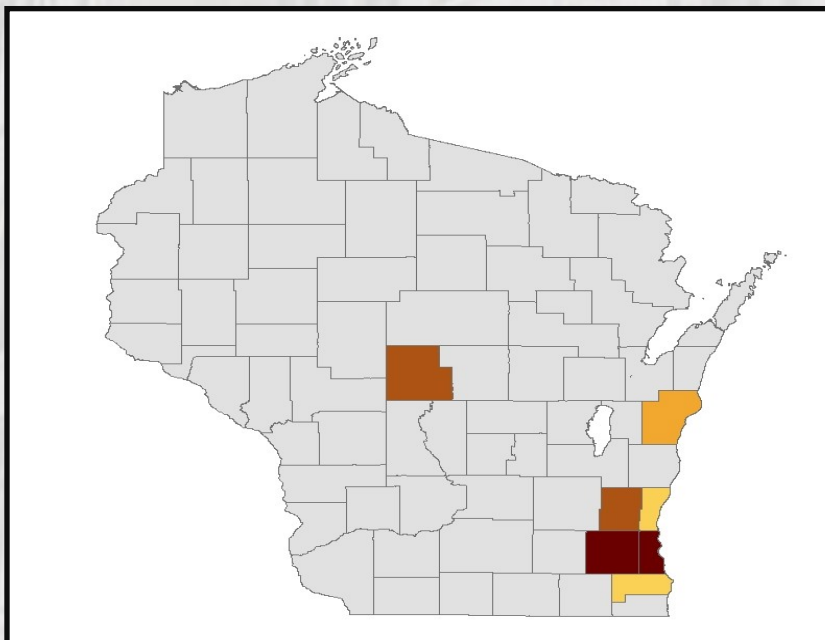


Figure 2.1

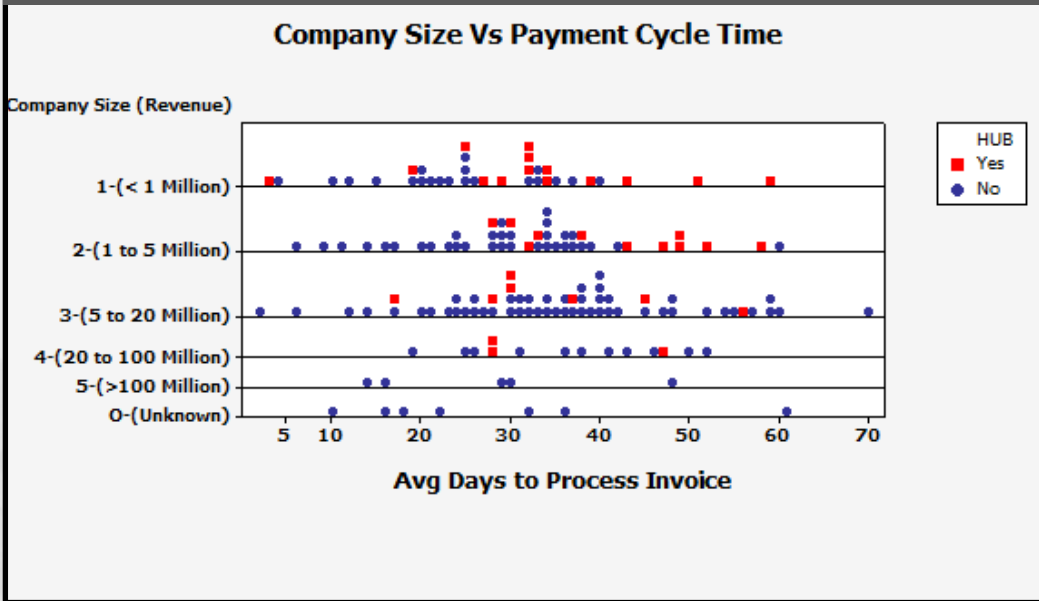
Top 5 Counties in Wisconsin		
County	Payments	%
Milwaukee	67,190,513	51%
Waukesha	58,936,923	45%
Washington	1,697,021	1%
Wood	1,381,932	1%
Manitowoc	690,300	1%
Other	628,784	0%
<b>Total</b>	<b>130,525,473</b>	



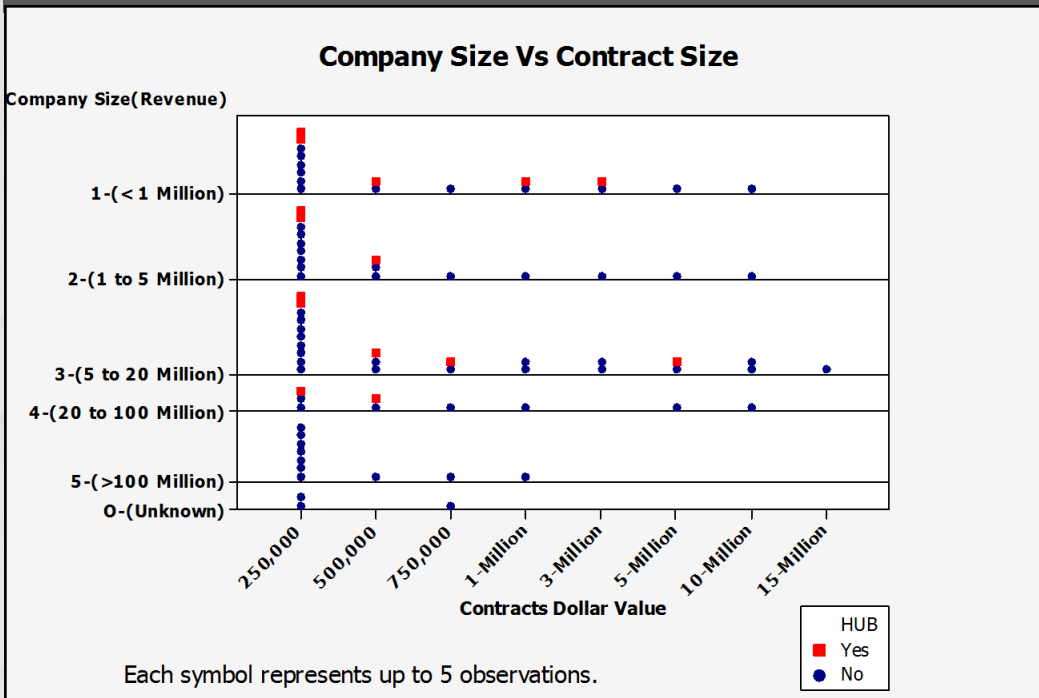


Contract Compliance Services analyzed payment cycle times to ensure a competitive bidding climate exists thus verifying the lowest cost and best service to the District is achieved. The department recognized trends and barriers impacting historically underutilized businesses' ability to participate based on company size where the cost of goods purchased exceeds market industry averages. CCS has identified strategic partnerships to offset challenges firms may encounter when doing business with the District.

Small businesses may lack extra liquidity compared to larger entities contracted with MPS which may adversely impact the company from meeting daily operational needs thus resulting in higher instances of subcontracting opportunity.



Small businesses may possess a small pool of clientele therefore, MPS must exercise in its daily operations efficient payment processing times since District contracts are a large portion of annual revenues for its contractors and vendors.



## Project Based Initiatives

Contract Compliance Services is continually involved in process improvement projects/initiatives. The overall goal of these initiatives is to increase opportunities for the District, students, and historically underutilized businesses. The following provides a snapshot of some of the larger projects CCS has undertaken over the last fiscal year.

PROJECT	WHAT WAS DONE?	HOW DOES THIS ASSIST MPS?
<b>Grouping of Contracts</b>	CCS has developed a database to link contracts by vendor, services provided, and historical RFP/BID numbers.	Linking contracts better positions the District to track contract utilization, encumbrances, monitor performance objectives, and aggregate similar contract services.
<b>Forecasting Contract Utilization</b>	CCS has developed a report to assist with forecasting/predicting District service needs by month.	Contractors are able to anticipate District needs to overcome capacity, staff and time constraints thus providing cost-savings benefits to the District.
<b>Contract Maturity Monitoring</b>	CCS has developed a means to more closely monitor both a specific contract maturity as well as a specific RFP/BID maturity.	The District is better positioned to leverage its purchasing power in the next procurement cycle through strategic partnerships, outreach efforts and the expansion of diversity assignments.
<b>Expand Student Employment Assignments</b>	CCS has undertaken a number of initiatives designed to expand employment opportunities for MPS students and has developed, and implemented, various workforce training models for reference.	Meaningful student employment engagement provides a holistic educational experience for MPS students and increases community involvement demonstrating full support of the strategic goals of the District.
<b>Data Analysis</b>	CCS has improved its ability to utilize data effectively implementing and executing business intelligence dashboards, forecasting industry trends, and data mining capabilities.	The ability to provide high-quality data to both current and prospective vendors, at outreach events improving the District's purchasing power through vendor diversification and improves the overall community relations.

The project improvement initiatives assist MPS in increasing opportunities for both historically underutilized business and non-historically underutilized businesses through community outreach and partnerships thus leverages purchasing power, improved relationships and increased District social responsibility.







# *Historically Underutilized Businesses (HUB)*



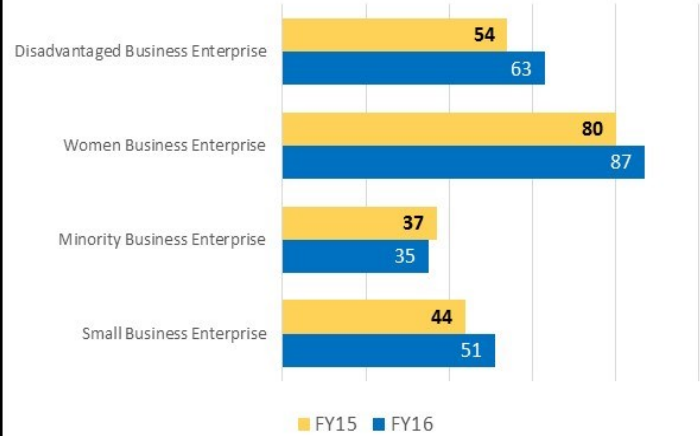
The MPS supplier diversity initiative strives to increase the number of diverse business enterprises supplying goods and services to the District. This initiative ultimately fosters a more competitive bid climate and increases cost-saving opportunities for the District and exposes firms to contracting opportunities annually. Contract Compliance Services assigns, monitors and reports HUB performance for all Board awarded contracts to ensure compliance is satisfied.

### HUB Performance Summary

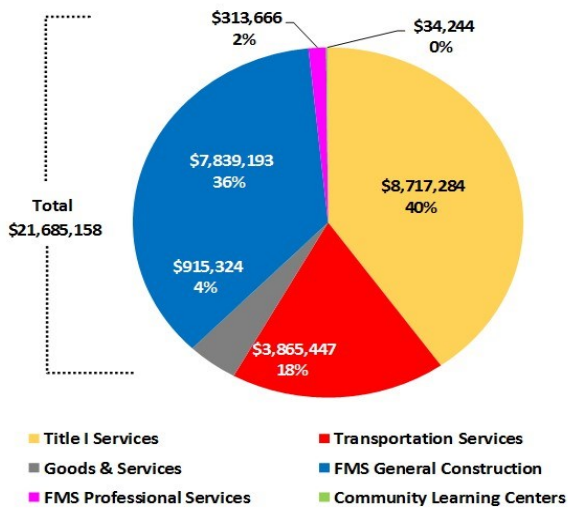
#### Key Points

- Total Contracts Monitored: **203**
- Total HUB Contracts: **152**
- Total Contract Dollars Monitored: **\$127,946,100**
- Total Invoiced Dollars Paid: **\$105,180,672**
- Total Dollars Paid to HUB: **\$21,685,158**

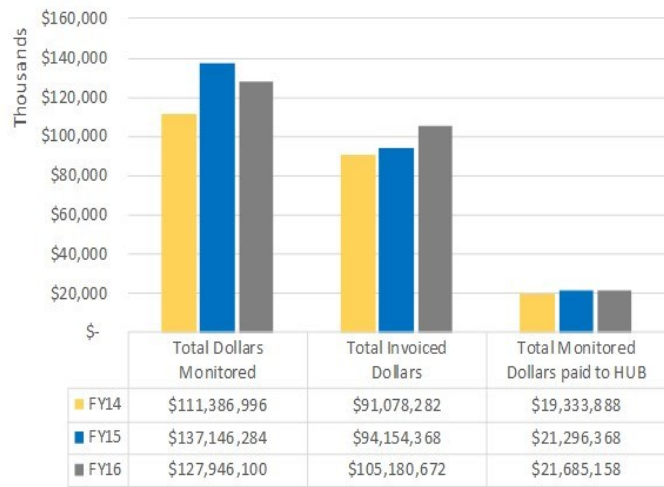
#### FY16 Supplier Diversity Breakout by Contracts



#### FY16 HUB Performance by Department



#### FY16 Dollar Value of Monitored Contracts



**Take Away:** Community engagement efforts along with process improvements have resulted in improved supplier diversity on MPS contracts for Facilities and Maintenance Services and Procurement and Risk Management related bids and requests for proposals.



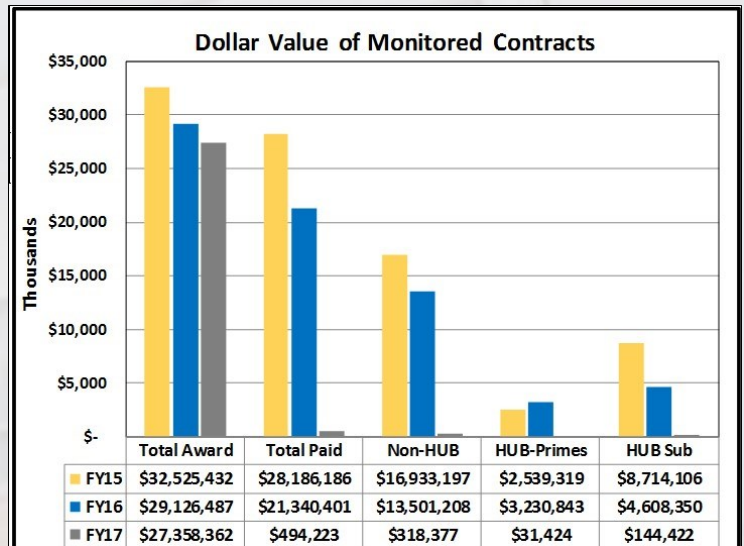


## Facilities and Maintenance Services: General Construction

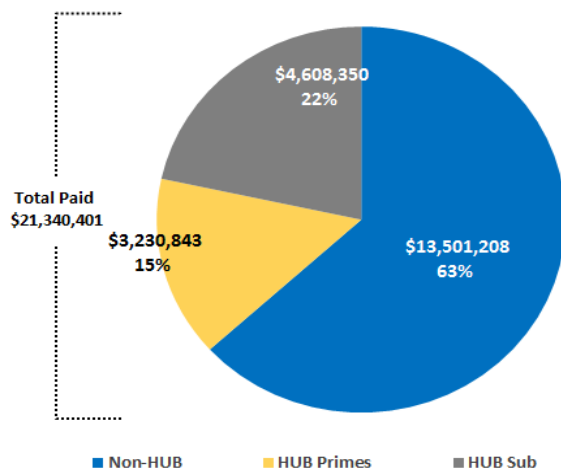
Contract dollars monitored in FY16 decreased from FY15 due to larger project schedules such as stadium renovations and expansion projects. HUB participation attainment during FY15 netted 39% contractor performance rate. The key points below highlight FY16 data to date while contracts remain open for invoice reconciliation. It is expected FY16 HUB participation will result in 25% attainment.

### Key Points

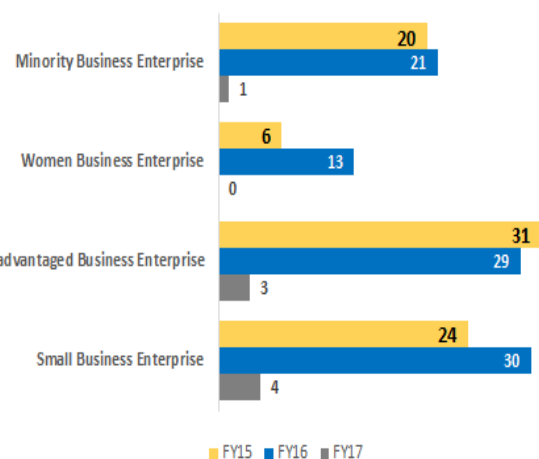
- Total Contracts Monitored: 41
- Contracts Assigned HUB: 37
- Contract Dollars Monitored: \$29,126,487
- Total Invoiced Dollars Paid: \$21,340,401
- Average HUB Assignment: 15.5%
- Average HUB Performance: 36.7%
- Total Dollars Paid to HUBs: \$7,839,193



### FY16 FMS General Construction Breakdown



### FMS Construction Supplier Diversity Breakout



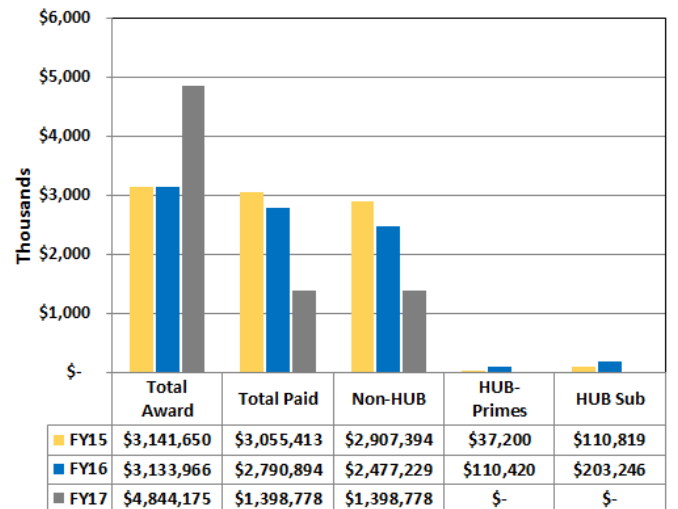
## Facilities and Maintenance: Professional Services

The average HUB assignment increased from 14% to 18% in FY16. Although it appears HUB performance on contracts has increased from 35% to 52% in FY16, it is anticipated participation percentage attainment will drop based on the project timeline HUB firms were engaged on DFMS Professional Service projects and FY16 projects are not fully reconciled.

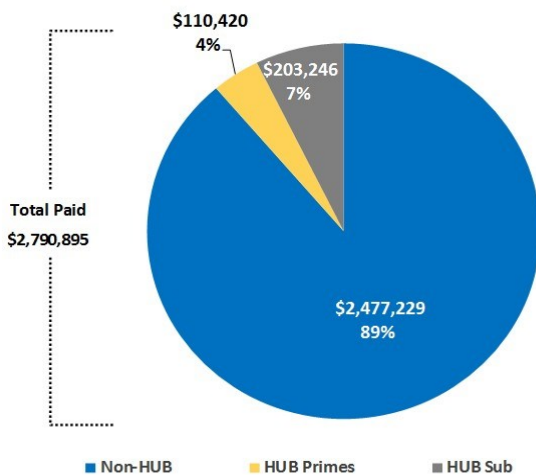
### Key Points

- Total Contracts Monitored: 26
- Contracts Assigned HUB: 16
- Total Contract Dollars Monitored: **\$3,133,966**
- Total Invoiced Dollars Paid: **\$2,790,894**
- Average HUB Assignment: **18.1%**
- Average HUB Performance: **52.1%**
- Total Dollars Paid to HUBs: **\$313,666**

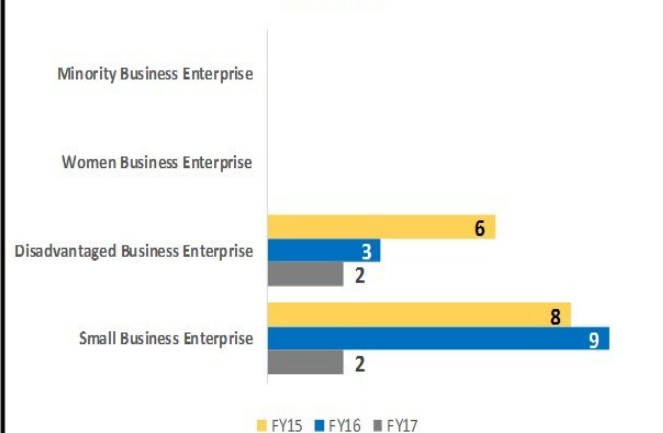
### Dollar Value of Monitored Contracts



### FY16 FMS Professional Services Contract



### FMS Professional Services Supplier Diversity Breakout



*\*No performance captured by MBE or WBE firms during the recorded period.*



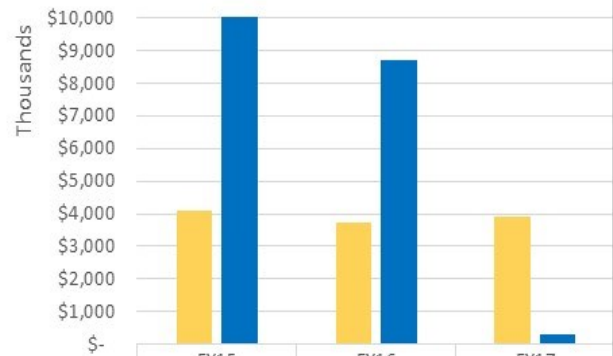
## Professional Services: Title I Services

HUB participation requirements remained consistent and represented continued engagement in technology, hospitality, professional development consultants, janitorial, as well as both moving services and apparel suppliers. Contract Compliance Services conducts annual meetings with Title I Service providers to assess performance metrics to date.

### Key Points

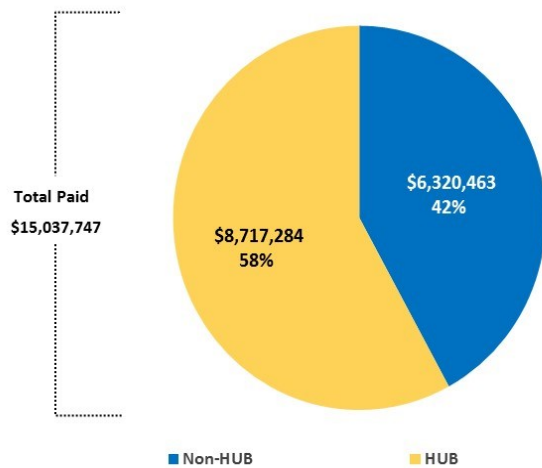
- Total Contracts Monitored: 4
- Contracts Assigned HUB: 4
- Total Contract Dollars Monitored: **\$14,881,702**
- Total Invoiced Dollars Paid: **\$15,037,747**
- Average HUB Assignment: **25%**
- Average HUB Performance: **51%**
- Total Dollars Paid to HUBs: **\$8,717,283**

### Dollar Value of Monitored Contracts

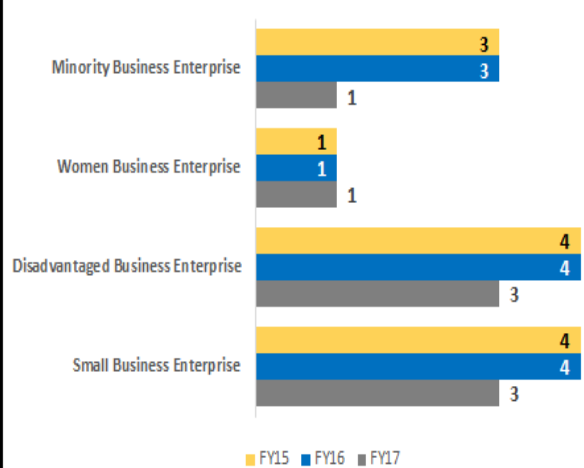


HUB Requirement	\$4,074,769	\$3,720,426	\$3,923,107
Actual HUB Participation	\$10,345,374	\$8,717,283	\$285,520

### FY16 Title I Services HUB Breakdown



### Title I Supplier Diversity Breakout



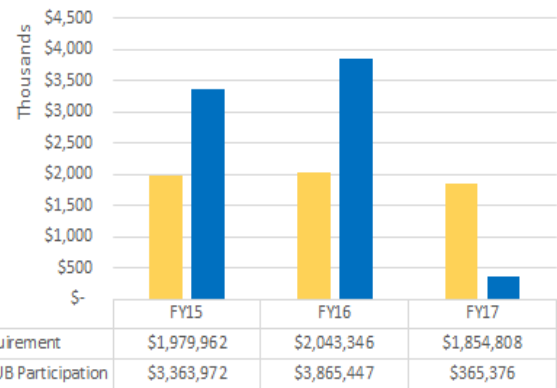
## Professional Services: Transportation Services

The average HUB assignment increased from 3.5% to 5% during FY16 and results in an average participation achievement of 9%. The reflected performance to date is due to one of MPS transportation service provider possesses a certificate as a minority business enterprise therefore all payments made to the firm is counted as 100% participation for one firm.

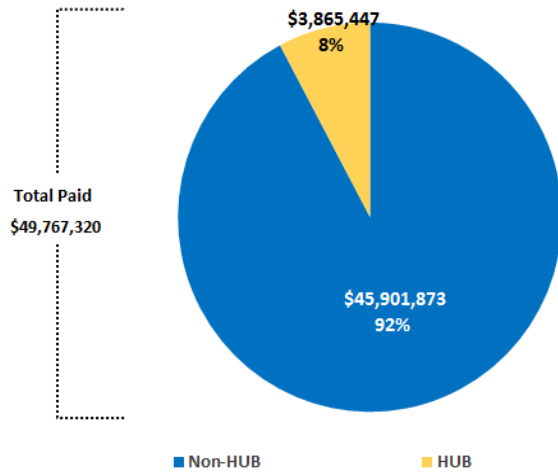
### Key Points

- Total Contracts Monitored: **31**
- Contracts Assigned HUB: **29**
- Total Contract Dollars Monitored: **\$54,700,267**
- Total Invoiced Dollars Paid: **\$49,767,320**
- Average HUB Assignment: **5%**
- Average HUB Performance: **33.6%**
- Total Dollars paid to HUB: **\$3,865,447**

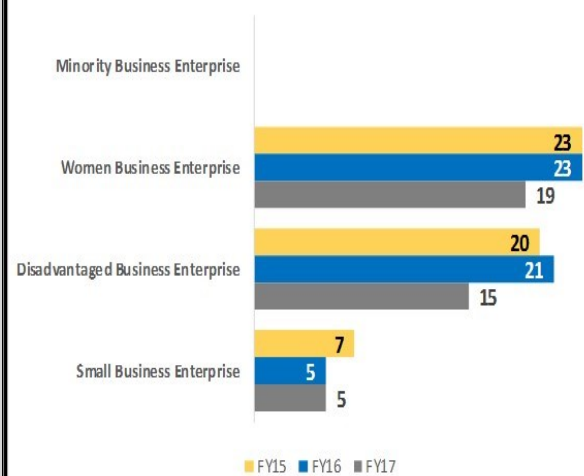
### Dollar Value of Monitored Contracts



### FY16 Transportation Services HUB Performance



### Transportation Supplier Diversity Breakout



*\*No performance captured by MBE firms during the recorded period.*

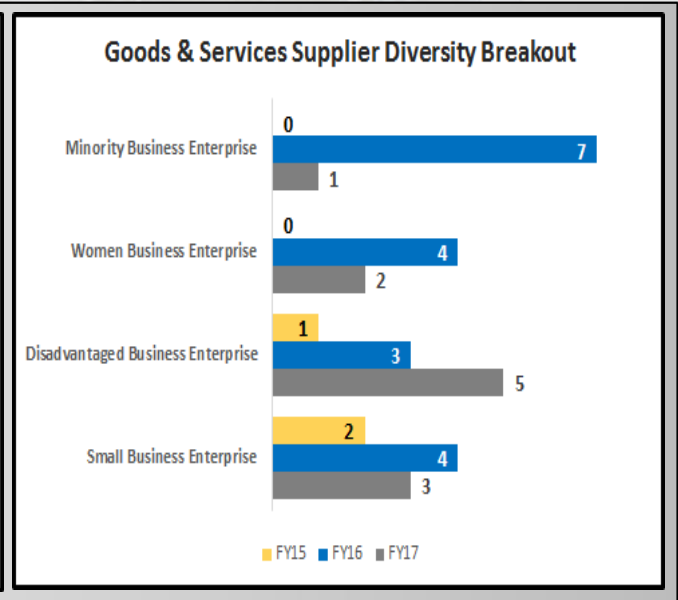
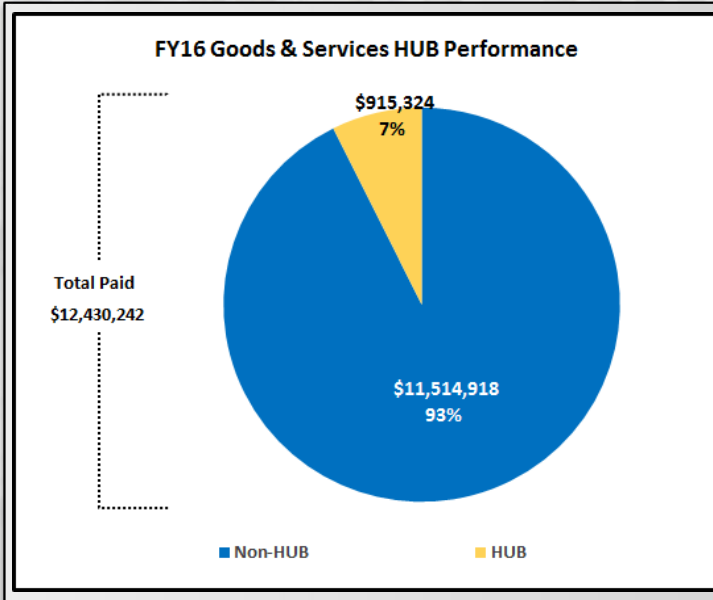
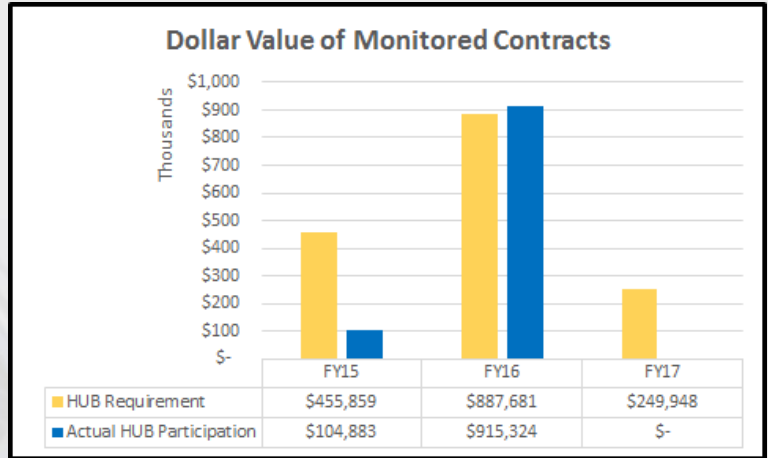


**Professional Services: Goods & Services**

Total Dollars paid to HUB’s increased from \$238 thousand to \$915 thousand in FY16, which represents an increase close to three times the initial value.

**Key Points**

- Total Contracts Monitored: 30
- Contracts Assigned HUB: 16
- Total Contract Dollars Monitored: **\$21,954,678**
- Total Invoiced Dollars Paid: **\$12,430,242**
- Average HUB Assignment: **6.8%**
- Average HUB Performance: **7%**
- Total Dollars paid to HUB: **\$915,324**



*\*No performance captured by MBE or WBE firms during the FY15 recorded period.*

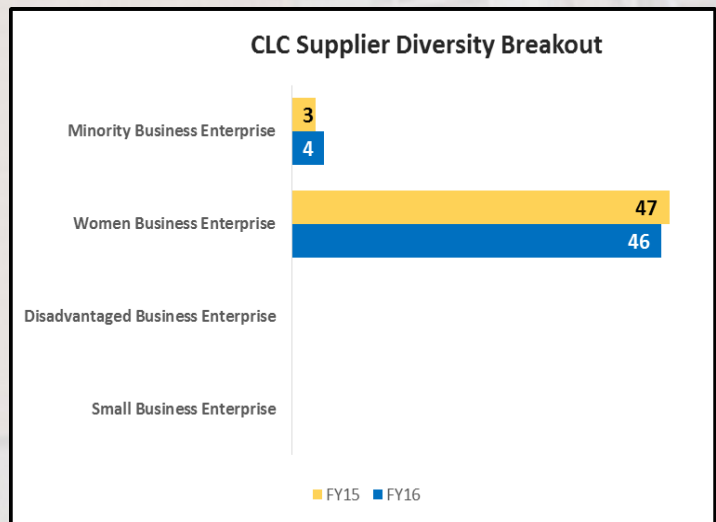
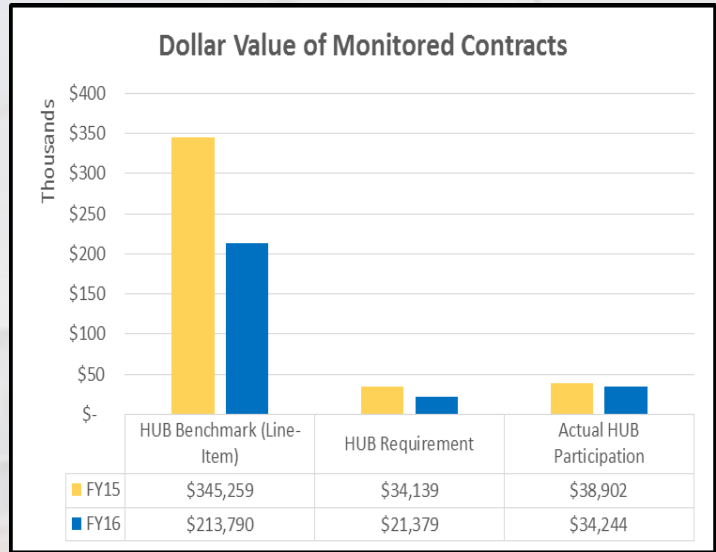


**Professional Services: 21<sup>st</sup> Century Learning Centers**

HUB participation requirements remain consistent for CLC’s. Women business enterprises continue to be the highest represented supplier of goods and services for CLC procurements. HUB participation is also limited to non-salary and no-fringe related purchases therefore restricts spend to food services, supplies, and apparel.

**Key Points**

- *Total Contracts Monitored: 50*
- *Total Contract Dollars Monitored: \$4,149,000*
- *Total Invoiced Dollars Paid: \$3,814,068*
- *Total HUB Dollar Requirement: \$21,379*
- *Total HUB Dollar Participation: \$34,244*



*\*No performance captured by DBE or SBE firms during the recorded period.*







# *Communities in Need (COIN)*



The COIN initiative is the District's workforce preference program which targets the employment of constituents on construction contracts who may be unemployed or underemployed and meet income based criteria. COIN individuals are a mixture of both skilled and unskilled workers. Certifications are processed through one of the following two agencies: Wisconsin Regional Training Program (WRT) Big Step and Mindful Staffing Solutions.

### COIN Performance Summary

#### Key Points

- Total FMS Contracts Monitored: **42**
- Total Contracts with Coin Requirements: **34**
- Total Number of Times Coin Workers Engaged: **100**
- Average COIN Percentage Assigned: **16.8%**
- COIN Certified: **181**
- Total Skilled Trades Engaged: **11 within the following high-level classification Electrician, General Laborer, Bricklayer, Sheet-metal, Roofing, Pipefitter)**
- Total Coin Worker Hours: **13,541 hours**

Coin Participant Performance		
District	Member	Count
1	Mark Sain	6
2	Wendell Harris, Sr	2
3	Michael Bonds	13
4	Annie Woodward	9
5	Larry Miller	6
6	Tatiana Joseph	12
7	Claire Zautke	4
8	Carol Voss	3

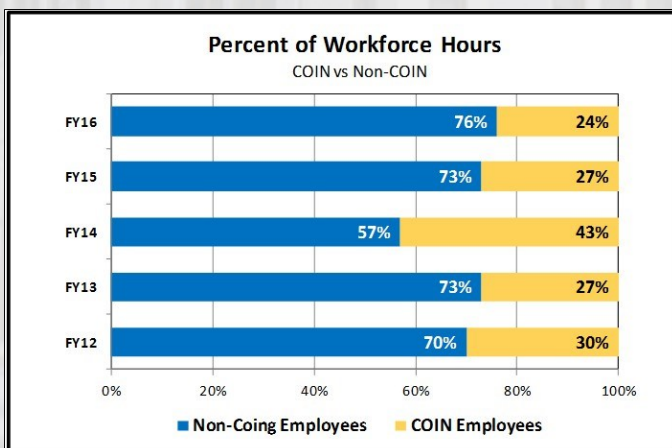
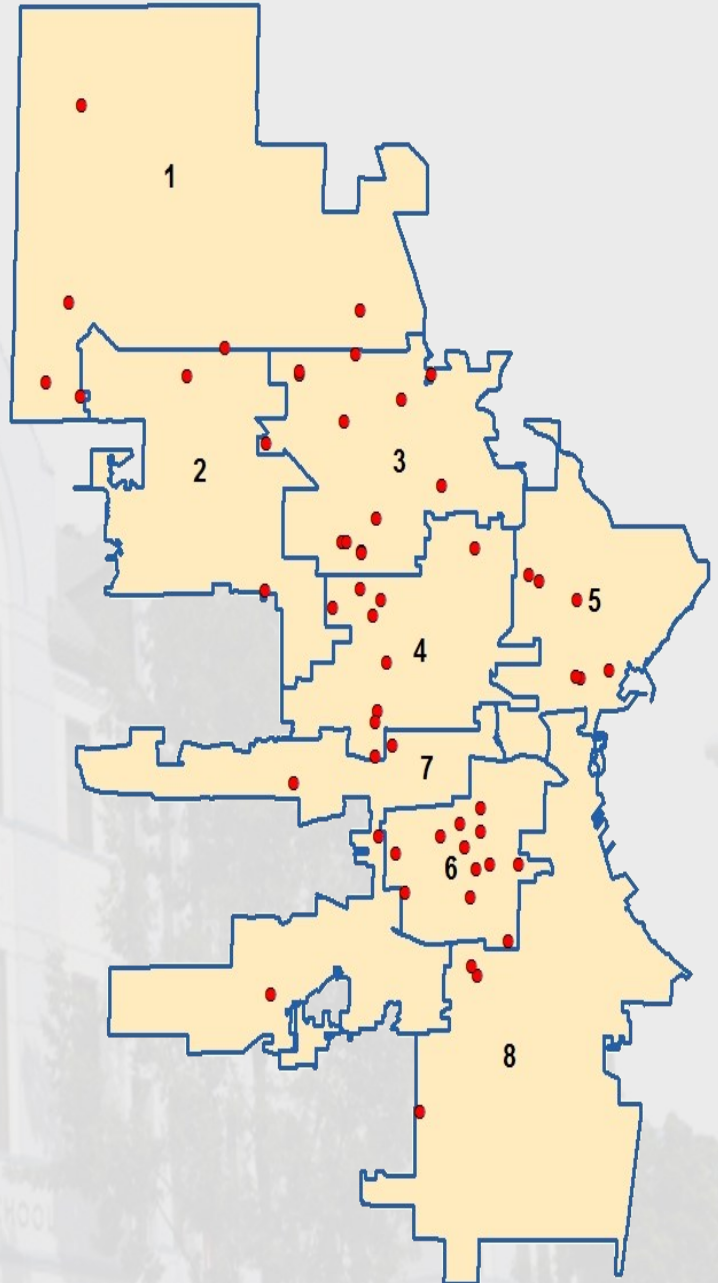
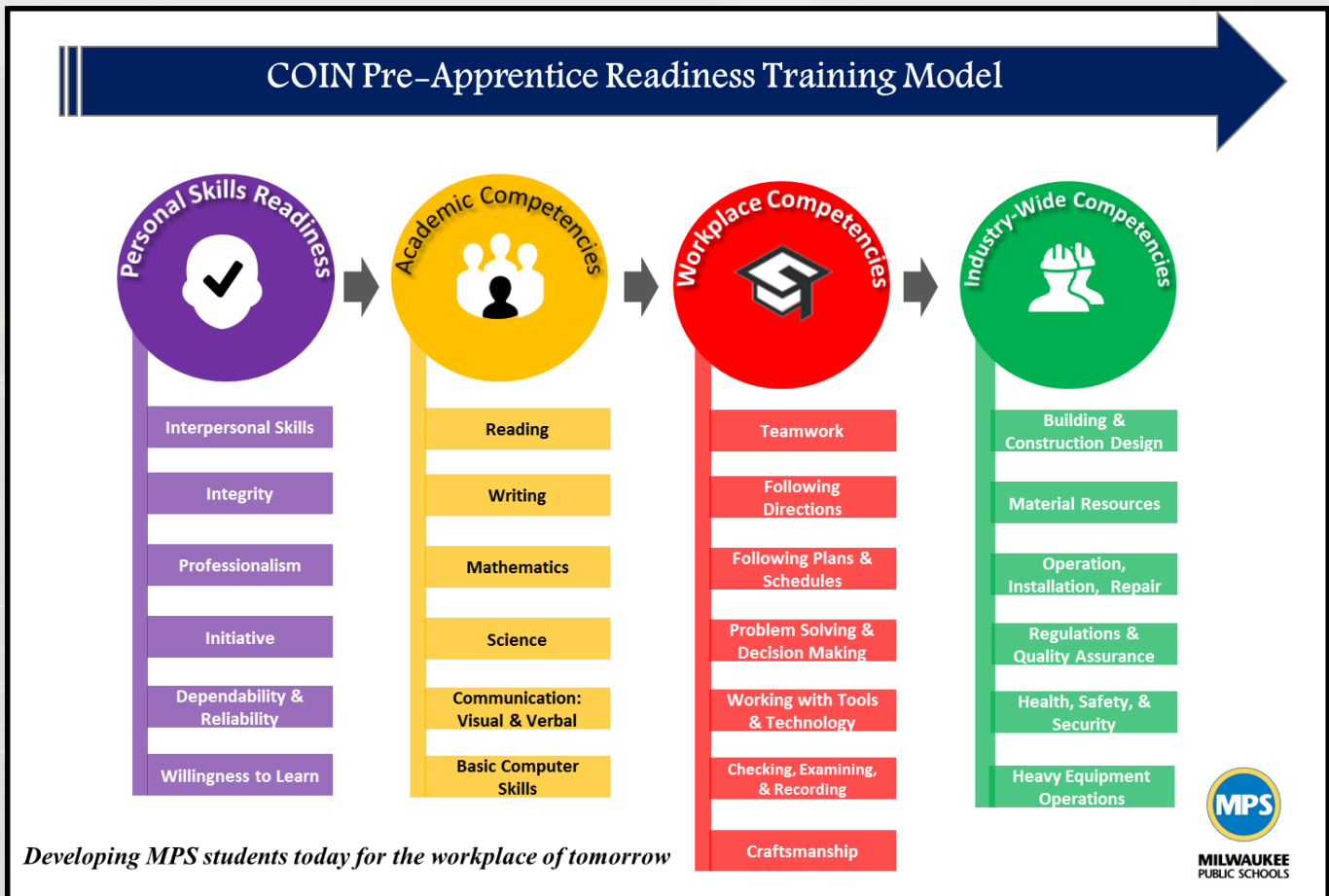


Figure 1.0





The COIN Pre-Apprentice Readiness Training Model is designed to provide high school seniors an opportunity to enter the trades upon graduation, by equipping students with both the skills and certifications to obtain entry-level employment within the construction industry.



**Program Summary:**

The training model developed by Contract Compliance Services incorporates a procedural redesign of the COIN initiative as an inherent need to implement a pipeline approach for MPS students interested within the building trades. CCS built upon the Multi-Craft Core Curriculum (MC3), which provides training, exposure and instruction to students interested in pursuing a career within the skilled-trades. The COIN Pre-Apprentice Readiness Training Program provides a transition plan from high school into the workforce on MPS general construction projects where COIN participation assignments exist.

Students will participate within a series of workshops over the course of 16 weeks after-school and for a few hours during spring break and professional development days. The curriculum is recognized as an industry standard with the Building Trades, and includes hands-on-training leading up to six invaluable certifications upon completion of the program such as: Asbestos Awareness, CPR-AED, Entry-Level Construction Certificate, COIN, OSHA-10, and Tool Safety and Identification. Additionally, students will receive a hardhat, tool-belt and work-boots equipping them for job placement as early as June 2017.

The career path, within the trades, presents students with a great opportunity, as many pre-apprentices are able to pursue career goals as a registered apprentice and journey level status dependent upon the trade classification.





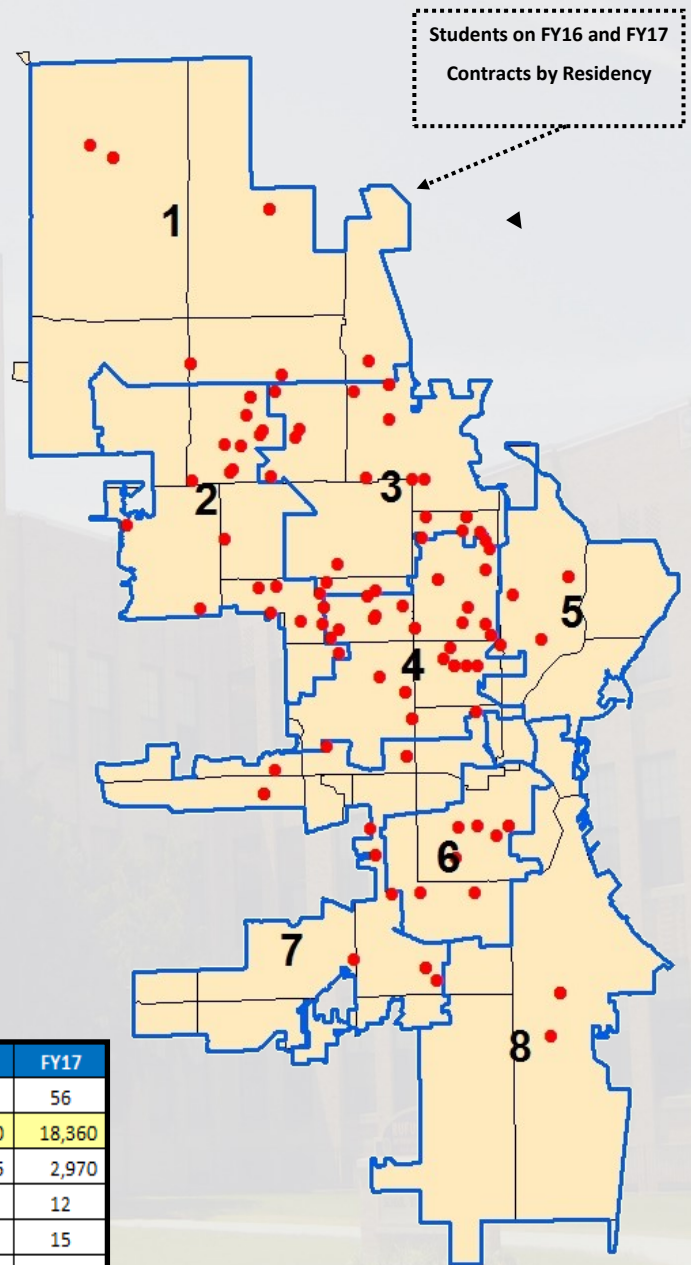
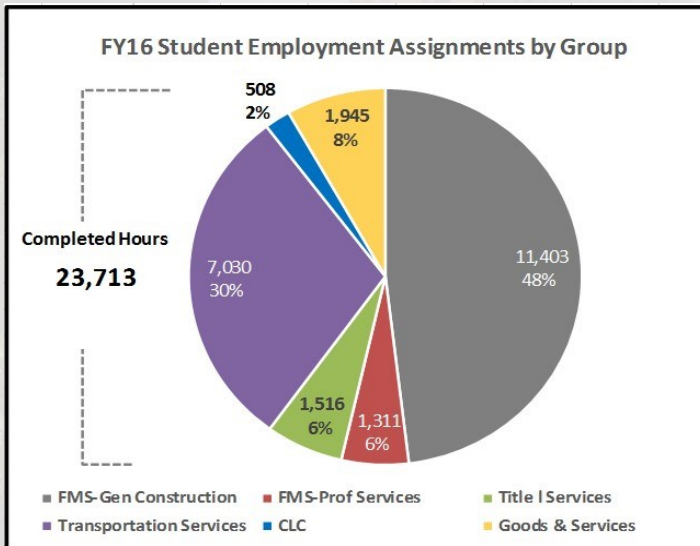
# *Student Employment*





Student Engagement requirements involve MPS students in career exploration through education activities and paid employment assignments. The number of employment assignments support the expansion and year over year growth of CCS Student Engagement Program for MPS high school students. During the last fiscal year, the program experienced an increase of almost 10,000 hours assigned. Streamlined operations and process improvements have supported the growth of hours assigned to new bids and requests for proposals. It is anticipated FY17 will return a new record high of 42,000 employment hours.

### Student Engagement Summary



Student Job Assignments				
Row Labels	FY15	FY16	FY17	Total
Administrative Assistant	42	40	2	84
General Labor	25	19	5	49
Child Care	6	30	2	37
Food Prep	16	6	4	26
Cleaning Maintenance	7	5	1	13
Peer Mentor	4	4		8
Animal Care		2		2
Technology		1	1	2
Other	6			6
<b>Totals</b>	<b>106</b>	<b>107</b>	<b>15</b>	<b>227</b>

	FY15	FY16	FY17
# of Contracts assigned SE requirements?	80	95	56
# of SE hours assigned to contracts?	20,980	30,780	18,360
# of SE hours assigned to students?	20,561	23,196	2,970
# of Interviews conducted?	127	108	12
# of student Hired?	106	107	15
# of Job Readiness Training Participants?	143	105	24
# of Alternative Placement Sites utilized?	23	17	5
# of Students Assigned Alternative Placement?	52	71	9

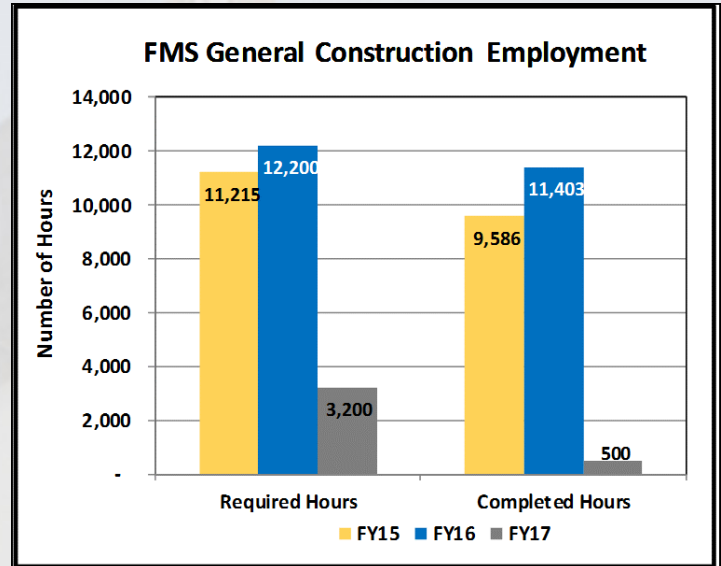


### Student Employment: FMS General Construction

The required hours and completed hours both increased in FY16, from the previous year. As illustrated within the FMS General Construction Employment graph, 54 positions were filled during the year.

#### Key Points

- *Contracts with Student Employment Req: 37*
- *Total Required Employment Hours: 12,200*
- *Currently Completed Employment Hours: 11,402*
- *Filled Student Positions: 54*

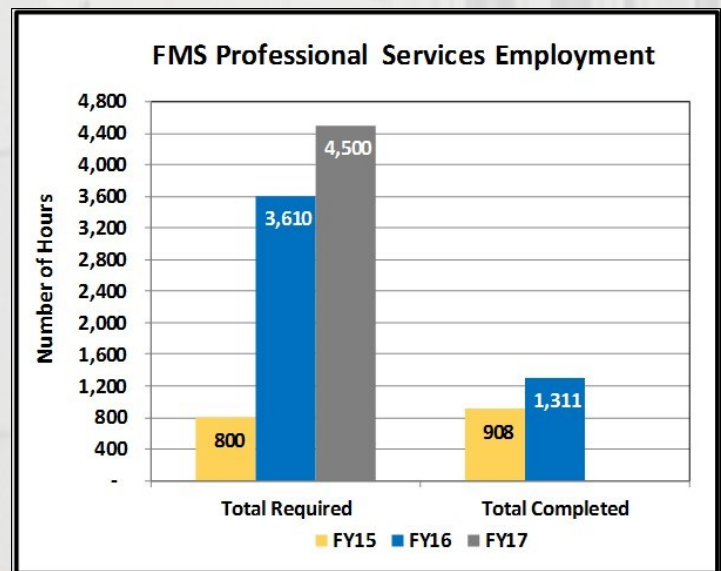


### Student Employment: FMS Professional Services

Student Employment hours requirements increased in FY16 as well as the number of hours completed. As shown within the graph below, 7 positions were filled in FY16.

#### Key Points

- *Contracts with Student Employment Req: 10*
- *Total Required Employment Hours: 3,610*
- *Currently Completed Employment Hours: 1,311*
- *Filled Student Positions: 7*

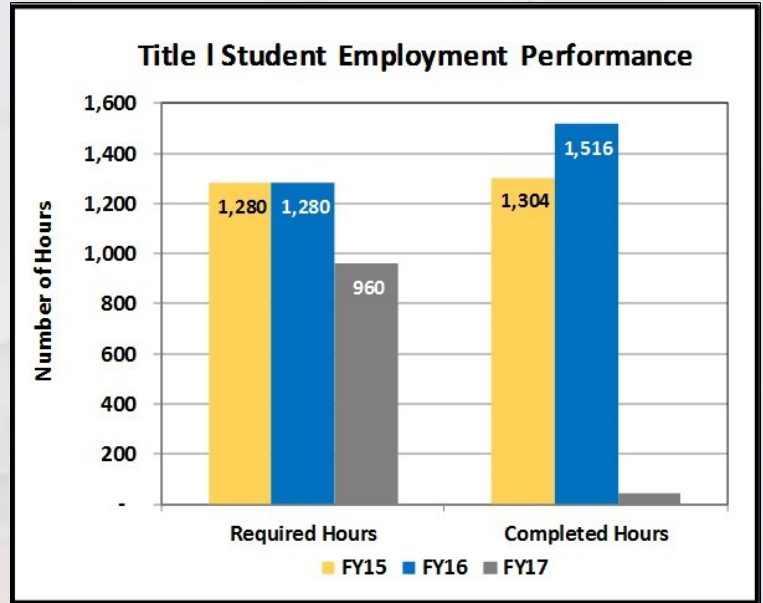


### Student Employment: Title I Services

The number of completed hours increased from 1,300 to over 1,500 hours in FY16. The number of filled student positions totaled 3 in FY16 resulting in a year-long employment opportunity for high school students with Title I Service providers..

#### Key Points

- *Contracts with Student Employment Requirements: 4*
- *Total Required Employment Hours: 1,280*
- *Currently Completed Employment Hours: 1,094*
- *Filled Student Positions: 3*

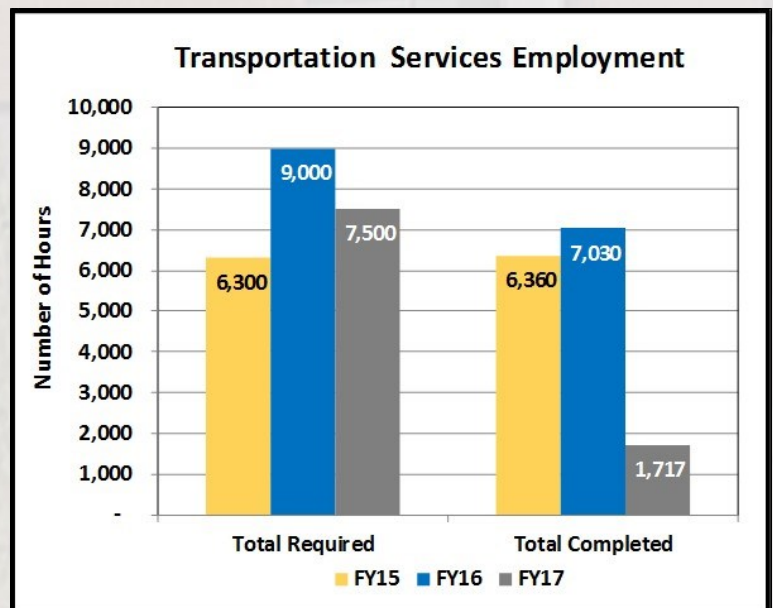


### Student Employment: Transportation Services

Improved contract monitoring, and the utilization of alternative placement sites supported vendors in meeting requirements. This demonstrates the overall engagement and commitment towards the expansion of workforce readiness. A total of 26 students were assigned to contracts in FY16 and the implementation of the first automotive student apprentice.

#### Key Points

- *Contracts with Student Employment Requirements: 21*
- *Total Required Employment Hours: 6,100*
- *Currently Completed Employment Hours: 4,784*
- *Filled Student Positions: 26*







# Career Education



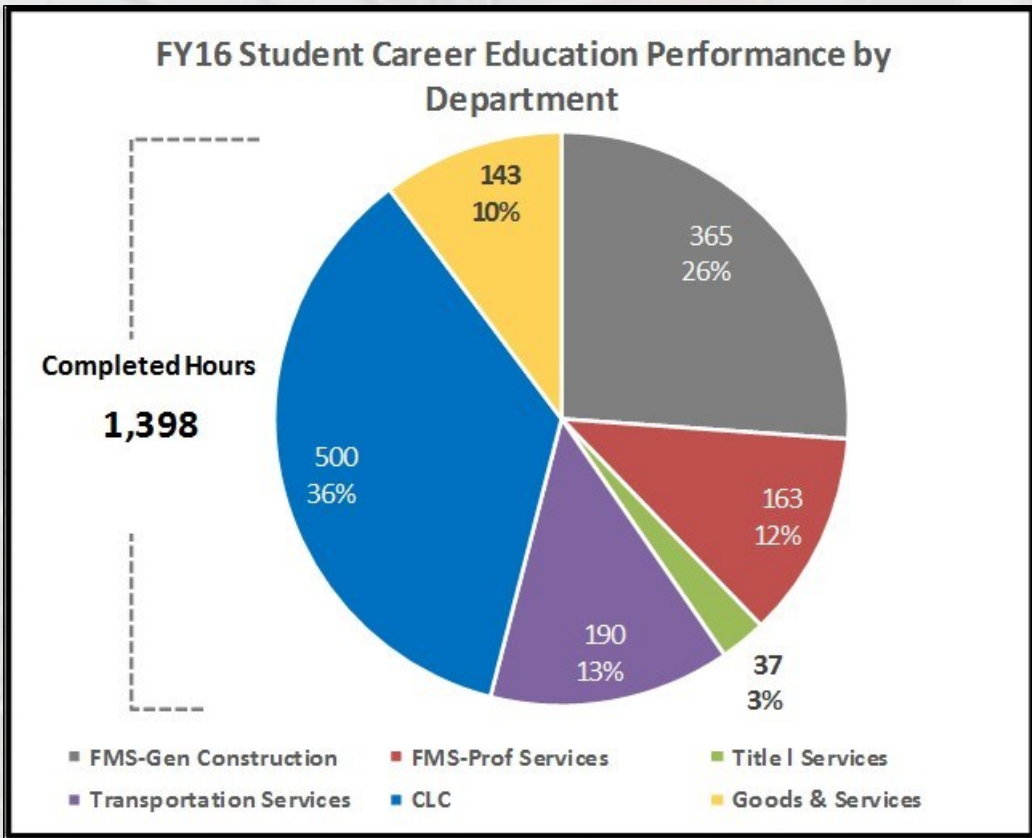
Student Engagement requirements involve MPS students in career exploration through education activities that may also include paid employment. Most MPS contracts now require a minimum of 10 hours of career education. Vendors have a variety of options for fulfilling career education.

**Student Engagement Summary: Career Education**

**Purpose:** Require MPS contractors, to engage in activities that enhance the education of our youth. Activities may range from: career fairs, on-site visits, industry education presentations and student job readiness training sessions.

**Key Points**

- *Total CCS Assigned Career Education Requirements: 1,794 hours*
- *Total Career Education Hours Completed: 1,398 hours*
- *Remediation plans are in place to ensure contract requirements are achieved*



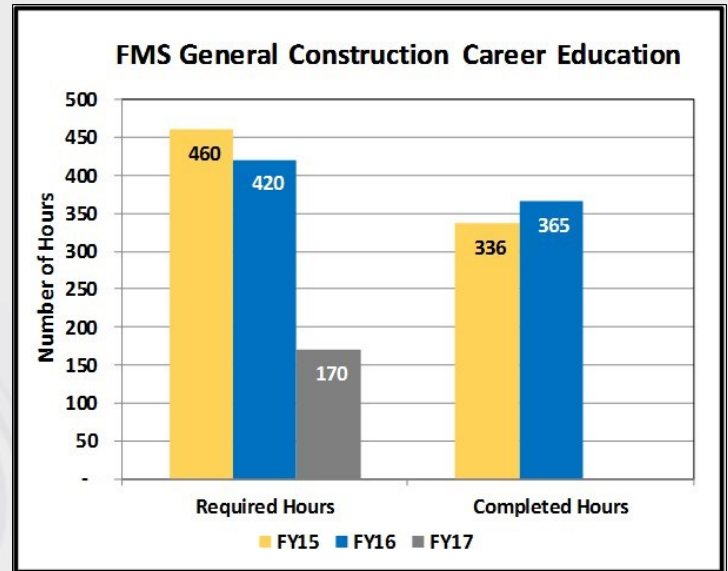


## Student Career Education: FMS General Construction

Assignments decreased by 9% in FY16. This decrease is accredited to the completions of larger FMS project renovations in FY15.

### Key Points

- *Contracts with Career Education Req: 37*
- *Total Required Employment Hours: 420*
- *Currently Completed Career Education Hours: 365*

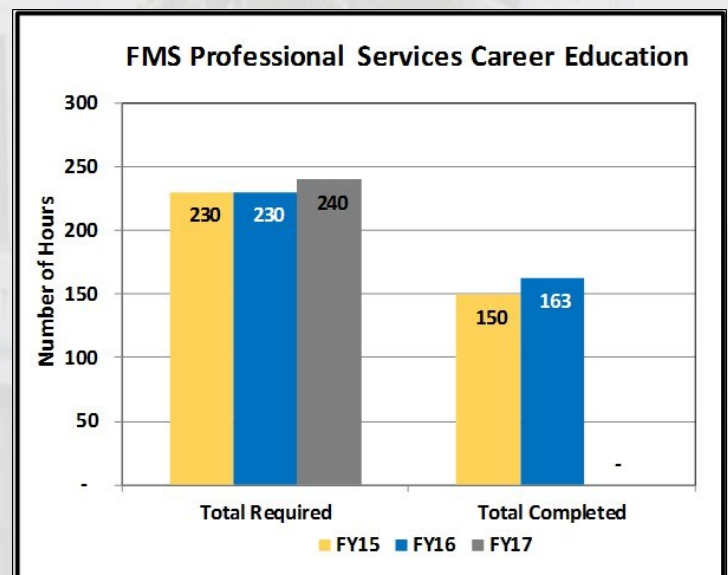


## Student Career Education: FMS Professional Services

Education hour assignments remained consistent with the prior year, however the number of hours completed has increased over 8% from the prior year.

### Key Points

- *Contracts with Student Career Education Req: 16*
- *Total Assigned Student Career Education Hours: 230*
- *Currently Completed Student Career Education Hours: 163*



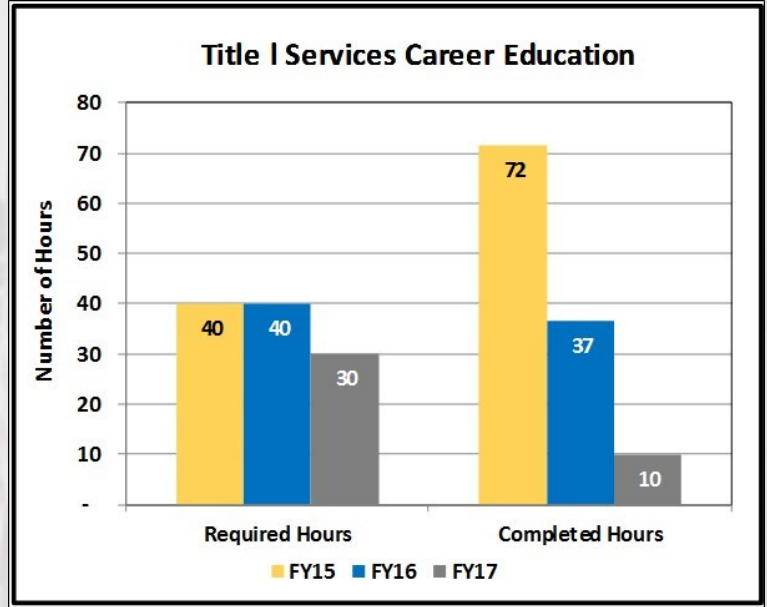


### Student Career Education: Title I Services

Over 90% of the required hours have been met, to date, for FY16. Title I hours completed in FY15 far exceeded the required amount. This is a testament to the quality of MPS partners and vendors.

#### Key Points

- *Contracts with Career Education Requirements: 4*
- *Total Assigned Student Career Education Hours: 40*
- *Currently Completed Student Career Education*



### Student Career Education: Transportation Services

Efforts to provide additional opportunities for vendors have resulted in a 28% increase in participation for FY16 further demonstrating both vendors engagement and commitment to the initiative.

#### Key Points

- *Contracts with Career Education Requirements: 27*
- *Total Assigned Student Career Education Hours: 270*
- *Currently Completed Student Career Education Hours: 190*

