



John O. Norquist  
Mayor

Seth L. Foldy, MD  
Commissioner of Health

Bevan K. Baker, CHE  
Health Operations Director



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June 3, 2002

Alderman Thomas Nardelli  
Chair, Public Safety Committee  
City Hall, Room 205

Re: File 020042

Dear Alderman Nardelli:

You had asked the department to provide written information to the Committee related to issues raised by Dr. Patricia McManus about receipt of the Tobacco Control Coalition Grant (file item 020042) during the Public Safety Meeting on Thursday, May 23, 2002. The concern raised was whether the city could issue contracts that paid retroactively for work performed between January 1, 2002 and the date of Council acceptance of the grant, and Central Board of Purchases approval of subcontracts with coalition grantees.

As stated at the Committee hearing, the Health Department does frequently receive contracts from state or federal sources that cover activities retroactive to a date earlier than the contract. On some past occasions, when subcontracts with other agencies are involved with these grants, the Central Board of Purchases has approved the establishment of subcontracts dated (retroactively) to begin coincident with the state or federal contract period (as an exception to its standard policy). We anticipate that the CBP will do so in this case as well. It is the intent of the Health Department to establish subcontracts with agencies to provide Tobacco Control Community Coalition services starting January 1, 2002. I apologize that the opposite impression was given to Tobacco Coalition subcontractors prior to your committee meeting.

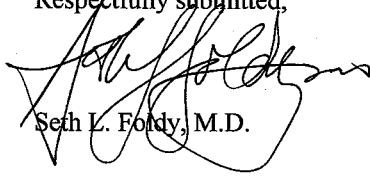
It is generally understood that the circumstances leading to these exceptional requests are beyond the control of the Milwaukee Health Department. Nevertheless, it is also true that the City Attorney's Office and the DOA-Business Operations Division (Purchasing) wish to eliminate such circumstances to the greatest extent possible to minimize potential legal issues. Since the May 23 Public Safety Committee meeting, Health Department officials have worked with representatives of the City Attorney's office, DOA-Business Operations Division, and the Comptroller's Office to find ways to address this problem.

We believe that we have identified possible changes to subcontract language that will minimize risk in these situations when they recur in the future. I will report back to the committee when these changes have been established. We will also continue our intensive work with the State of Wisconsin for more timely negotiation and execution of these grant contracts.

By necessity, and consistent with our community-strengthening philosophy, the Health Department will continue to seek grant revenues and to subcontract with community-based agencies to extend and improve public health services in Milwaukee. This raises some challenges that are new to our department and other parts of Milwaukee government. We appreciate the sincere interest and the patience of Council members as we work out safe, sound and accountable contracting and other business practices.

I would be happy to answer any questions or concerns held by you or other council members on this issue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Seth L. Fordy', written over a printed name.

Seth L. Fordy, M.D.

cc: Public Safety Committee Members  
Grant Langley, City Attorney  
Linda Burke, Asst. City Attorney  
Cheryl Oliva, DOA-Procurement  
W. Martin Morics, Comptroller  
Nick Loth, Comptroller's Office  
Bevan Baker, Health Operations Director  
Yvette Rowe, Business Operations Manager-Health  
Dr. Patricia McManus, Black Health Coalition