

ATTACHMENT A

Section	Recommendation	DPW Response	Suggested Timeframe
5.1	The City of Milwaukee should acquire financial planning, budgeting and project costing software that will integrate with the existing FMIS system.	The new database system (ODB) that DPW is developing will provide the integration as needed while allowing a checks and balances with the current FMIS	2008 and ongoing DPW - Agrees
5.1	The City should undertake an RFP process to solicit software solutions and evaluate selection based upon functionality, cost and ability to integrate with the existing FMIS.	Not required if the ODB can be integrated	2008 and ongoing DPW - Agrees
5.2	Modifications to the current expenditure accounting system should be implemented to increase the functionality of the system for users by allowing funding year designation, allocation of capital revenues by project, and the assignment of unique project identifiers to each project.	We agree and add that the Comptroller should work with ITMD to allow input of state funds, paid directly by the state, so total project costs can be retrieved from the FMIS for comparison and reporting purposes.	2008 and ongoing DPW - Agrees
5.3	The Department of Public Works should continue progress on transferring information from the various database programs to the new platform and providing a consistent and uniform approach for data collection.	We agree	Ongoing DPW - Agrees

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5.4	Budget, Council and Comptroller staff, as appropriate, should also be provided access to Public Works data on the internal system.	We agree and have added both Budget office staff and ITMD staff to the weekly processing meetings of the ODB and would welcome any other interested parties.	2008 DPW - Agrees
5.5	The reports generated for the AIM Initiative should be gradually increased to include a greater percentage of DPW capital projects with a goal of developing these reports on all active capital projects on at least a semi-annual basis and providing them to the Budget Office, Mayor's Office and the Common Council.	We agree	2008 DPW - Agrees
5.5	The AIM status reports should be developed monthly on those projects that have been identified as atypical or high risk to provide a greater level of review and oversight.	We agree	2008 DPW - Agrees
5.5	Revisions to the format and information presented in the AIM reports should be made to increase their effectiveness in monitoring project status and informing reviewers of critical information.	We agree	2008, 1 st Half DPW - Agrees
5.6	DPW should prepare a quarterly "special exception report" that outlines those capital projects that are deviating by more than 15% from the original project budget and schedule for any phase of the project.	The AIM initiative will address this issue on a more frequent basis. We are not sure of the benefit of an additional report. We also are not sure who the report would be sent to. However, we are willing to develop should the need arise.	2008 DPW – Agrees if needed.

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5.6	Budget Office Staff should meet with DPW staff on a semi-annual basis to review project status reports to discuss each year CIP requests and status.	We agree	2008 DPW - Agrees
6.1	Budget staff should work and train departmental staff on the completion of capital improvement request forms and require that all forms be fully completed upon submittal.	We agree	2008 DPW - Agrees
6.1	The Capital Improvement Request Forms should be revised to provide additional information on specific projects included within parent account submissions.	We agree	2008 DPW - Agrees
6.1	A risk factor rating should be added to the Capital Improvement Request Forms. All projects identified as atypical/high risk should have a narrative description of the potential risks and the efforts taken to minimize risks to the City.	We agree	2008 DPW - Agrees
6.2	As part of the annual CIP development, the Public Works Department should review and sign-off on all estimates as appropriate for continued use (or prepare and present new project estimates) for all project moving from year 2 to year 1 of the CIP.	We agree	2008, 1st half DPW - Agrees
6.2	As part of the annual CIP preparation, all project completion schedules for the current year of CIP to be adopted should be reviewed for continued appropriateness for use. Staff resource allocations, and project scheduling assumptions should be reviewed to ensure they continue to form a sound basis for budgeting purposes.	Budget Staff/DPW	2008 DPW - Agrees

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6.3	Projects added or deleted from a program during the year should be clearly communicated to Mayor, Council and OMB including details on the reason added/eliminated, impact on program funds, and new schedule for completion, if appropriate.	We agree and will provide as a part of our program update report that we now distribute. Information will be added to the report as suggested. Understand, these projects within programs are very dynamic and changes are frequent as projects develop and utility impacts are discovered.	2008 DPW - Agrees
6.4	All capital projects should be reported on a total cost basis including all components of the project and all allocated funds without regard to categorization or program funding source.	We agree and are developing this within the ODB	2008 DPW - Agrees
6.5	All capital funds for a particular budget year should be reviewed, as part of the budget close out process, to determine options for reprogramming unallocated and unencumbered funds. Funds unallocated to a specific project and non encumbered, should be "washed" into a capital project reserve (within statutory limitations).	This should be based upon the way in which the programs are funded. If the program is budgeted on a system basis, the local street program is based upon so many miles per year, the dollars allocated should continue to be carried over to provide for the replacement cycle the funds were intended to achieve. Within the major street and bridge programs, this is already done within the budget process.	2008 DPW – Agrees per our response

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7.1	Responsibilities for managing the capital improvement program by the Infrastructure Services Division should be clarified with specific roles and responsibilities identified.	Roles are currently identified within the budget submittals on a program basis. Internally to ISD it is done on a project basis. The ODB will provide an opportunity for reporting this information externally as well.	2008 DPW – Agrees
7.2	A thirty-six month bar chart schedule should be prepared for all capital projects that will be designed and scheduled by the Infrastructure Services Division.	We are working to include a scheduling aspect within the ODB.	2008 DPW – Agrees
7.3	A design authorization form should be completed before commencement of design that includes relevant project information covering the entire project.	We agree and the ODB will help to provide review by dollars and staff hours	2008 DPW – Agrees
7.4	The Infrastructure Services Division should develop cost of construction guidelines to document and estimate staff resource requirements for the design and inspection of capital projects.	We agree and the ODB will help to provide review by dollars and staff hours	2009 DPW – Agrees
7.5	Billability targets should be established for staff of the Infrastructure Service Division involving in CIP project design and management.	We agree and the ODB will help to provide review by dollars and staff hours	2008, 2 nd half DPW – Agrees
7.6	The City of Milwaukee should utilize a Request for Qualification, every other year, to pre-qualify consulting firms for placement on a Master Contract Listing.	We agree. Other areas within DPW have implemented this and we will process a resolution through the Common Council to authorize this.	2008 DPW – Agrees

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7.6	The City Engineer should implement a consulting engineer evaluation system and utilize this rating system as part of the final project close-out.	We agree. We will develop an exit review form for the file as well as a document that can assist us in the future when considering a consultant.	2008 DPW – Agrees
7.7	The Infrastructure Services Division should develop a comprehensive and up to date project management manual and train all employees assigned as project managers in its use and application.	This could be done through an RFP process.	2008 DPW 2008-2009
7.8	The Infrastructure Services Division should prepare a monthly progress statement regarding each capital project for customers. These reports should be distributed to all customers of the department and published on the departmental website.	We agree and would provide using the ODB.	2008 DPW - Agrees
7.9	The Infrastructure Services Division should complete a formal final report including a project analysis of the positive and negative aspects of the completed capital improvement project. All final reports should be completed within six months of project completion.	We agree. We will develop an exit review form for the file as well as a document that can assist us in the future when considering a consultant.	2008 DPW – Agrees

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7.10	Changes should be implemented in the handling of capital project budget contingencies. A total project contingency of 10% should be allocated to each capital budget as a funded line item within the project.	<p>Within the budget submittal stage, we disagree. Box car estimates for projects are provided in the budget submittal. These are done without the benefit of any engineering. The box car does include a contingency. We can do this within the ODB for projects as they proceed through the design and construction phases.</p>	2008 DPW – where we agree to add to the ODB
7.10	The project contingency should be allocated within the project budget to each phase of the project.	DPW Director / Budget Office	2008

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7.10	Project contingency funds necessary in excess of the 10% budget should be approved for the Common Council in advance of expenditure obligation	We have a process in place to review availability of funds both at the project level and the program level. The phase of the project directly impacts this recommendation. If prior to award of the contract, we await Council approval. If during construction, the disruption to the general public, the sequencing of the projects stages and the potential for added costs do not allow for the project to be put on hold. We have a process in place to go to the Council at its next cycle when additional funds are needed. This system, recently put in place, has been working efficiently and effectively. In those situations where a need to do the work is on an emergency basis, we prepare a quarterly report to the chair of the F&P on those situations.	2008 DPW – our current process works fine and no change is needed

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7.11	An annual review and summary report should be developed that compares, for all projects bid during the year, the sufficiency and accuracy of the estimates utilized. The report should identify the number of projects bid that were under estimate and over estimate and the percentage deviation. This report should be utilized to determine necessary changes in the estimating process and procedures utilized.	We agree using the ODB.	2008 DPW - Agrees
7.12	The Public Works Department should revise its procedures and data collection to enable it to distinguish between change orders based on the underlying cause (scope change or quantity variation).	We agree using the ODB.	2008, 1 st half DPW - Agrees
7.13(4)	The Engineering and Design functions of Public Works should be consolidated into a centralized unit reporting to the City Engineer.	<ul style="list-style-type: none"> We strongly disagree. Our reasons are found in Attachment B. 	2008 DPW – we should not implement
7.13(4)	The costs for providing engineering and design services for Water Works projects should be monitored and charged back to the Water Works Division.	Relates to 7.13(4) above and we strongly disagree. However, it should be noted that this is done for construction engineering and inspection.	2008 DPW – we should not implement
7.13(5)	<p>Staffing levels in the Public Works Department for Capital Project implementation are currently at an appropriate level based upon current annual work plans and cost of construction guidelines. Some internal reallocations are appropriate.</p> <p>Vacant positions in engineering, design, and inspections should be reviewed for continued necessity prior to being filled.</p>	We agree.	2008 – 2009 DPW - Agrees

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7.13 (6)	A project analyst position should be added to the City Engineer's Administration Unit to assist with project reporting and quality assurance programs.	This is an added cost. Although we agree, this serves as a reminder that added reporting translates into added costs to the project. We will propose adding this position with the 2009 budget submittal.	2008 – 2009 DPW – Agrees with 2009