



November 6, 2009

Department of Administration  
Business Operations Division

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

Rhonda U. Kelsey  
City Purchasing Director

To the Honorable  
Michael J. Murphy, Chair  
Committee on Finance & Personnel  
Common Council-City Clerk  
City Hall Room 205

Dear Alderman Murphy:

I am writing in response to your request for additional information related to Common Council File No. 090352 – A substitute charter ordinance relating to review and approval of certain city contracts at the October 28<sup>th</sup>, 2009 Finance & Personnel Committee meeting.

Based on an analysis of single and sole contracts that were awarded 2006-2008, the following contract would have been impacted by the aforementioned substitute charter ordinance.

- Description: 2007 DPW Infrastructure Services Division Vendor Service Contract for Asphalt Patch (Hot Patch)
- Original Contract Value: \$30,000
- Term: May 2007 – May 2008 with two additional one year options to extend.
- Amendments: Total of 4 (Amend #1: \$170K; Amend #2: \$200K; Amend #3: \$40K; and Amend #4: \$450K)

The requests to increase the original contract amount appear to be driven by the following factors:

1. Underestimation of costs by the user department;
2. Vendor notification to the City of Milwaukee of a 10% price increase due to the rising cost of raw material which is allowable under the terms of the contract.

In short, based on a three year (2006-2008) analysis of both single and sole source contracts less than \$50K one contract out of a total of 381 contracts would have been impacted by Common Council File No. 090352 – A substitute charter ordinance relating to review and approval of certain city contracts

I hope that I have been responsive to your request. Should you or the other members of the Finance & Personnel Committee have any additional questions or concerns, please do not hesitate to contact me.

Sincerely,

  
Rhonda U. Kelsey  
City Purchasing Director

C: Alderman Bob Bauman, Vice Chair  
Alderman Joe A. Dudzik  
Alderwoman Milele A. Coggs  
Alderman Nik Kovac