



Department of Administration
Office of Equity and Inclusion

Cavalier Johnson
Mayor

Preston Cole
Director of Administration

Bernadette Karanja
Chief Equity Officer

OEI Responses to the 2023 RPP Audit for Development Agreements

Finding #1 – Activities are not designed to execute MCO 355-9 and MCO 355-11. There is no process to track and monitor apprenticeship and on-the-job training requirements and there is no process to monitor that the first-source employment program is being utilized and perform other first-source employment program responsibilities (e.g., maintaining database of opportunities and communicating opportunities to City residents).

Response: We utilize LCR to track and monitor Apprenticeship and On-the-Job Trainee (OJT) requirements. The data from LCR is then compiled into formal reports that are presented to the ZND Committee.

Sample Apprentice and OJT data pulled directly from LCR in real-time:

Contractor	Sum of Is Apprentice Verified	Sum of Is Trainee Verified
Blair Fire Protection, LLC	11	0
Dynamic Contracting Services	1	0
Neumann Plumbing & Heating, Inc	13	0
NSI Electrical Contractors, Inc.	18	0
Stark Pavement Corporation	13	0
Grand Total	56	0

Sample formal reporting:

Table 8: Apprenticeship & On-The-Job Trainee Participation

Craft	# of Apprentices / OJT Trainees	Total Hours Worked	RPP Apprentice Hours	RPP Apprentice %	SIA RPP Apprentice Hours	SIA RPP Apprentice Hours %
Electrician	3	2,416.50	1,328.50	55%	-	
Fire Sprinkler Fitter	3	784.00	-		-	
Laborer	1	16.00	-			
Sheet Metal	4	440.50	440.50	100%	76.50	17%
Plumber	3	2,794.75	-		-	
Heavy Machinery	6	309.50	-			
McKinley Phase 1			708.00		-	
Kenosha Uptown Lofts			8.00		8.00	100%
Total	20	6,761.25	2,485.00	37%	84.50	3%

Table 9: Apprentice Participation by Race

Race	Hours	# of Workers
Not Specified	956.00	2
Causasian	1,090.63	5
African American	3,526.50	5
Hispanic or Latino	1,188.12	8
Total	6,761.25	20

Table 10: Apprentice Participation by Gender

Gender	Total Hours	# of Workers
Male	6,761.25	20
Total	6,761.25	20



Finding #2 – The HR agreements with developers state that there will be an established minimum amount of required apprenticeship and on-the-job training hours to align with MCO 355-9. Since every project is different, MCO 355-9 does not specify a set of minimum hours per project. The minimum 5 apprenticeship and on-the-job training requirements were not established in the two projects randomly sampled for testing. The 511 Holdings project had 175 apprentice hours with no RPP Certified apprentice hours on a project with 3,247 total hours and the Seven04 project had 3,011 apprentice hours with 1,120 RPP-certified apprentice hours on a project with 41,063 total hours.

Response: In addition to extracting data on Apprenticeship/OJT as detailed in Finding #2, we utilize data from LCR to calculate a project’s progress as it relates to meeting the required 25% participation from Apprenticeship / OJT.

Sample Inclusion Goals / Participating Summary:

Project: Edison School - Supplementing		
Est Compl Dt:	12/31/24	FINAL
ZND	9/17/24	
Category	% Required	% Achieved
Professional Services SBE	18%	22.0%
Construction SBE	25%	35.0%
RPP Inclusion	40%	36.0%
RPP with Bonus	40%	40.0%
SIA RPP	25%	25.0%
Apprentice RPP	25%	25.0%
SIA RPP Apprentice	40%	40.0%
Section 3	25%	25.0%
Targeted Section 3	5%	5.0%

Finding #3 – The Office of Equity and Inclusion did not compile any annual reports on the Residents Preference Program during the 2019-2021 audit period.

Response: The 2023 RPP Annual Report for Private Development Projects is attached.

Finding #4 – Nineteen of the 46 workers sampled as having Special Impact Area designation had addresses in payroll records that were outside of special impact areas.

Response: Finding previously resolved and closed.

Finding #5 – Internal Audit selected a random sample of two projects completed during the audit period. For the 511 project, three employers submitted construction time reports late for ten employees. For the Seven04 project, six employers submitted construction time reports late for ten employees.

Response: We utilize LCR to track and monitor timely payroll entry. We then use this information to follow-up with developers as needed.

Snippet of LCR weekly payroll entries:

- Contractor Contacts
- Reports
- Target Areas
- HELP
 - Database Diagrams
- SUPER ADMIN
 - All Tables
 - Validation rules
 - Flush cache
 - RLS_TableTemplateChoices

+ New	Status Icons	Agency	Week Ending	Payroll Number	Final Payroll	Performing	Accepted Status Date	Accepted Status By	Accept Status	Prime Approved Date
Detail		City of Milwaukee	2023-05-26	1	<input type="checkbox"/>	YES NO				2023-07-18
Detail		City of Milwaukee	2023-07-14	8	<input type="checkbox"/>	YES NO			Submitted	2023-08-11
Detail		City of Milwaukee	2023-07-21	9	<input type="checkbox"/>	YES NO				2023-08-11
Detail		City of Milwaukee	2023-07-28	10	<input type="checkbox"/>	YES NO			Submitted	2023-08-11
Detail		City of Milwaukee	2023-08-04	11	<input type="checkbox"/>	YES NO			Submitted	2023-08-11
Detail		City of Milwaukee	2023-08-11	12	<input type="checkbox"/>	YES NO				2023-08-27
Detail		City of Milwaukee	2023-08-18	13	<input type="checkbox"/>	YES NO				2023-08-27
Detail		City of Milwaukee	2023-08-25	14	<input type="checkbox"/>	YES NO			Submitted	2023-08-30

Copy of email to developer/contractors concerning payroll entry:

Mon 10/7/2024 10:06 AM



Ashley Piotter <apiotter@berghammer.com>

RE: approaching HR noncompliance: Riverwalk Development Agreement - Run PKG, Inc.

To: Reed, Ma

From: Reed, Mary <mareed@milwaukee.gov>

Sent: Monday, August 26, 2024 3:50 PM

To: TClasen@reinhardt.com; Accounting <accounting@berghammer.com>; Evan Brown <ebrown@berghammer.com>; paul@milwaueepublicmarket.org

Subject: approaching HR noncompliance: Riverwalk Development Agreement - Run PKG, Inc.

Importance: High

Good afternoon,

It has been some time since the Human Resources Agreement was executed for the Riverwalk Development project.

Please note that as a requirement of the Human Resources Agreement, Human Resources documentation/exhibits and quarterly reporting is required (see below and attached email). Data that comprises this quarterly reporting is gathered by having all contractors working on the project enter weekly employee payroll data into the City's Labor Compliance Reporting (LCR) portal (see attached email).

Please identify the project manager for this project, as well as confirm the date construction commenced on this project. A detailed listing of all contractors assigned to the project is needed so that contractors may be issued access to LCR and/or assigned to the project.

Your prompt attention to this matter is greatly appreciated.

Mary Reed, Contract Compliance Officer

City of Milwaukee | Office of Equity & Inclusion

City Hall, Room 606 | 200 East Wells St | Milwaukee, WI 53202

P: 414-286-8749 | C: 414-708-3319 | F: 414-286-8752 | W: city.milwaukee.gov/OEI

