



*"Good for Business, Good for Wisconsin"*

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September 20, 2013

The Honorable Jim Owczarski  
City Clerk  
City of Milwaukee  
200 E. Wells Street, Room 205  
Milwaukee, WI 53202

Dear Mr. Owczarski:

The African American Chamber of Commerce of Greater Milwaukee is requesting the City Clerk's office to research minority participation program best practices in other cities around the U.S. -- particularly in the Midwest. It is noted by our membership that there are grave disparities in City of Milwaukee contracting and there has been a significant reduction in opportunities afforded them since the suspension of Ordinance 370 took place last February.

We acknowledge that the disparity study conducted by D. Wilson Consulting Group, LLC, which led to the passage of Chapter 370, may have been flawed in its statistical analysis; however, the flawed analysis does not mean that significant racial disparities in city contracting procedures do not exist. Abolishing the spirit of the initiative by reinstating Chapter 370, fails to move the City of Milwaukee in the right direction.

Outlined below are a number of issues the African American Chamber of Commerce requests the city of Milwaukee to address:

1: Chapter 370 does not address vast differences in the participation of various minorities in specific trade classifications of construction, i.e. redi-mix concrete supply, electrical and mechanical contracting, flooring, steel erecting, plumbing, masonry, carpentry, painting, etc. Similarly, this issue exists for professional services, i.e. law, engineering, architecture, etc.

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2: Chapter 370 assumes African Americans and other minorities are at parity with the general population as it relates to supplies of goods and services without any analysis of the Commercially Useful Function (CUF) of such firms. In the federal supply and contracting arena, this would fall under 49 CFR 26.55.

3: Chapter 370 provides strong protections for the utilization of White women while forcing all women of color to share the limited protections provided by the ordinance with men of the same race – further diluting opportunities for men of color – particularly African American men.

4: The City of Milwaukee has failed to adequately investigate firms, including developers, general and sub-contractors, and minority owned firms who may have engaged in fraudulent contracting practices, which may have denied contracting opportunities from legitimate firms.

5: The City of Milwaukee has failed to provide opportunities for truly emerging business while allowing firms up to \$14 million in annual revenue to be classified as Small businesses. This size standard begs for a two or three-tier system focused on project size.

6: The City of Milwaukee has failed to graduate, second and third generation businesses that have amassed tremendous assets and competitive strength, further shutting out truly small and disadvantaged business.

7: All City departments must be required to comply with diversity standards established based upon opportunity and available firms. Similarly, development projects should be required to meet race and gender based goals starting at a minimum to include all minorities and women.

For these and many other reasons, we are requesting that the Common Council adjourn the repeal of Chapter 370 until this information has been provided. This request is particularly relevant in light of the office of the Inspector General, U.S.

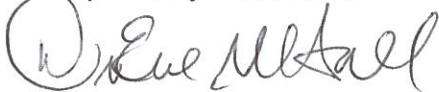
The Honorable Jim Owczarski  
September 20, 2013  
Page 3

Department of Housing and Urban Development's audit findings released on September 17, 2013, where the City, "failed to implement adequate financial accounting procedures and controls to ensure compliance with federal requirements" as it relates to the West Lawn project.

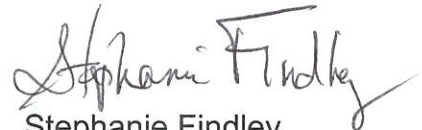
Please contact us regarding next steps as related to our chamber assisting in reviewing best practices in other cities whose minority participation on contracts are meeting or exceeding their goals.

Thank you for your attention to this matter. If you have additional questions please contact us at (414) 462-9450 or via email at [ehall@aaccmke.org](mailto:ehall@aaccmke.org).

Respectfully submitted,



Dr. Eve M. Hall  
President & CEO



Stephanie Findley  
Board Chair

Cc: Common Council President Willie Hines, Jr.