



M E M O - LEGISLATIVE REFERENCE BUREAU

To: Finance and Personnel Committee Members

From: Leslie Silletti, Legislative Fiscal Analyst

Date: September 17, 2007

Re: **Council File #061257, *A substitute ordinance relating to procurement of various items: Summary of Requirements, and Differences Between Proposed Substitute E and Substitute 1***

This memo summarizes the most recent version of Council File 061257, Proposed Substitute E, and discusses the principal differences between Proposed Substitute E and Substitute 1 (previously Proposed Substitute C), the version considered by the Finance and Personnel Committee on 5/2/07 and held to the call of the Chair.

Proposed Substitute E - Summary

- Explanation of Requirement for Non-apparel Purchases
The proposed ordinance relates to the City's contracts for purchases of non-apparel items, materials, supplies and equipment in excess of \$30,000 that are bid by the City of Milwaukee. The proposed ordinance requires a bidder to submit an affidavit verifying that the bidder is a responsible manufacturer, as defined by the ordinance, before the City and a bidder may enter into a contract. The proposed ordinance also requires contractors to obtain and submit affidavits from every subcontractor who contracts directly with the contractor during the specified time period of the contract for production of these items stating that the subcontractor is also a responsible manufacturer.
- City purchases that will be affected upon passage: A complete list of City contracts that will be affected if the proposed ordinance is passed is attached. Each item on this spreadsheet is purchased through the Purchasing Services Section of DOA.
- This ordinance does not apply to public works projects:
 - Please refer to #23 on the attached spreadsheet, "VC [vendor contract] Asphalt Concrete" for an example. This contract was awarded to Payne & Dolan Inc. to supply and deliver asphalt concrete to a city storage facility. This material is stored, and used as needed by city crews for small street maintenance restoration activities. When the Purchasing Services Section made this purchase for DPW, it was not for use in a public works contract. **This purchase would be subject to the proposed ordinance.**
 - **The ordinance will not apply to materials furnished as part of a public works project.** When the City bids out a public works project, included in the contract but not as separate items are materials involved in the project. DPW bids these projects out to

contractors who purchase their own asphalt materials to complete their projects. The City does not pay separately for asphalt, or other materials; the prime contractor figures the cost of supplies into the price.

At this time the City does not have any contracts for supplies for public works contracts. Thus, the provision, "*The requirements of this section shall not apply to items, materials, supplies and equipment to be furnished as part of a public works contract subject to s 66.0903, Wis. Stats.*" is a necessary technical provision to account for a rare situation which the City does not presently encounter, nor is it likely to encounter.

- The provision, "*that are bid by the city of Milwaukee*" provides for the exception of cooperative purchases that the City makes in cooperation with another municipal agency. For example, the City's Purchasing Services Section is a member of the VALUE consortium, which includes approximately 50 Southeastern WI agencies which strive to standardize and consolidate their volumes to achieve better pricing and avoid duplication of efforts.

- Principal Differences between Proposed Substitute E and Substitute 1

1. Substitute 1 requires each contractor to complete an affidavit verifying that each subcontractor involved in the fulfillment of the contract is a responsible manufacturer, and providing the name of each firm and each firm's city of manufacture for each subcontractor.

Proposed Substitute E requires that contractors procure and submit affidavits from every subcontractor who contracts directly with the contractor to manufacture any part or component of an item subject to the ordinance. The affidavit shall verify that the contractor is a responsible manufacturer.

2. Proposed Substitute E adds a penalty provision for firms that knowingly engage in fraud or misrepresentation, as it relates to the requirements of this section. The forfeiture is stated as not less than \$2,000 and not more than \$5,000, or upon default, imprisonment in the house of corrections for not more than 90 days. Those found by the Purchasing Services Section to be guilty of fraud or misrepresentation will be referred to the District Attorney.
3. Proposed Substitute E states, in s. 6-a: "The division [Purchasing Services Section] shall investigate complaints relating to compliance with this section to the greatest extent possible utilizing existing available resources, and impose appropriate sanctions upon any contractor who provides false information to the division or fails to comply with the provisions of this section." The underlined portion is not included in Substitute 1, and is included in Proposed Substitute E.

Enc: Contracts affected by the proposed ordinance
c: Cheryl Oliva, Department of Administration
Tom Miller, Office of the City Attorney

LRB07502
LCS

2006 Commodity Contracts Over \$30,000:
ALL CONTRACTS AFFECTED BY THE PROPOSED ORDINANCE

#	Req #	Commodity	\$ Value
1	5528	VC Anhydrous Ammonia	\$175,000.00
2	5656	Firearms Simulation	\$57,861.12
3	5868	VC for Electric Tool Repair Parts	\$39,000.00
4	6005	ERT Meter Modules	\$456,000.00
5	6021	Truck Chassis w/Platform Body	\$232,369.00
6	6047	Truck Chassis w/Sewer Rodder	\$90,915.00
7	6052	Truck Chassis & Dump Body	\$126,796.00
8	6095	Truck Chassis 6x4 Hydraulic Log Crane	\$127,750.00
9	6101	Duncan Parking Meters	\$150,000.00
10	6121	Backhoe/Loader w/Hydraulic Breaker	\$185,492.00
11	6153	Trucks, Step Van	\$952,844.00
12	6157	Truck Stake Body	\$35,130.00
13	6168	VC Sewer Parts	\$50,000.00
14	6175	Tractor Trailer	\$246,368.00
15	6193	Radio Base Stations	\$85,027.60
16	6207	Avaya Parts	\$59,639.00
17	6209	AV Equipment	\$91,204.00
18	6210	VC Oshkosh Truck Parts	\$50,000.00
19	6211	VC John Deere, Allied Hammer Parts	\$150,000.00
20	6212	VC Chelsea, Spicer Felstat Parts	\$60,000.00
21	6221	Mowers & Diesel	\$96,889.80
22	6233	Trailers	\$46,130.00
23	6236	VC Asphalt Concrete 3/8"	\$406,670.00
24	6242	Street Sweepers	\$359,514.00
25	6244	Bomb Suits	\$43,600.00
26	6251	EOD Robot	\$153,532.00
27	6266	Truck Chassis & Dump Body	\$72,529.00
28	6269	Truck Wrecker	\$54,711.00
29	6272	Front Engine Truck	\$621,969.00
30	6274	Combo Pumper	\$995,669.00
31	6275	Boat	\$216,746.00
32	6276	Aerial Ladder Truck	\$550,094.00
33	6277	Ambulances	\$406,726.92
34	6280	VC Rope	\$46,875.00
35	6282	Radiation Detectors	\$104,625.00
36	6284	CW VC Topsoil	\$175,000.00
37	6289	Misc. Hardware Supplies	\$240,000.00
38	6313	Tractor - Multi-Purpose w/Attachments	\$556,736.00
39	6316	Luminaire Heads	\$30,380.00
40	6335	VC Bayne Cart Lifter Parts	\$150,000.00
41	6336	VC International Truck Parts	\$225,000.00
42	6372	Concrete Pipe (Amendment)	\$100,000.00
43	6373	Harp Style Light Fixtures	\$177,750.00
44	6375	Luminaires & Lantern Heads	\$435,000.00
45	6381	VC Concrete	\$712,605.00
46	6384	Motorcycles	\$42,405.00
47	6410	VC Gate Valves	\$150,000.00
48	6411	VC Valves	\$100,000.00
49	6412	VC Vac Con Parts	\$60,000.00
50	6420	VC Auto & Truck Batteries	\$180,000.00
51	6422	Microphones & Accessories	\$239,926.50

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#	Req #	Commodity	\$ Value
52	6431	VC BD Probe System	\$282,000.00
53	6463	VC Filters	\$50,000.00
54	6478	Marine Vessel	\$600,000.00
55	6499	Motorcycle (Lease Buy Out)	\$34,000.00
56	6509	Laser Speed Detection Devices	\$41,075.00
57	6510	VC Soft Body Armor (Amendment)	\$116,000.00
58	6516	VC Sewer Parts	\$130,000.00
59	6519	VC Carlton PVC Duct	\$350,000.00
60	6537	Truck Chassis w/Sewer Jet Body	\$454,317.00
61	6550	Pyro Sequencer	\$93,379.00
62	6566	Gas Masks/Canisters & Bag	\$84,349.00
63	6569	Marine Motors	\$49,922.00
64	6574	Asphalt Patch Material	\$40,000.00
65	6587	Truck - Bomb Squad	\$202,296.00
66	6591	VC for Fuel	\$2,600,000.00
67	6592	Roll-Off Boxes	\$34,235.00
68	6593	Manhole Seals	\$40,868.50
69	6594	Advanced Cycle Sequencing System	\$218,227.60
70	6598	Electronic Parts	\$72,094.58
71	6599	VC Uniform Jackets	\$77,984.48
72	6600	VC Tactical Helmets	\$54,894.00
73	6611	Thermal Image Camera	\$119,680.00
74	6616	Lantern Arm, Black, 250 Watt	\$82,400.00
75	6619	Easy Mag	\$71,000.00
76	6627	VC Stihl Parts	\$40,000.00
77	6640	Chrysler/Plymouth Parts	\$90,000.00
78	6644	VC PVC Pipe	\$150,000.00
79	6646	Flow Loggers & Sensor Units	\$39,157.66
80	6648	VC Rock Salt	\$5,610,000.00
81	6650	Election Equipment	\$1,206,530.00
82	6654	VC Power Cable 5KV (Amendment)	\$105,000.00
83	6658	VC Paramedic Supplies	\$400,000.00
84	6660	VC MSA Parts	\$100,000.00
85	6665	Aluminum Pipe	\$76,110.00
86	6669	Glock Pistols	\$75,936.00
87	6671	Truck Grills	\$122,588.00
88	6672	Thermal Printers	\$36,120.00
89	6683	Boat	\$173,860.00
90	6691	VC Asphalt Patch - Hot & Cold	\$267,100.00
91	6704	Light Fixtures	\$111,840.00
92	6751	Sodium Hypochlorite	\$2,000,000.00
93	6754	VC Doors	\$250,000.00
94	6759	VC Motorola Parts	\$70,000.00
95	6774	VC Starting Aids	\$225,000.00
96	6779	Pole, Aluminum, Direct Bury	\$106,020.00
97	6797	VC Filter Media Anthracite Coal	\$105,600.00
98	6801	VC Meters	\$99,825.00
99	6802	VC Badger Water Meter Parts	\$250,000.00
100	6803	VC Amco Water Meter Parts	\$70,000.00
101	6804	Hersey Water Meter Parts	\$45,000.00
102	6808	Chemical Induction Unit	\$67,930.00

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#	Req #	Commodity	\$ Value
103		6819 IBM Equipment	\$278,788.00
104		6820 VC Street Trees (4 awards)	\$50,000.00
105		6820 VC Street Trees (4 awards)	\$60,000.00
106		6820 VC Street Trees (4 awards)	\$75,000.00
107		6820 VC Street Trees (4 awards)	\$100,000.00
108		6822 VC Tree Whips (2 awards)	\$100,000.00
109		6822 VC Tree Whips (2 awards)	\$65,000.00
110		6823 VC Perennial Plants	\$40,000.00
111		6824 VC Annual Plants	\$50,000.00
112		6840 Drill Rig	\$92,135.00
113		6868 VC Mack Auto AC & Volvo Parts	\$90,000.00
114		6870 Control Stations	\$80,010.00
115		6871 VC 5W30 Oil	\$75,000.00
116		6872 RF Sites	\$206,034.00
117		6880 VC Hydraulic Hoses	\$75,000.00
118		6885 IPC Equipment	\$95,079.93
119		6897 VC Condoms	\$203,966.00
120		6901 Luminaires, Poles, Bases, 3rd Ward	\$135,997.00
121		6907 Cable, Traffic Signal - 14 Gauge	\$54,800.00
122		6959 Mobile & Portable Radios	\$170,270.25
123		6961 Communication Equipment	\$51,555.00
124		6962 Expansion Cabinets	\$46,480.00
125		6965 Radios, Mobile	\$38,380.00
126		6974 Radio Equipment	\$126,090.00
127		6993 Steerable Storm Transporter Units	\$34,458.00
128		6994 Stump Cutter	\$37,500.00
129		7002 VC - Heil OEM Parts	\$100,000.00
130		7012 Endloader - 0.7 Cubic Yards	\$44,450.00
131		7016 Garbage Carts	\$1,444,340.00
132		7037 Badger Water Meters (Amendment)	\$40,000.00
133		7045 VC Concrete Poles	\$175,000.00
134		7055 Workers Comp SW	\$388,045.00
135		7068 VC Duct	\$75,000.00
136		7079 VC Hydraulic Parts	\$75,000.00
137		7084 Lube System	\$38,250.00
138		7087 Traffic Hydrants (Amendment)	\$300,000.00
139		7093 VC for Hydrant Locks	\$240,000.00
140		7115 Furniture	\$47,963.70
141		7159 Motorcraft Parts (Amendment)	\$230,000.00
142		7162 Ford Motorcraft Parts	\$40,000.00
143	5775 & 5781	VC Aftermarket Auto/Truck Parts	\$900,000.00
144	6042, 6052 & 6043	Truck Chassis 6x4, 64,000 lbs	\$331,694.00
145	6205 & 6238	Vibratory Roller	\$30,428.00
146	6448 & 6447	Truck Chassis/Dump Body - Snow & Ice - 5 CUY	\$1,556,107.00
147	6450 & 6449	Trucks	\$3,208,454.00
148	6814 & 6926	Trucks, Forklift	\$68,567.00
		TOTAL DOLLAR AMOUNT OF CONTRACTS AFFECTED BY THE PROPOSED ORDINANCE	\$40,729,659.64