

Informational Memo responding to Item 230472 before Finance and Personnel Committee, July 26, 2023
July 31, 2023

From: Pam Fendt

To: Members of Milwaukee Common Council and other interested parties

As I stated before committee, I compliment the Comptroller for noting lack of attention to the Apprenticeship Utilization policy contained in the MORE ordinance. As I noted in my testimony, I raised this concern to former Commissioner Polenske in 2019. I have since found notes from a 2014 report where I highlighted the same issues of policy implementation.

My analysis is that what is written in the bid documents doesn't fully capture the intent of the MORE ordinance (language copied below and highlighted). The desire was to have city contracting (and public assistance to private developments) stimulate more uptake into apprenticeship programs as another means of diversifying the trades and creating meaningful career opportunities for more City residents as a supplement to RPP.

Registered Apprenticeship is a unique "earn while you learn" career pathway that prepares entrants to move up a skills ladder within a set period time after which they will be earning premium wages, enjoy excellent health care benefits, and earn credits in a pension so that after years of physical labor they know they will have a comfortable retirement (in the union model).

It is possible for the City to ascertain whether contractors being utilized on DPW and TIF-supported projects are companies that utilize apprentices. The state Department of Workforce Development keeps an updated listing on their website. It shows which trade(s) they train, the number, and how recently someone graduated.

https://dwd.wisconsin.gov/apprenticeship/appr_stats/active_wtt.pdf

Looking at the 2 projects that were examined in the Audit Report, we can see the following.

Huron Building

General Contractor - Stevens Construction not signatory to any unions

A General Contractor usually employs multiple trades, yet Stevens hired just 4 apprentices over the past 3 years and 2021 was the last time someone completed. In contrast, JH Findorff, the general contractor on the Couture, trains in multiple trades (Bricklayers, Carpenters, Cement Mason, Construction Craft Laborers, Iron Workers, Operating Engineers) hosting 30 apprentices who graduated in the past 3 years.

SUBCONTRACTOR	STATUS	TRADES TRAINER?	# GRADUATED PAST 3 YEARS
Electric-Current Electric	not union	YES, 1 trade	20+
HVAC-Capital Mechanical Inc	not union	YES, 3 trades	10
Plumbing -Total Mechanical	union	YES, 8 trades	50+
Fire Protection-Blair Fire Protection	union	YES, 1 trade	20+

Seven04 Place

General Contractor – Catalyst Construction not signatory to any unions

Not a trades trainer.

SUBCONTRACTOR	STATUS	TRADES TRAINER?	# GRADUATED PAST 3 YEARS
Electric-Current Electric	not union	YES, 1 trade	20+
Plumbing Interior-Horner	union	YES, 1 trade	50+
Plumbing Exterior-Joe DeBelak	union	YES, 2 trades	20+
Fire Protection-Blair Fire Protection	union	YES, 1 trade	20+
HVAC-Dave Jones	not union	YES, 5 trades	100+
Sign-Poblocki Sign Company	not union	YES, 1 trade	3

While it was reported that DPW and OEI might not have complete records from covered contractors, luckily, we can see growth and progress in the right direction with State DWD data.

Since the MORE Ordinance was passed in 2009, 11 of 16 union apprenticeship programs increased the percentage of minorities in their program. Total numerical increase across all union programs was 54.5% -- from 385 minority apprentices 6 years ago, to now 595. Minority apprentices in the non-union program in the Milwaukee area currently number 102. Efforts to create new pathways for people of color in the trades are being pursued by union programs and their signatory employers.

As I mentioned in my testimony, in order to further workforce and career development goals the City of Madison has contractors certify that they "participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and continue to participate in such program or programs for the duration of the project or have, an apprenticeship program pre-certified as compliant with Wisconsin Executive Order 108 (June 29, 2005) by the Wisconsin Bureau of Apprenticeship Standards on the date the bid is awarded by the Common Council."

[Best Value Contracting | Engineering, City of Madison, Wisconsin](#)

Current City of Milwaukee Policy

309-38. Apprenticeship and On-The-Job Trainee Requirements for Construction Contracts. 1. DEFINITIONS. In this section:

a. "Apprentice" means any person, 16 years of age or over, who shall enter into a written contract of service where he or she is to receive from or through his or her employer, in consideration for his or her services, in whole or in part, instruction in any trade, craft or business. Apprenticeship agreements shall be governed by ch. 106, Wis. Stats.

b. "Construction" means either new construction work or repair work on any roads, bridges, sewers, streets, alleys, buildings or any other public work whatsoever.

c. "Contract" means a binding agreement executed by the city in which the city is committed to expend or does expend its funds or other resources.

d. "Contracting department" means any city department, agency, board or commission that has contracting responsibilities.

e. "Contractor" means a separate distinguishable business entity participating or seeking to participate in the performance of a contract.

2. REQUIREMENTS. The specifications for every construction contract in excess of \$100,000 entered into by the city shall contain, where appropriate:

a. A requirement that the contractor employ apprentices and on-the-job trainees in the performance of the contract and of all subcontracts entered into by the contractor in accordance with the maximum ratio of apprentices to journeymen established by the Wisconsin department of workforce development, and give fair consideration to all segments of the population, including women and minorities,

b. In the case of contracts greater than \$500,000, where appropriate, all of the following requirements:

b-1. One-quarter of the apprentices and on-the-job trainees required under par. a, as measured in worker hours, shall be unemployed or underemployed residents of the city, as defined in s. 309-41. For every worker hour exceeding the requirements of this paragraph, one-and-a-half hours shall be credited toward the requirements of s. 309-41-2-a.

b-2. Of the apprentice and on-the-job trainee worker hours required under par. b-1, at least 40 percent shall be attributable to unemployed or underemployed residents residing in zip codes established as high poverty, as determined by the city clerk on January 1 every three years beginning in 2017, in consultation with the department of administration and based on income guidelines established by the U.S. department of housing and urban development for poverty relief and housing block grant programs.

b-3. Apprentice and on-the-job trainee worker hours of a resident who meets the definition of unemployed or underemployed solely under the 15-day provision of s. 309-41 shall not be credited toward meeting the contract participation requirements of sub. 2-b unless the resident had not worked on the same project for the same contractor prior to the 15-day period.

c. In determining whether the requirements of par. a and b are appropriate for insertion in specification for a particular contract, the contracting department may consider the nature of the work, whether the contract is of short duration, and whether the work will involve trades which do not have apprentices or on-the job trainees.

In my opinion, it is this section (c.) that is creating loopholes in the policy. City administrators of DPW projects and those creating the workforce requirements on TIF projects don't seem to be pushing hard enough on awardees to utilize apprentices and create the maximum workforce development impact through the investment of public dollars. This is a wasted opportunity and one that the City can easily rectify with more attention to implementation detail.