



2017 RESIDENTS PREFERENCE PROGRAM

City of Milwaukee

DEPARTMENT OF PUBLIC WORKS

2017 RESIDENTS PREFERENCE PROGRAM REPORT CITY OF MILWAUKEE, DEPARTMENT OF PUBLIC WORKS

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2017 RESIDENTS PREFERENCE PROGRAM REPORT

EXECUTIVE SUMMARY

The City of Milwaukee Residents Preference Program (RPP) is a long-running social program established to boost resident participation on publicly funded infrastructure and development projects, thereby ensuring that family-supporting construction jobs are reserved for City residents. This program requires that 40% of all labor hours are worked by certified resident participants. The Residents Preference Program, first created in 1991, remains valuable in 2018, as the City of Milwaukee unemployment rate is still above the state average. The Department of Public Works (DPW) monitors and reports on RPP participation on DPW formal contracts with the support of the private contracting community and the Milwaukee Common Council.

The following report reviews RPP compliance on formal DPW contracts that were closed during the 2017 calendar year per the reporting requirements of Section 309-41 of the Milwaukee Code of Ordinances and contains several exhibits to illustrate various aspects of the City of Milwaukee Residents Preference Program performance.

Historical Overview of the Residents Preference Program

Section 309-41 of the Milwaukee Code of Ordinances requires that the Department of Public Works submit an Annual Report to the Common Council summarizing the results of the previous year's Residents Preference Program (RPP) activities.

In July of 1991, the City of Milwaukee Common Council created the Residents Preference Program. The ordinance originally required that 25% of worker hours be performed by unemployed residents of the special impact area—except in special cases where the Commissioner of Public Works determines there is sufficient reason to impose lesser levels of participation. The designated target area district corresponded to the City's Community Development Block Grant Areas.

In August of 2009, the ordinance was changed and RPP participation requirements were increased from 25% to 40%. Contracts initiated on or after August 10, 2009 require 40% of worker hours consist of unemployed or underemployed residents. In addition, the special impact area has been expanded from the Community Development Block Grant Area to encompass the entire area of the City of Milwaukee.

Beginning in 2017, Chapter 309-41 was again revised in an effort to provide family-supporting construction jobs in the City's neighborhoods that are hardest hit by poverty. DPW projects let after January 1, 2017 require that 25% of all required RPP hours (40%) are worked by RPP-certified employees living in high poverty zip codes as identified by the City Clerk's Office. The changes made to this Ordinance in 2017 also require that contractors utilize RPP-certified apprentices. Additionally, when contracts with apprentice requirements are awarded at \$500,000 or more, at least 40% of these hours must worked by apprentices living in high poverty zip codes. Three contracts let in 2017 closed in 2017, but only one of these contracts required RPP participation and included these updated provisions. The other two 2017 contracts were let for specialty work and did not require RPP participation.

DPW's 2017 report follows the new reporting requirements adopted in 2017 per Section 309-41-5 of the Milwaukee Code of Ordinances.

2017 Residents Preference Program Participation

Formal construction contracts let by the Department of Public Works require that 40% of all construction labor hours are performed by unemployed or underemployed residents. Although this program is race and gender neutral, contractors are encouraged to give fair consideration to women and minorities in hiring—DPW collects demographic information on construction contract workers in order to monitor participation on these contracts and to report this data to the Common Council.

DPW contracts have met or exceeded the RPP compliance requirements for the past several years. For contracts closed in 2017, 38.1% of all labor hours worked and 34.2% of all labor dollars paid were attributed to RPP-certified workers. When including non-RPP certified Milwaukee resident labor hours in calculating overall participation, 45.4% of all labor hours were worked by City residents. These year-end statistics include a number of contracts where the RPP requirement was either waived or reduced. When omitting contracts without RPP requirements (but still including contracts with reduced requirements), participation numbers are much higher. 43.8% of all labor hours and 38.1% of all labor dollars paid were attributed to RPP-certified workers on projects with RPP requirements. When including non-RPP certified Milwaukee resident labor hours in calculating participation on contracts with a RPP requirement, 52.91% of all labor hours were worked by City residents.

2017 Compliance Highlights

DPW closed 105 total contracts in 2017 with a total award amount of \$87,254,328.71. Of these 105 contracts, 97 required RPP participation and eight were exempt from these requirements. The 97 contracts requiring RPP participation were awarded for a total of \$84,446,006.76 (96.8% of the total awarded amount of all contracts closed in 2017). Of the 97 contracts with RPP requirements, 92 (94.8%) met the advertised RPP requirements and five fell short (5.2%) of the advertised RPP requirements.

Five contracts were let with reduced RPP requirements, and eight contracts waived RPP requirements. Details on the reasons for reducing/waiving these requirements can be found later in this report.

Numbers for both the current year and the five years prior are encouraging, and demonstrate that the majority of City contractors are meeting or exceeding RPP compliance requirements.

Contractors working on contracts let through DPW must submit regular timesheets of laborers' wage, home address, apprentice status, job title, gender and race. Workers self-identify gender and race to their employers to report on these documents. These payroll reports are used to calculate both the **number of hours** worked by RPP participants and the **wages paid** to these participants.

RPP participant hours comprise 38.1% of all labor hours; with RPP and Milwaukee City Resident hours together comprising 45.4% of all labor hours. In recent years, labor hours were split fairly equally between residents of the City of Milwaukee and those not living in Milwaukee. The 2017 results are in-line with this trend.

Although the 38.1% RPP participation on contracts closed in 2017 is lower than the Department-wide requirement of 40%, it is important to note that this total includes contracts in which the requirement was reduced or waived due to specialty work (see *Contracts with Waived/Reduced RPP*) and that a number of specialty projects—specifically large projects for bridge repair and MWW Plants work—were closed during this period. These unique contracts contributed to the overall lower RPP participation on contracts closed in 2017. The rate of compliance for contracts closed in 2017 (95.2%) is in-line with previous reporting years and is, in fact,

higher than the rate of compliance for contracts closed in 2016, when the overall RPP participation rate was above the 40% requirement.

When contracts with waived RPP requirements are omitted from the data set, the overall RPP participation on contracts closed in 2017 jumps to 43.8%, with a City of Milwaukee total of 52.91%.

DPW contracts closed in 2017 paid *Labor and Wage Costs* of \$12,027,813.73. The *Actual Final Cost* paid to contractors was \$101,018,685.20. More than 34% of the total labor costs were paid to RPP participants. For contracts closed in 2017, 11.9% of the Actual Final Cost is Labor/Wage dollars. For 2017 closed contracts, the RPP labor costs made up 4.1% of Actual Final Cost.

Although the Residents Preference Program is race and gender neutral, DPW monitors contract participation by both race/ethnicity and gender. For the 2017 data set, 60% of labor hours were allocated to Caucasians. As in other reporting years, most employees on DPW contracts identified as males—88% of labor hours were allocated to males. Three percent of workers chose not to disclose their gender or race/ethnicity. Males continue to dominate the DPW construction community. Program participation by race/ethnicity and by gender is further considered later in this report.

For the past several years, the labor hours between City of Milwaukee residents and non-City residents were nearly equally split. This trend held true for contracts closed in 2017. In 2017, resident (including RPP-certified and non-RPP certified employees) hours comprised just over 45% of all labor hours on DPW contracts. Additionally, wages paid to RPP certified workers accounted for 34% of all labor dollars—which is generally in proportion with the labor hours performed by RPP certified employees.

RESIDENTS PREFERENCE PROGRAM COMPLIANCE

Of the 105 contracts closed in 2017, a total of 100 contracts are in compliance with RPP requirements, five fell short and eight are considered exempt from any RPP compliance requirements. Seventeen contracts that might have reported shortfalls were able to make use of the provision to claim RPP credit for RPP-approved employee hours on projects without RPP requirements to remain in compliance with contract requirements.

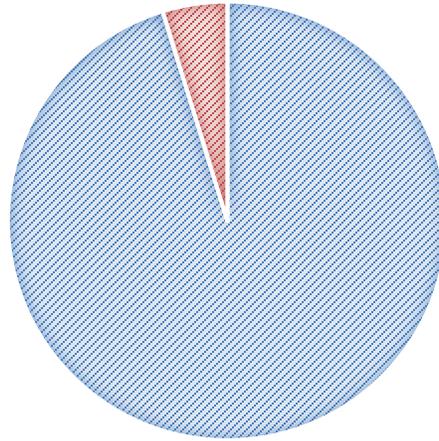
40% RPP Requirement

90 contracts had a RPP compliance requirement of 40% (one contract was let prior to 2009 and had a 25% requirement). Six contracts had adjusted RPP percentages ranging from 15% to 25%. Eight contracts were exempt from RPP requirements.

95.2% of contracts closed in 2017 are in compliance with the advertised RPP requirements. Contracts not in compliance with advertised requirements account for 4.8% of all contracts closed in 2017. Eight, or 7.6% of contracts closed in 2017 were exempt from RPP requirements.

2017 CONTRACT COMPLIANCE

■ Compliant ■ Non-compliant



RPP COMPLIANCE – 25% REQUIRMENT (2009 or earlier)	TOTAL
TOTAL CONTRACTS	1
COMPLIANT	0
NON-COMPLIANT	1
EXEMPT	0

RPP COMPLIANCE – 40% REQUIREMENT	TOTAL
TOTAL CONTRACTS	90
COMPLIANT – 40%	87
NON-COMPLIANT	3

RPP COMPLIANCE – REDUCED REQUIREMENT	TOTAL
TOTAL CONTRACTS	6
COMPLIANT – 15% - 25% (AS ADVERTISED)	4
NON-COMPLIANT W/REDUCED REQUIREMENT	2

SUMMARY OF CLOSED 2017	TOTAL
TOTAL CONTRACTS	105
COMPLIANT	100
NON-COMPLIANT	5
EXEMPT	8

- One contract fell short of the 25% RPP requirement for contracts let in 2009 and earlier
- Three contracts advertised with a 40% RPP requirement fell short of this requirement
- Eight contracts were exempt from RPP requirements
- Six total contracts were let with a reduced RPP requirement

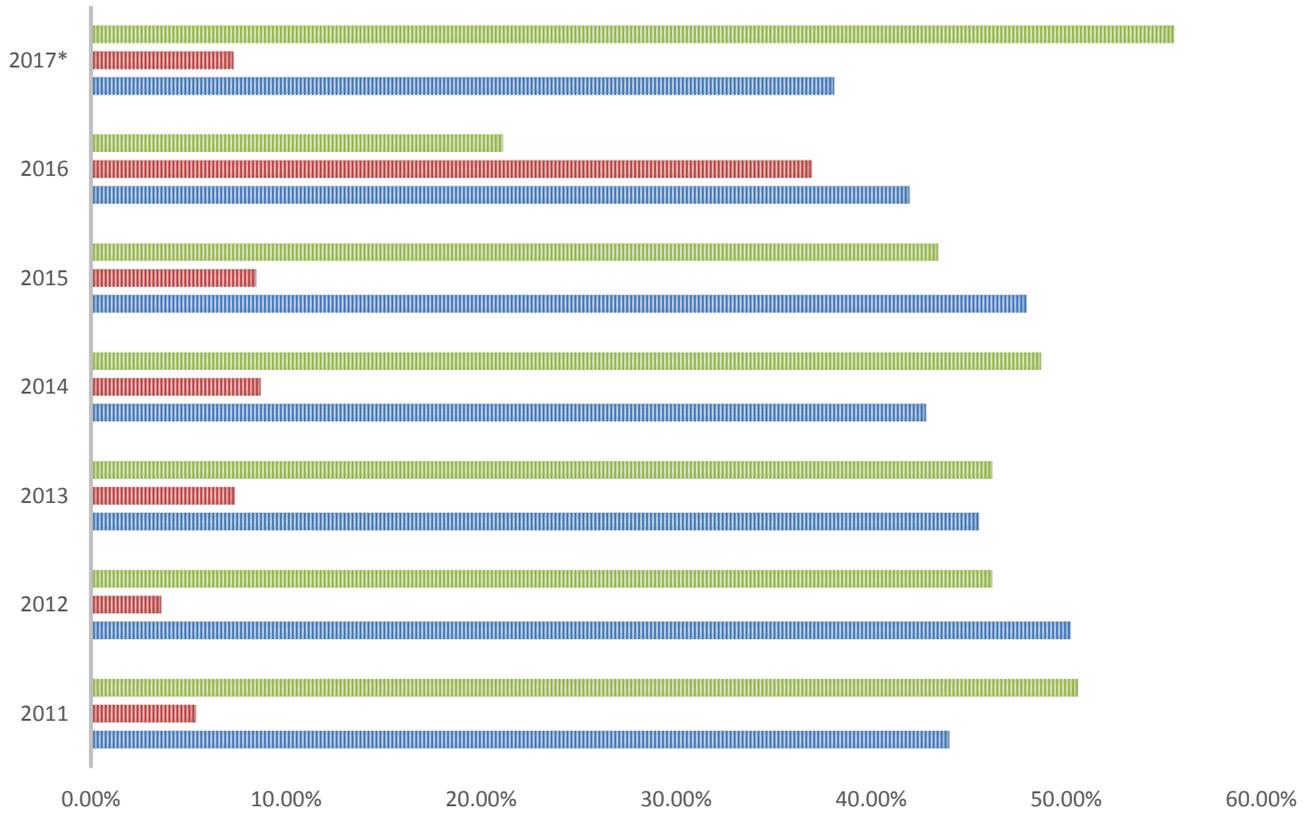
RPP, Non-RPP, Non-Resident Hours

YEAR	RPP %	NON RPP %	NON MILWAUKEE %
2011	44.00%	5.40%	50.60%
2012	50.20%	3.60%	46.20%
2013	45.50%	7.40%	46.20%
2014	42.80%	8.70%	48.70%
2015	47.95%	8.47%	43.42%
2016	41.96%	36.92%	21.12%
2017*	38.10%	7.31%	55.50%
Average to date	44.36%	11.11%	44.53%

*2017 numbers include RPP credit hours

RPP, NON-RPP, NON-RESIDENT HOURS

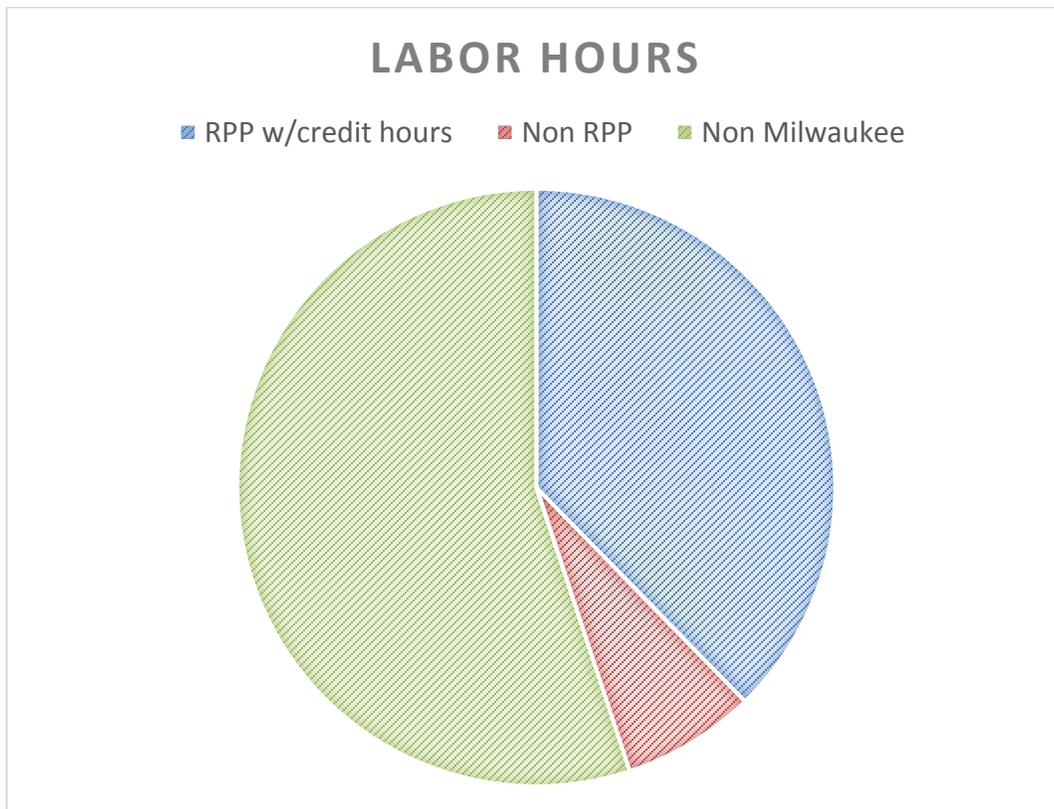
■ NON MILWAUKEE % ■ NON RPP % ■ RPP %



Residency Hours

RESIDENCY	LABOR HOURS	%
RPP	155,185.82	37.13%
RPP credit hours	3,888.90	
RPP w/credit hours	159,074.72	38.06%
Non RPP	30,538.85	7.31%
Non Milwaukee	232,257.50	55.57%
Total Labor	417,982.17	100.00%

- RPP participant hours (including submitted and approved credit hours) account for 38% of all worker hours. This number includes contracts with reduced/waived RPP requirements.
- City of Milwaukee hours total 45.4% of all labor hours

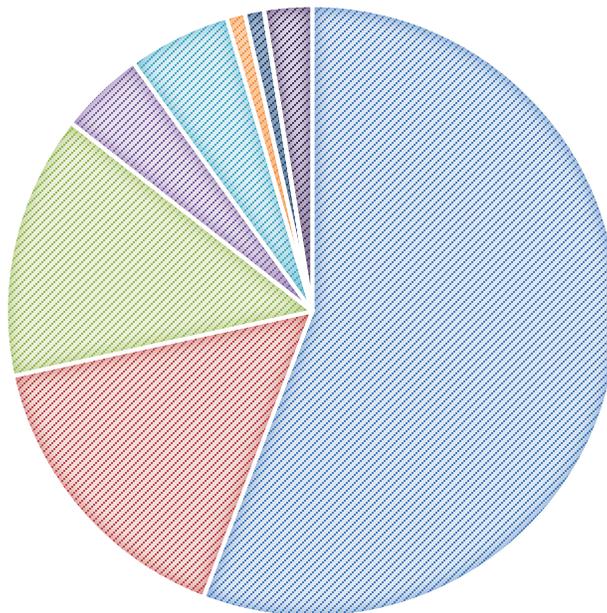


Hours by Race & Gender

Race & Gender	% of Hours
White Male	56%
Black Male	16%
Latino Male	14%
White Female	5%
Black Female	5%
Asian Male	1%
Native American Male	1%
Latino Female	0.0223%
Native American Female	0.0002%
Unspecified	3%
Total	100%

PERCENT OF TOTAL HOURS

- White Male
- Black Male
- Latino Male
- White Female
- Black Female
- Asian Male
- Native American Male
- Latino Female
- Native American Female
- Unspecified

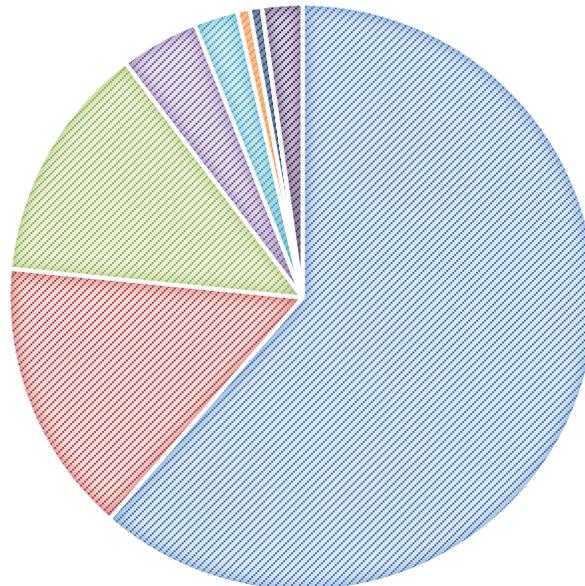


Wages by Race & Gender

Race & Gender	% of Wages
White Male	61%
Black Male	15%
Latino Male	13%
White Female	4%
Black Female	2%
Asian Male	1%
Native American Male	1%
Latino Female	0.0165%
Native American Female	0.0002%
Unspecified	2%
TOTAL	100%

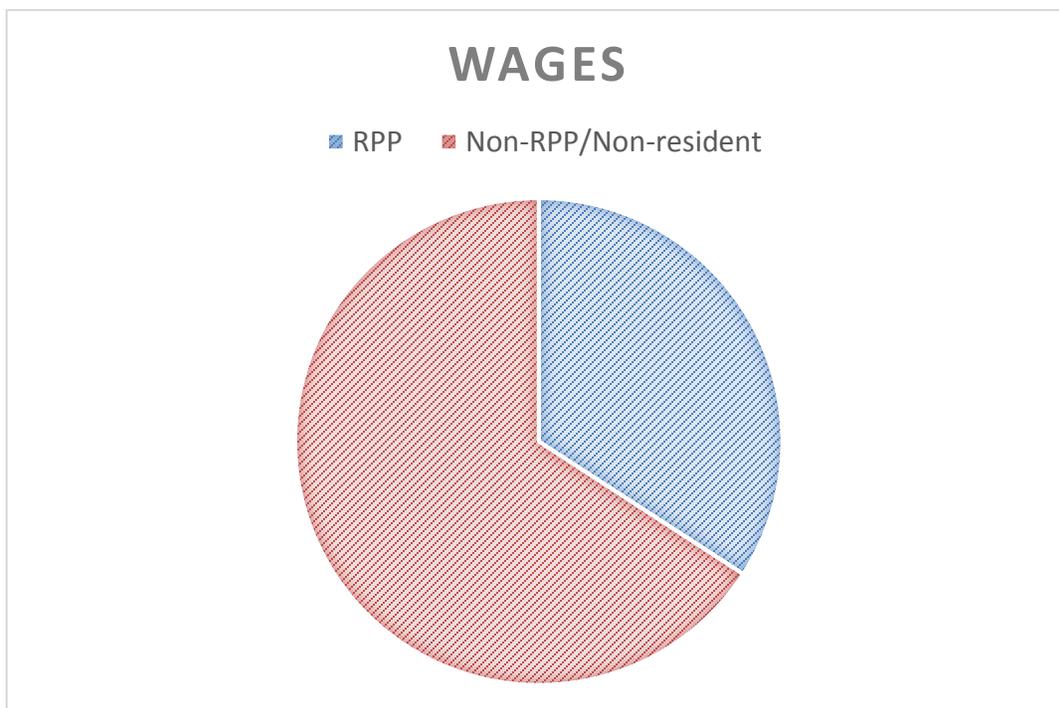
PERCENT OF TOTAL WAGES

- White Male
- Black Male
- Latino Male
- White Female
- Black Female
- Asian Male
- Native American Male
- Latino Female
- Native American Female
- Unspecified



RPP Wages

Residency	Labor \$	% of Labor \$
RPP	\$ 4,108,972.85	34%
Non-RPP/Non-resident	\$ 7,918,840.88	66%
TOTAL Labor \$	\$ 12,027,813.73	100%



- 34.2% of total labor costs were paid to RPP participants

RPP Wages by Year

YEAR	Labor \$	RPP \$	% of RPP labor costs
2011	\$8,571,291.27	\$3,566,528.78	41.61%
2012	\$11,792,397.00	\$5,008,749.30	42.47%
2013	\$14,267,823.97	\$5,974,093.09	41.87%
2014	\$11,261,259.96	\$4,422,870.42	39.28%
2015	\$7,084,988.63	\$3,067,361.30	43.29%
2016	\$18,005,014.59	\$7,314,511.59	40.62%
2017	\$12,027,813.73	\$4,108,972.85	34.16%
TOTAL	\$83,010,589.15	\$33,463,087.33	40.31%

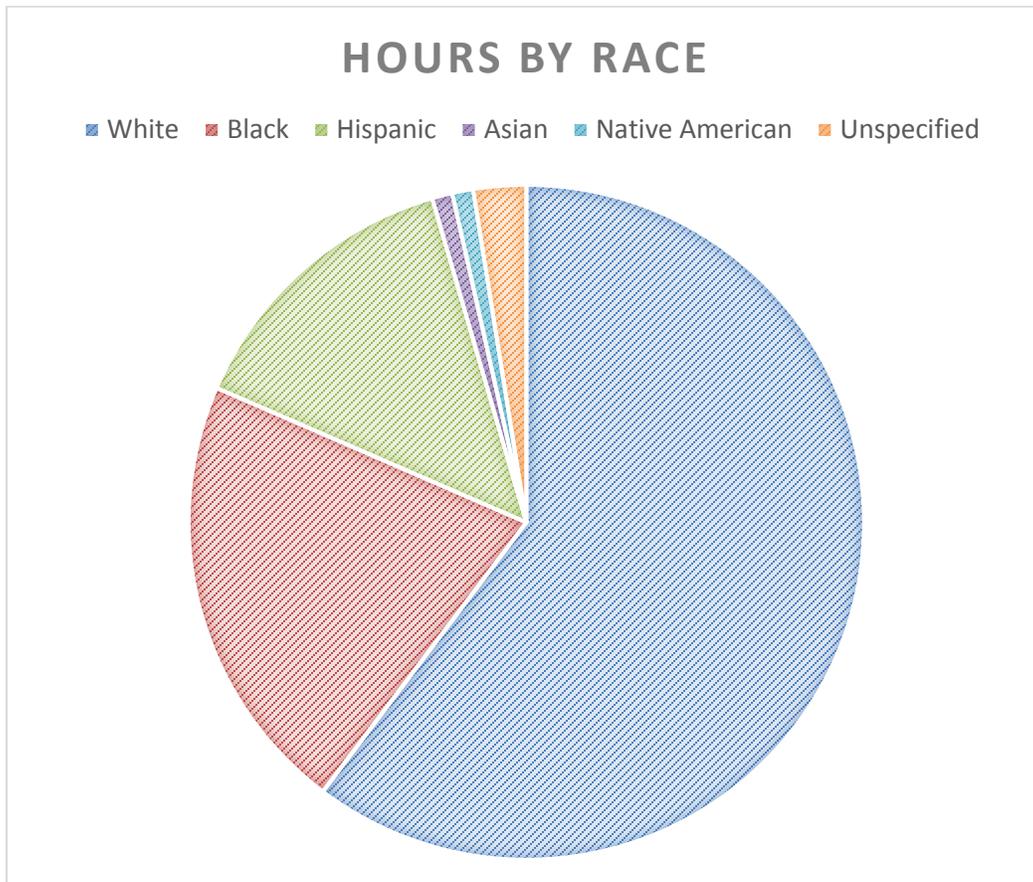
PARTICIPATION BY ZIP CODE	
Zip Code	% of Count
53202	0.3176%
53203	0.0423%
53204	2.7101%
53205	0.3599%
53206	1.3127%
53207	2.9642%
53208	1.3974%
53209	2.7737%
53210	1.6515%
53211	0.5717%
53212	1.3339%
53213	0.7199%
53214	2.3502%
53215	8.1093%
53216	2.3290%
53218	3.0913%
53219	2.2232%
53220	1.2069%
53221	2.2443%
53222	1.1645%
53223	2.0750%
53224	1.2492%
53225	1.7574%
53226	0.4870%
53227	0.7411%
53228	0.5082%
53233	0.1694%
53234	0.0423%

- Milwaukee-based workers on contracts closed in 2017 lived in the zip codes listed in the table above

Workers living in high-poverty zip codes are highlighted – these hours account for 20.1% of all work hours and 43.9% of Milwaukee hours

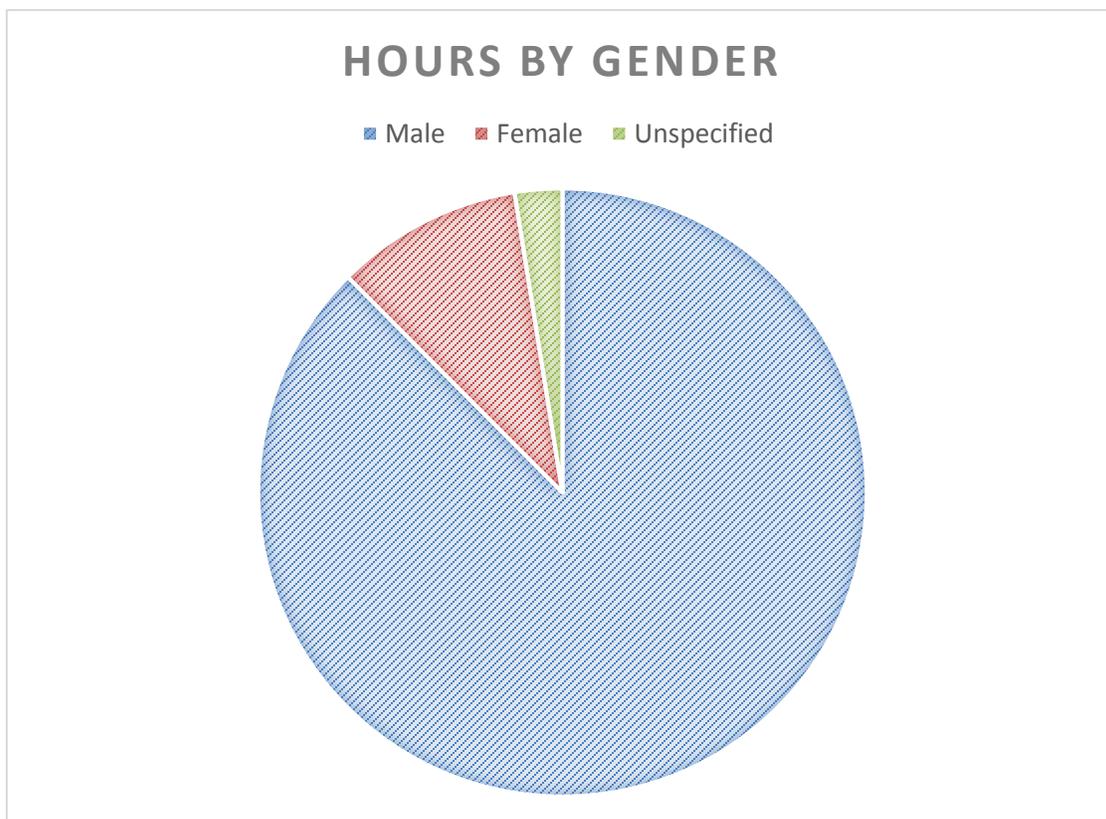
Worker Participation by Race

Race	Percent
White	60%
Black	21%
Hispanic	14%
Asian	1%
Native American	1%
Unspecified	3%
Total	100%



Worker Participation by Gender

Gender	Percent
Male	87.54%
Female	9.94%
Unspecified	2.52%
Total	100%



Worker Participation by Trade

Workers in 51 different trades were employed on DPW contracts that closed in 2017. The top three trades employed on these contracts were Laborers, Truck Drivers, and Equipment Operators.

TRADE	PERCENT
APPRENTICE LABORER	2.76%
ASBESTOS ABATEMENT	0.17%
BOTTOM MAN LABORER	0.48%
BRICKLAYER	0.07%
CARPENTER	1.47%
CARPET LAYER	0.04%
CASHIER	0.32%
CEMENT FINISHER	3.46%
CONSTRUCTION STAKING	0.04%
DIVER	0.07%
DRYWALL TAPER	0.07%
ELECTRICIAN	1.30%
ELEVATOR CONSTRUCTOR	0.13%
EQUIPMENT OPERATOR	19.01%
FENCE ERECTOR	0.30%
FIBER OPTIC INSTALLER	0.02%
FIRE PUMP ALIGNMENT	0.02%
FLAGGER	0.60%
FOREMAN	0.37%
FORMSETTER	0.13%
GLAZIER	0.24%
GROUNDSMAN	0.09%
HEAT OR FROST INSULATOR	0.17%
IRONWORKER	2.03%
LABORER	38.19%
LANDSCAPER	0.74%
MASON	0.58%
METER COLLECTOR	0.07%
MILLWRIGHT	0.20%
OWNER	0.09%
PAINTER	0.48%
PAVING LABORER	0.74%
PIPEFITTER	0.04%
PLASTERER	0.04%
PLUMBER	0.24%
ROOFER	1.88%

SERVICE CONTRACT WAGE - LABORER	0.65%
SHEET METAL WORKER	0.73%
SOUND/COMM INSTALLER	0.02%
SPRINKLER FITTER	0.06%
STEAMFITTER	0.26%
SURVEYOR	0.04%
TELEDATA INSTALLER	0.02%
TELEDATA TECH	0.07%
TILE FINISHER	0.02%
TILE SETTER	0.02%
TRAFFIC CONTROL	0.24%
TRUCK DRIVER	21.04%
TUCKPOINTER	0.07%
WATERPROOFER	0.04%
WELDER	0.06%
TOTAL	100.00%

- As in previous reporting years, most workers on DPW projects were employed as Laborers
- Highly-paid positions, such as Equipment Operators, also made up a sizeable proportion of workers on these contracts

NON-COMPLIANT CONTRACTS

Five contracts closed in 2017 were out of compliance with the advertised RPP requirements. Details on these contracts and the RPP shortfalls recorded are listed below.

Three of the non-compliant contracts had a 40% RPP requirement, one non-compliant contract was let with the 2009 requirement of 25% RPP participation and the remaining contract had reduced RPP requirements. In four of the five cases of non-compliance, the contractor was penalized by DPW for failing to meet RPP requirements.

CONTRACTOR	CONTRACT #	PROJECT TYPE	REQUIRED RPP %	ACTUAL RPP %	% SHORT
Pieper Electric	C641140026	WATER PLANTS	40%	36%	4%
Lunda Construction	C523140073	BRIDGES	15%	10%	5%
Cornerstone Pavers	C523140128	STREETS	40%	39.8%	.2%
Pieper Electric	C545090021	BUILDINGS	25%	7%	18%
Lunda Construction	C523140032	BRIDGES	40%	20%	20%

Five contracts fell short of RPP requirements. Three of the non-compliant contracts fell short by 5% or less and two fell short by greater than 5%.

DPW levied penalties for these shortfalls in all but one case. Pieper Electric was not penalized for the RPP shortfall on contract C641140026 due to a substantial change order that resulted from unforeseen field conditions. This change order caused a large increase of hours that required specially-trained technicians to complete the work. Milwaukee Water Works Engineering confirmed that three major issues impacted the total number of hours/RPP hours on this contract:

1. Failed underground conduit that was to be used in the new installation.
2. Location of underground utilities not located where shown on as-built drawings.
3. A freeze on shipments of pre-fab security guard shacks from manufacturers because of Homeland Security Demands (this caused MWW/Piper Electric to stick build on-site).

Were it not for this change order, DPW believes that this contract would have met the 40% RPP requirement without issue.

The total penalty amount for contracts closed in 2017 was \$63,154.29. In the case of contract C545090021 with Pieper Electric, DPW withheld the full amount of the final payment due to the contractor's failure to submit close-out documents despite having requested this documentation since 2014. DPW's General Specifications give DPW authority to close out contract accounts and "retain the contract proceeds permanently" if contract compliance "deficiencies are not satisfied within one (1) year of completion of the work."

Contracts with Reduced/Waived RPP Requirements

There are some cases where the Department of Public Works does not require any resident worker participation. These projects involve specialty work requiring unique products or services. The participation criterion may also be waived when funding sources, such as the Wisconsin Department of Transportation, prevent the City of Milwaukee from imposing the (RPP) requirement.

In 2017, 105 formal construction contracts were closed by the Department of Public Works. Eight of these formal contracts had no resident participation requirements. In each case, the decision to waive the standard resident participation requirement was made after discussions with the contracting division concerning the type and exact method of construction involved in the project. The decision to lower or eliminate the participation requirements is based on one or more of the following factors:

- The work involved was highly specialized requiring skills and experience not possessed by the list of eligible resident workers and not likely to be found in the population of potential target resident workers—the three Bridge contracts closed in 2017 are excellent examples of this type of work.
- The contract required an approved workforce.
- The project was funded either totally or in large part from a source other than the City. When non-City grant funds are used for public improvements, the grantor generally prohibits the City from imposing social requirements that exceed the standards and requirements of the grantor. The Beerline Bicycle Trail Extension contract with Poblocki Paving Corporation was funded under the WisDOT Transportation Alternatives Program and is an example of this type of project.
- The contract is for services that will be provided on an unpredictable schedule. Formal service contracts often are let with unpredictable schedules. Requiring contractors on service contracts to meet RPP standards is often not possible as work is uncertain and unpredictable. For contracts closed in 2017, two stump grinding contracts with unpredictable scheduling were let without RPP requirements.

Contracts with Reduced/Waived RPP Requirements

- The five contracts closed in 2017 that were let with **reduced RPP** requirements and the eight contracts that waived all RPP requirements are listed in the following table:

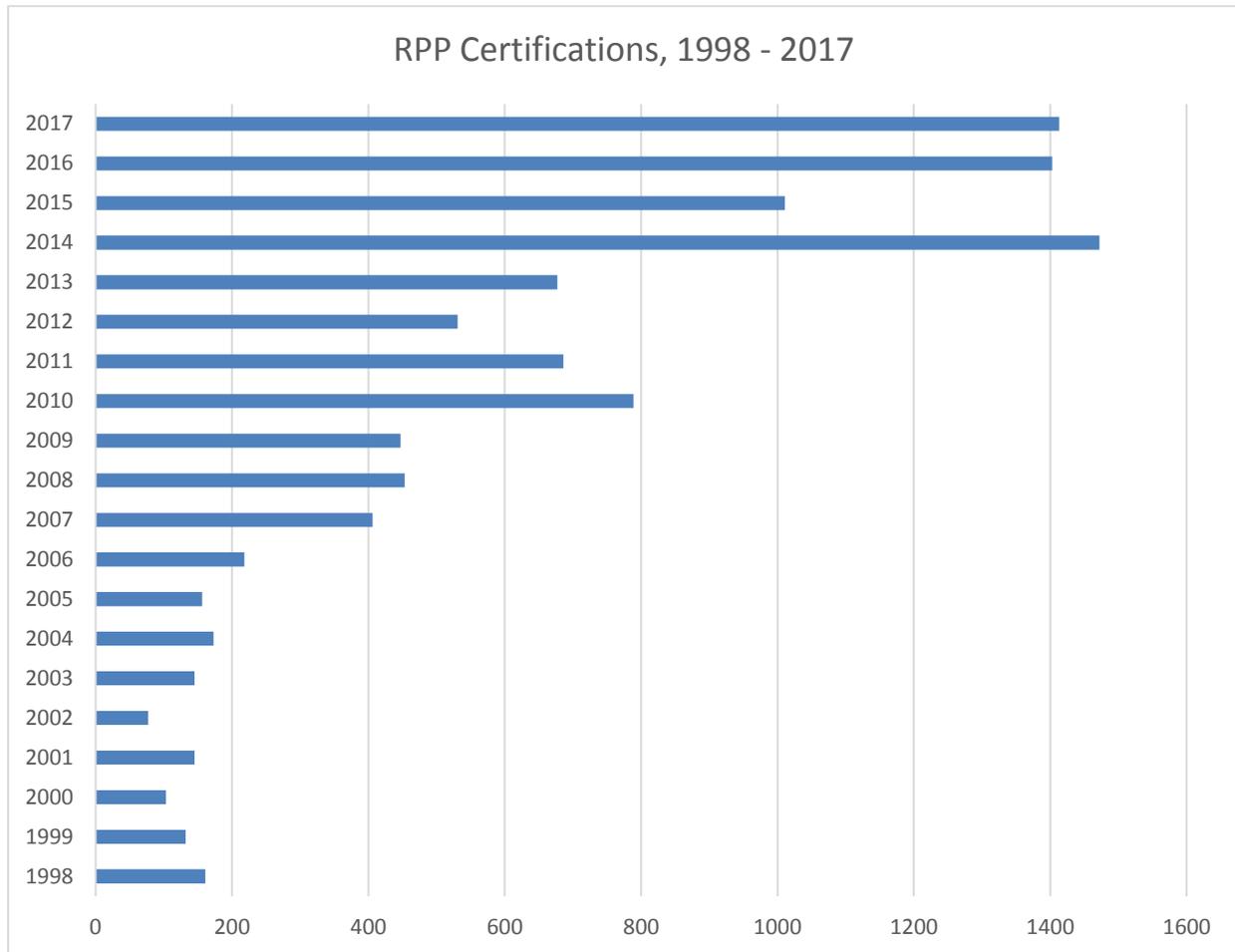
CONTRACT	CONTRACTOR	DIVISION	DESCRIPTION	Req RPP	Final RPP	Reasons for Reduction
C641150045	AB Data	WATER	Furnished labor, service and materials to imprint and mail Municipal Services bills	0%	0%	This is a unique contract for providing labor and materials to imprint and mail MWW invoices. There are a very limited number of providers in the State expected to qualify as bidders on this project. MWW requests that the RPP requirement be waived in order to open the bidding up to as many qualified bidders as possible--including those outside of the Milwaukee-area.
C523150065	Poblocki Paving	STREETS	Beerline Bicycle Trail Extension	0%	0%	This contract was funded under the WisDOT Transportation Alternatives Program and followed requirements as specified by the funding source.
C523140073	Lunda Construction	BRIDGES	35th St & Howell Ave bridges repairs	15%	10%	This contract is for specialty bridge repairs. DPW estimates that approximately 15% of the workforce needed for this contract does not require special training/skills. The remainder of the work on this contract is reserved for a workforce with specialized skills.
C523150124	Reichl Construction	BUILDINGS	Third District Police Station Parking Structure	15%	30%	A reduced RPP requirement was requested due to the specialty nature of the work being performed and the amount of highly-skilled electricians and plumbers required on-site.
C545160029	Asplundh Tree Expert	FORESTRY	Stump Grinding, Removal and Site Restoration Standards	0%	0%	This contract requires limited but highly skilled personnel to safely perform stump grinding operations within narrow tree borders and in close proximity to street curbing, sidewalks, driveway approaches, underground utilities, improved property, and pedestrians. A maximum crew size of two employees required to complete this work does not provide sufficient labor participation to support both a SBE and RPP requirement without artificially inflating the crew size and project cost. Additionally, the skill level and experience required to safely operate a stump grinder in confined public spaces between the sidewalk and curb along streets does not lend itself to unskilled labor participation beyond stump hole backfill operations, which is typically assigned to the SBE contractor with CDL qualifications to haul spoils and backfill materials.

C523130053	Zenith Tech	BRIDGES	Rehabilitation of the St. Paul Ave Lift Bridge	20%	20%	This contract is for specialty bridge repairs. DPW estimates that approximately 20% of the workforce needed for this contract does not require special training/skills. The remainder of the work on this contract is reserved for a workforce with specialized skills.
C683160003	Next Electric, Inc.	SEWERS	2016 Bypass Pump & Lift Station Inspection & Bypass Pump Testing Project	10%	13%	This project has historically had 0% SBE, and 10% RPP due to the specialty nature of it. The work involves inspections of our bypass pump stations and lift stations that are typically performed by a limited number of employees (usually 2 at the most) making SBE and RPP requirements very difficult to achieve.
C523150001	Milwaukee General Construction	STREETS	Layton Blvd Streetscape	0%	41%	This contract was Federally funded and followed requirements as specified by the funding source.
C523150037	Zenith Tech	BRIDGES	Rehabilitation of W Becher St Bridge over KK River	25%	25%	This contract is for specialty bridge repairs. DPW estimates that approximately 25% of the workforce needed for this contract does not require special training/skills. The remainder of the work on this contract is reserved for a workforce with specialized training.
C523160093	Century Fence	TRANSPORT.	Bicycle Lanes	0%	0%	This is a Federal Aid Construction Project and followed requirements as specified by the funding source
C545170018	Asplundh Tree Expert	FORESTRY	Stump Grinding, Removal and Site Restoration Standards	0%	0%	This contract requires limited but highly skilled personnel to safely perform stump grinding operations within narrow tree borders and in close proximity to street curbing, sidewalks, driveway approaches, underground utilities, improved property, and pedestrians. A maximum crew size of two employees required to complete this work does not provide sufficient labor participation to support both a SBE and RPP requirement without artificially inflating the crew size and project cost. Additionally, the skill level and experience required to safely operate a stump grinder in confined public spaces between the sidewalk and curb along streets does not lend itself to unskilled labor participation beyond stump hole backfill operations, which is typically assigned to the SBE contractor with CDL qualifications to haul spoils and backfill materials.
C523170037	Struck & Irwin Paving	STREETS	Slurry Seal	0%	0%	There are only two contractors in the State of Wisconsin who do this type of work – both are located west of Madison and do not have a local workforce. Additionally, the chip seal and slurry seal operations utilize a specialized piece of equipment to apply these roadway surface treatments.

C545130038	Smithsonian Materials	FORESTRY	Private lot code enforcement	0%	78%	Contract was let with a waived RPP requirement due to the belief that the unpredictable schedule would make RPP participation unattainable. However, the contractor reported 78% RPP participation on this contract and subsequent Private Lot Code Enforcement contracts have required the standard 40% RPP participation.
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Certification of RPP Participants

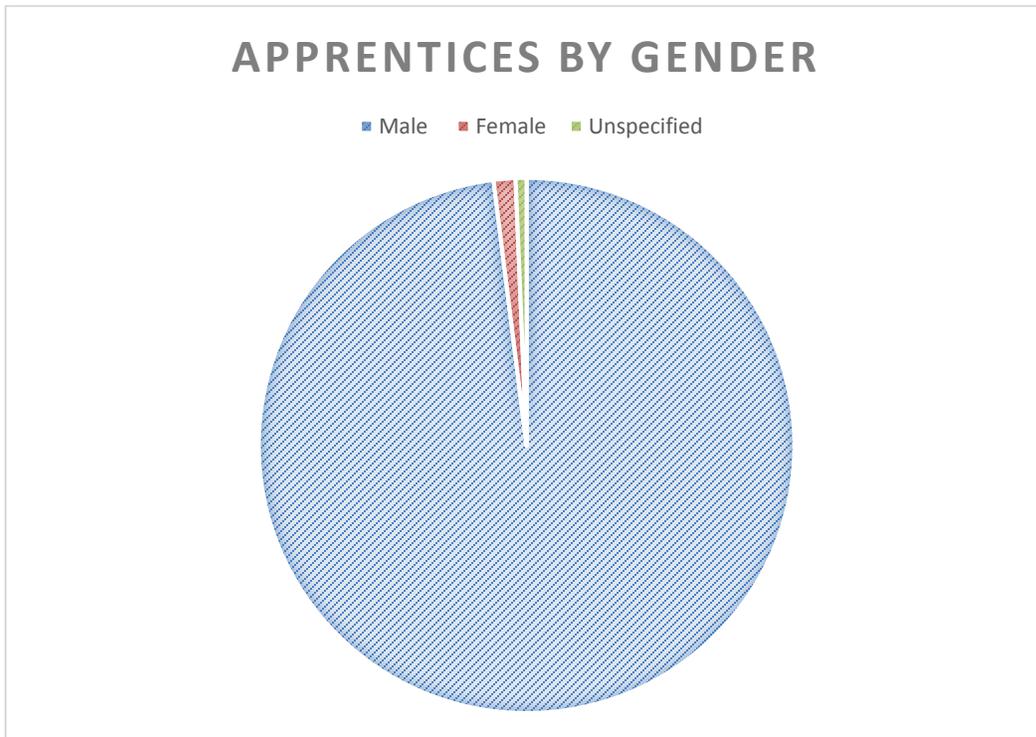
A RPP participant must obtain a certification verifying that she both lives in the City of Milwaukee *and* is either unemployed or underemployed at the time of certification. Over 1,400 individuals were verified and approved as Target Resident Workers in 2017. In recent years, the City of Milwaukee has focused on recruiting eligible workers as well as partnering with several community organizations to decrease the unemployment rate and increase the number of living-wage households. The City partners with WRTP/BIG STEP, Riverworks, Milwaukee Community Service Corps and Mindful Staffing to certify RPP participants. WRTP is also partnered with UMOS, Employ Milwaukee, and the City to recruit and give eligible residents construction experience on City crews.



2017 APPRENTICE PARTICIPATION

The City of Milwaukee encourages employers to participate in *apprenticeship programs*. On contracts that closed in 2017, 152 apprentices were employed on DPW contracts. 98% of these apprentices self-identify as male, 1% as female, and 1% chose not disclose their gender.

APPRENTICES BY GENDER		
Gender	Count	Percent
Male	149	98%
Female	2	1%
Unspecified	1	1%
TOTAL	152	100%

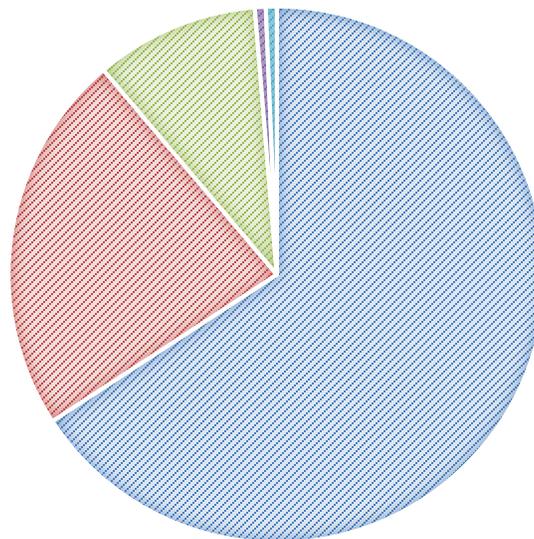


Of the 152 Apprentices working on DPW contracts, 66% identify as white, 23% identify as black, 10% identify as Latino, and 1% identify as Native American.

APPRENTICES BY RACE		
Race	Count	Percent
White	100	65.8%
Black	35	23.0%
Latino	15	9.9%
Native American	1	.66%
Unspecified	1	.66%
TOTAL	152	100%

APPRENTICES BY RACE/ETHNICITY

■ White
 ■ Black
 ■ Latino
 ■ Native American
 ■ Unspecified



Apprentice Classifications

Apprentices on DPW contracts that closed in 2017 performed varied tasks. Apprentices worked in the following positions:

APPRENTICE HOURS BY CRAFT				
Employed as	Total Apprentice Hrs	% of Apprentice Hrs	RPP Apprentice Hrs	% RPP Appr Hrs
Carpenter	251.75	1.11%	222	88%
Cement Mason	36.5	0.16%	36.5	100%
Electrician	2376	10.43%	1653	70%
Equipment Operator	131	0.58%	0	0%
Ironworker	560.5	2.46%	36	6%
Laborer	14757.8	64.79%	1658.8	11%
Mill Operator	4	0.02%	0	0%
Operator	77	0.34%	54	70%
Operator	1289.3	5.66%	511.25	40%
Operator	4.5	0.02%	0	0%
Paving Laborer	216	0.95%	216	100%
Pipefitter	6	0.03%	0	0%
Plumber	712.25	3.13%	550	77%
Roofer	851	3.74%	493	58%
Sheet Metal Worker	1423.25	6.25%	945	66%
Steamfitter	80	0.35%	0	0%
TOTAL HRS	22776.85	100%	6376	28%

- 28% of all Apprentice hours on contracts closing in 2017 went to RPP certified Apprentices
- Construction Laborer Apprentices worked more hours than any other group of Apprentices

WISCONSIN UNEMPLOYMENT HISTORY

Wisconsin Unemployment						
	2012	2013	2014	2015*	2016	2017
Labor Force	3,074,255	3,084,978	3,093,918	3,094,857	3,120,229	3,151,909
Employment	2,857,594	2,876,712	2,923,533	2,953,580	2,991,033	3,048,242
Unemployment	216,661	208,266	170,385	141,277	129,196	103,667
WI Annual Average	7.00%	6.80%	5.50%	4.60%	4.10%	3.30%

*2015 numbers have been edited by worknet.wisconsin.gov since the 2015 RPP Report was submitted, however, these changes do not affect the WI Annual Average for 2015

- The State of Wisconsin's unemployment rate has consistently been below 8% and has sharply declined since 2012
- Milwaukee County unemployment remains higher than the State average, although the County's unemployment rate has also seen a sharp decline since 2012

Milwaukee County Unemployment						
	2012	2013	2014	2015*	2016	2017
Labor Force	476,448	479,833	480,920	477,475	479,090	478,333
Employment	435,440	439,536	447,273	449,935	454,475	458,982
Unemployment	41,008	40,297	33,647	27,540	24,615	19,351
MKE County Average	8.60%	8.40%	7.00%	5.80%	5.10%	4.05%

*2015 numbers have been edited by worknet.wisconsin.gov since the 2015 RPP Report was submitted, however, these changes do not affect the Milwaukee County Annual Average for 2015

- In 2017, Milwaukee County unemployed individuals comprised 18.67% of the State's unemployed – a slight improvement over recent previous years.

Percentage of Milwaukee County Unemployed to Wisconsin Unemployed						
	2012	2013	2014	2015	2016	2017
WI Unemployed Individuals	216,661	208,266	170,385	141,277	129,196	103,667
MKE County Unemployed Individuals	41,008	40,297	33,647	27,540	24,615	19,351
% of MKE County to WI	18.93%	19.35%	19.75%	19.49%	19.05%	18.67%

All data cited from Wisconsin's Worknet; <http://worknet.wisconsin.gov>

FINAL ANALYSIS & RECOMMENDATIONS

The Department of Public Works is committed to the success of the Residents Preference Program. Historically, DPW contracts have had high levels of participation in this program and this reporting year is no exception. The contracts closed in 2017 saw high levels of RPP participation in terms of overall hours, labor wages and RPP-approved apprentices.

The Residents Preference Program remains an important component in the City's workforce development as Milwaukee's unemployment rate hovers above the state average. The Milwaukee Residents Preference Program is one way the City can support its resident workforce at a time when that support is much needed. Despite the City's strong endorsement of this program, there are challenges to be met.

Challenges of the Residents Preference Program:

Political Environment:

2015 Wisconsin Act 55 (the budget bill) repealed the state prevailing wage law for local governmental units such as villages, towns, cities, school districts, or sewerage districts effective January 1, 2017.

DPW continues to monitor RPP participation and wages despite the repeal of the state prevailing wage law. It is not yet clear whether, or how, the repeal of prevailing wage law might affect rates of pay for RPP-certified employees.

Record Keeping

DPW relies heavily on contractors to submit information used in monitoring the Residents Preference Program. Information is available, but for all contracts let prior to 2015, this data is held by the contractors until hard copy timesheets are provided to the Contract Department at which time this data is transferred to an electronic format for recording and reporting purposes. Beginning with contracts let in 2015, payroll data can be entered directly into the City's centralized compliance software. However, the responsibility for uploading this data remains with contractors (i.e. it is outside of City staff control) and, once uploaded, requires review of City staff for accuracy before reports can be generated.

Despite DPW's commitment to improving the Residents Preference Program and to implementing the changes to the program that went into effect in 2017, providing timely reports and responses to various requests for RPP data remains a challenge. Simply put, accurate monitoring of RPP compliance is a time-intensive process.

Limits of Available Data

The Residents Preference Program is monitored by the City of Milwaukee, but in many ways, it is administered by the private contractors working on City contracts. RPP participants are directly employed by private contractors, which limits the City's access to data on these workers. A RPP participant may appear on only one City project time report throughout their employment. DPW's inability to provide a full work-history on RPP participants is a result of limited data, and is a limitation of this program. However, data limitations do not mark a failure of the program.

Recommendations to Expand/Improve Residents Preference Program

DPW takes a proactive approach toward improving the department's ability to report on the success of this program. In 2013, DPW and ITMD collaborated to add a customized software database to the DPW Bid Notices Application to support the tracking of eligible program participants. DPW maintains this database—again adding over 1,400 RPP certifications to this database in 2017—and shares this database with other City departments to ensure that all City departments letting contracts with RPP requirements have access to the most complete list of program participants.

Since 2016, DPW has required contractors to report payroll data using web-based compliance software (LCPtracker) for formal contracts with RPP requirements. The use of LCPtracker compliance software has the potential to speed up the pace of annual reporting, but it should be noted that this software does not enable City departments to pull accurate, real-time RPP reports from the program. Private contractors remain responsible for reporting payroll (including RPP) data. Contractors—and their subcontractors—do not always submit payroll data in a timely manner, and they often misidentify RPP participants on submitted reports. Although payroll data is submitted electronically—cutting down the time required for City staff to perform data entry tasks—payroll data is still reviewed and corrected before final reports on RPP participation are pulled from LCPtracker.

LCPtracker is primarily a wage rate compliance software program. LCPtracker is a project-based program—meaning that it is structured to run reports on specific projects (contracts) and not on specific employees (i.e. RPP participants). Additionally, this system does not track historical RPP data (changes in employee residence) and does not provide a RPP participant database outside of the tracking done by individual project. Although RPP participation on DPW contracts can be tracked using this software, it is *not* serving as DPW's RPP database. DPW continues to support the development of the Bid Notices Application.

The next step in the program is to determine if the contractors are using the pool of eligible residents for City projects. DPW is not currently providing workforce development services to contractors, but believes this service is a vital component of the Residents Preference Program. This program is expanding – for the second year in a row, over 1,400 new RPP participants were certified. There is no shortage of infrastructure construction and private development projects in Milwaukee and the City has a substantial RPP-certified workforce – the City now has the responsibility to ensure that these newly certified participants are finding the family-supporting construction jobs they seek. DPW supports Common Council's focus on workforce development and is committed to assisting with this work.