

**Brief history of City of Milwaukee Deconstruction from 2010 through 2023**

DNS began exploring deconstruction as a potential alternative to mechanical demolition in 2008.

**2010**

The Department of Neighborhood Services advertised a request for proposals in 2010 and generated quite a bit of interest but only received 2 responses. An award was made to Cream City Wrecking, Inc. to deconstruct 2 parcels for the cost of \$99,360.00. 2 shipping containers full of materials were salvaged and stored at the contractor's shop/yard in Menomonie Falls. Very few of the materials were sold and were eventually sent for recycling when Cream City Wrecking closed their doors for good in 2014.

**2013**

In 2013, the Department engaged the Services of Deconstruction practitioner and trainer Dave Bennink from Bellingham, Washington. Contractors, community groups and interested parties were invited to take part in hands-on training sessions and public information sessions prior to a request for proposals process. Participants included South Side Community Service Corp, Northcott Neighborhood House, WasteCap, Inc., Cream City Wrecking, Running Rebels, Jake's Wrecking, I.M. Salvage, and a few other interested parties.

Mr. Bennink also provided hands-on coaching for the 2 successful RFP proposers who were awarded contracts for 2 parcels each- Cream City Wrecking for \$48,344.00 and WasteCap for \$60,398.00. Cream City Wrecking sold some materials and added the rest to their collection from 2010. WasteCap also sold some materials and warehoused the rest.

**Between 2013 and 2017**

DNS informally contracted for approximately 8 fixed-price one-off deconstruction projects with various community organizations in an attempt to spark some interest with groups who were seeking labor-ready projects for their labor training programs. These organizations had existing subsidized labor pools who mostly qualified as Resident Preference Program workers, thus justifying the fixed, lower costs per parcel. Northcott Neighborhood House, Running Rebels, Ezekiel and WasteCap participated. Factoring environmental abatements and incidentals, the average price was \$22,239.00 per parcel or \$117,912.00 total.

**2015**

In 2015, DNS advertised bids for a deconstruction project consisting of 10 parcels. This project was the first deconstruction project to incorporate Residents Preference Program requirements. A contract was awarded to Jake's Wrecking, LLC for \$196,566.00. Jake's performed the physical deconstruction and salvage work fairly well but hoped to "negotiate away" the Resident Preference Program requirements during the contract to off-set their relatively low bid price. Ultimately, Jake's hired on enough RPP workforce to satisfactorily meet the contract obligations. Salvaged materials were moved to

Jake's warehouse property on 30<sup>th</sup> and Clarke. Some materials were sold but many still remain in the building – the building was recently taken by the City through tax foreclosure.

## 2016

Late in 2016 Deconstruction Request for Proposal awards were made to Spencer Renovation, LLC under 3 contracts for 5 parcels totaling \$119,294.00. Very little material was documented as salvaged with these 5 parcels. This work carried into mid-2017.

## 2017

Deconstruction Ordinance is created and Common Council makes it ordinance on November 7, 2017 with an effective date of January 1, 2018.

December 15, 2017 Neighborhood Services held public meeting to take public input on the rules, procedures and forms to implement the provisions of MCO 218-10.

December 20, 2017 Commissioner Preston Cole adopts Deconstruction Administrative Rules.

## 2018

DNS advertises first Request for Proposals under newly adopted ordinance on January 8, 2018. Public information meeting held. Presenters from DNS, WDNR, City of Milwaukee Health Department, Office of Small Business Development, and Workforce Development. Approximately 60 attendees representing 6 demolition companies, 4 environmental companies, 3 active deconstruction companies and 3 community groups. 3 contractors respond to the request for proposals - KPH, Inc., Recyclean, Inc., and Spencer Renovations, Inc. A contract was awarded to Spencer Renovations for 8 parcels at a price of \$209,935.00 – an average of \$26,241.00 per parcel.

Spencer was the only SBE certified responder to the Request for Proposals. Difference in cost to the next lowest responder averaged was \$11,320.00 per parcel.

In October of 2018, the contract was formally pulled from Spencer Renovations with no work completed for Spencer's failure to return an executed contract with proper bonding and insurance.

**7 private deconstructions** were performed in 2018 under the requirements of the new ordinance. 3 were performed by Recyclean, Inc. at a reported average cost of \$47,500.00. Verified salvage from the 3 projects was over 90%.

4 private deconstructions were performed by Spencer Renovations at a reported average cost of \$29,000.00. Verifiable salvage from the parcels was minimal.

**2019**

In January of 2019, DNS re-advertised a request for proposals to deconstruct city-owned residential properties using 1.2 million dollars allocated specifically for deconstruction by common council resolution. The selection process for a contractor ran into April of 2019.

Of the 4 proposers, only one met the compliance requirements for 25% Small Business Enterprise participation – Spencer Renovation & Construction, an SBE certified firm. Spencer's proposal was to deconstruct approximately 50 properties for a fixed price of \$24,500.00 per parcel. He would achieve his Residents Preference Program goals through employing person's through the Out of School Youth Program. This was coordinated through DNS' Outreach and Training Program.

Contract documents were given to Spencer Renovation in June of 2019 but were not fully executed and returned to DNS until September of 2019 due to Spencer Renovation having difficulty securing the required bonding and insurance.

Spencer began to deconstruct parcels in late September and completed 2 before ceasing work. Complaints from workers about not being paid and requests from equipment rental businesses and suppliers for access to performance and payment bond to resolve non-payment were received shortly after. Verifiable salvage from those buildings was minimal.

Working with the City Attorney, DNS recovered \$62,743.50 from Spencer Renovation's performance and payment bond for \$60,000 in pre-paid funds and \$2,743.50 in damages to City of Milwaukee property.

**2020**

In May of 2020 DNS again advertised a request for proposals to deconstruct City-owned residential properties using the balance of the 1.2 million dollars allocated specifically for deconstruction by common council resolution. The selection process for a contractor was only delayed about 20 days total due to covid-19 and ran into July of 2020.

Of the 4 proposers, only one met the compliance requirements for 25% Small Business Enterprise participation – White Glove Group, Inc, an SBE certified firm. White Glove Group's proposal was to deconstruct 10 properties with prices varying from \$18,000 to \$39,000.00 per parcel (average of \$23,300 per parcel). Residents Preference Program goals were proposed to be met by hiring individuals directly through local agencies with qualifying programs.

Contract documents were given to White Glove Group in July of 2020 but were not fully executed and returned to DNS until October of 2020 due to White Glove Group having slow results in securing the required bonding and insurance.

White Glove Group completed their contracted work in early 2022.

**2021**

Another attempt to contract for deconstruction services was made with the April 1, 2021 Request for Proposals.

4 contractors responded. Jake's Wrecking, White Glove Group, Inc, KPH Environmental and Recycleclean, Inc.

On review of the first portion of the RFP – business capacity, experience, capabilities - Recycleclean Inc was chosen. Recycleclean was asked to provide pricing for 5 parcels from a list of 40 currently abated and prepped for deconstruction. They were also asked to provide compliance documentation for achieving the 25% Small Business Enterprise goals and to explain how they plan to achieve the 40% Residents Preference Participation requirement.

Recycleclean returned a proposal without the required SBE paperwork and suggested that they will *try* to achieve some of the requirement *after* they proceed with a contract. They also requested to reduce the 40% RPP requirement to a possible 25%. Recycleclean also stated that they require to be paid a portion of the contracted price before work commences. Their price per parcel is \$44,000.00.

The second-ranked contractor, KPH was also asked to provide a cost proposal for deconstructing 5 of the remaining 35 prepped parcels. To date we have not received a proposal.

**2022**

DNS received 3 proposals from our February 18, 2022 Request for Proposals for Deconstruction to Remove Blighted Properties – KPH Environmental, Anderson Landscape & Maintenance and White Glove Group.

Anderson Landscape & Maintenance proposed to soft-strip select materials and then mechanically raze the structure and send the debris to a waste diversion facility. They expect a salvage and reuse rate of 5 to 10% maximum. The proposal did not indicate that general lumber and structural framing materials would be a priority to salvage.

KPH was determined to be the highest ranking proposer and was asked to provide a cost proposal for deconstructing 5 of the remaining deconstruction-prepped parcels. To date we have not received a proposal.

**2023**

No activity.

**Summary of costs per year:**

Year	number of parcels	total cost	average cost per unit
2010	2	99,360.00	49,680.00
2013	training consultant	53,000.00	
2013	4	108,742.00	27,185.50
2013-2017	8	117,912.00	22,239.00
2015	10	196,566.00	19,656.60
2016	5	119,294.00	23,858.80
2017	0		
2018	0		
2019	2	49,000.00	24,500.00
2020	8	188,000.00	23,500.00
2021	0		
2022	0		
2023	0		
<b>totals</b>	<b>39</b>	<b>931,874.00</b>	