

Summary of Proposed Substitute

Community and Economic Development Committee

Tuesday, June 7, 2016



Prepared by: Legislative Reference Bureau

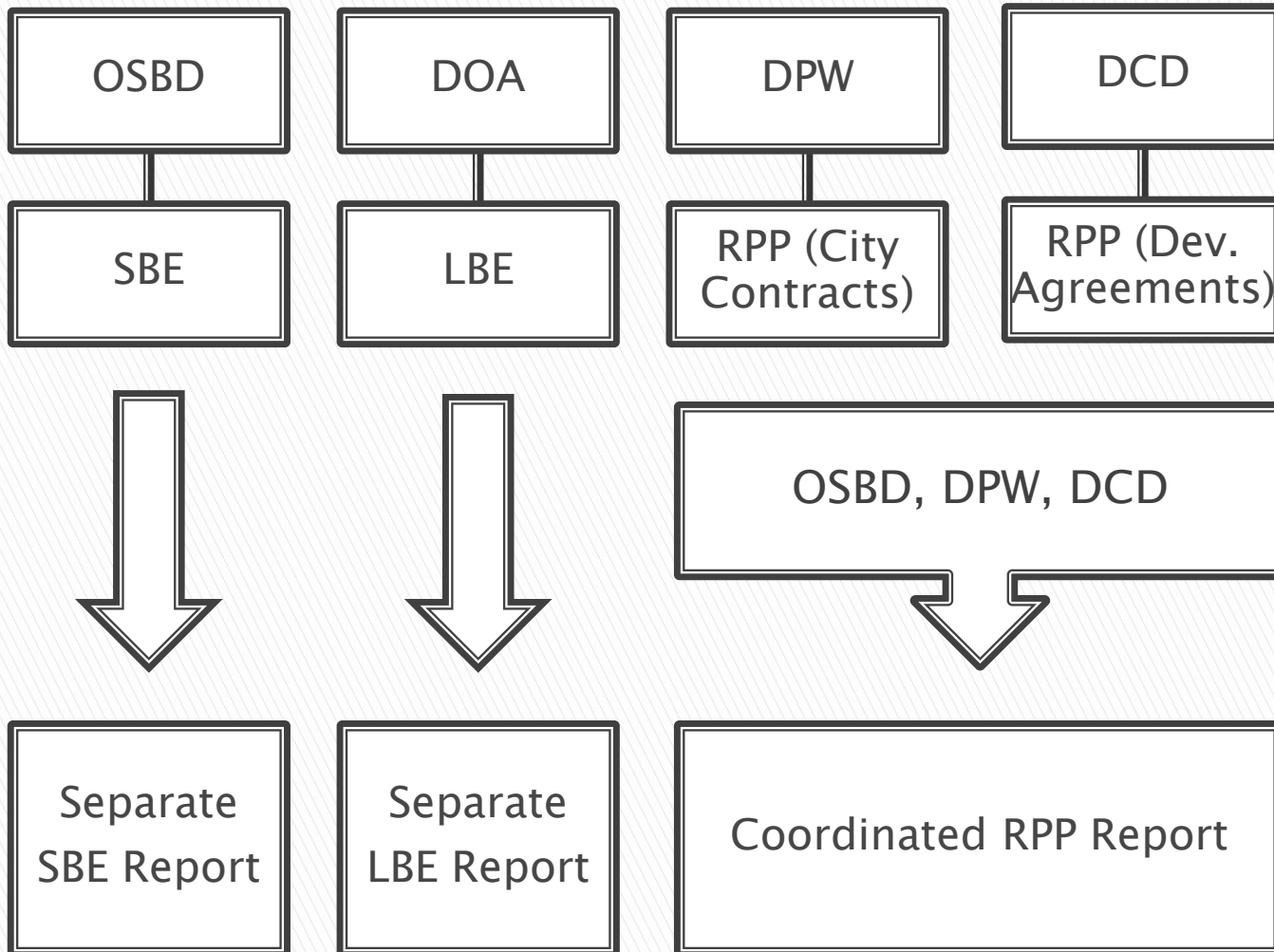
Proposed Substitute



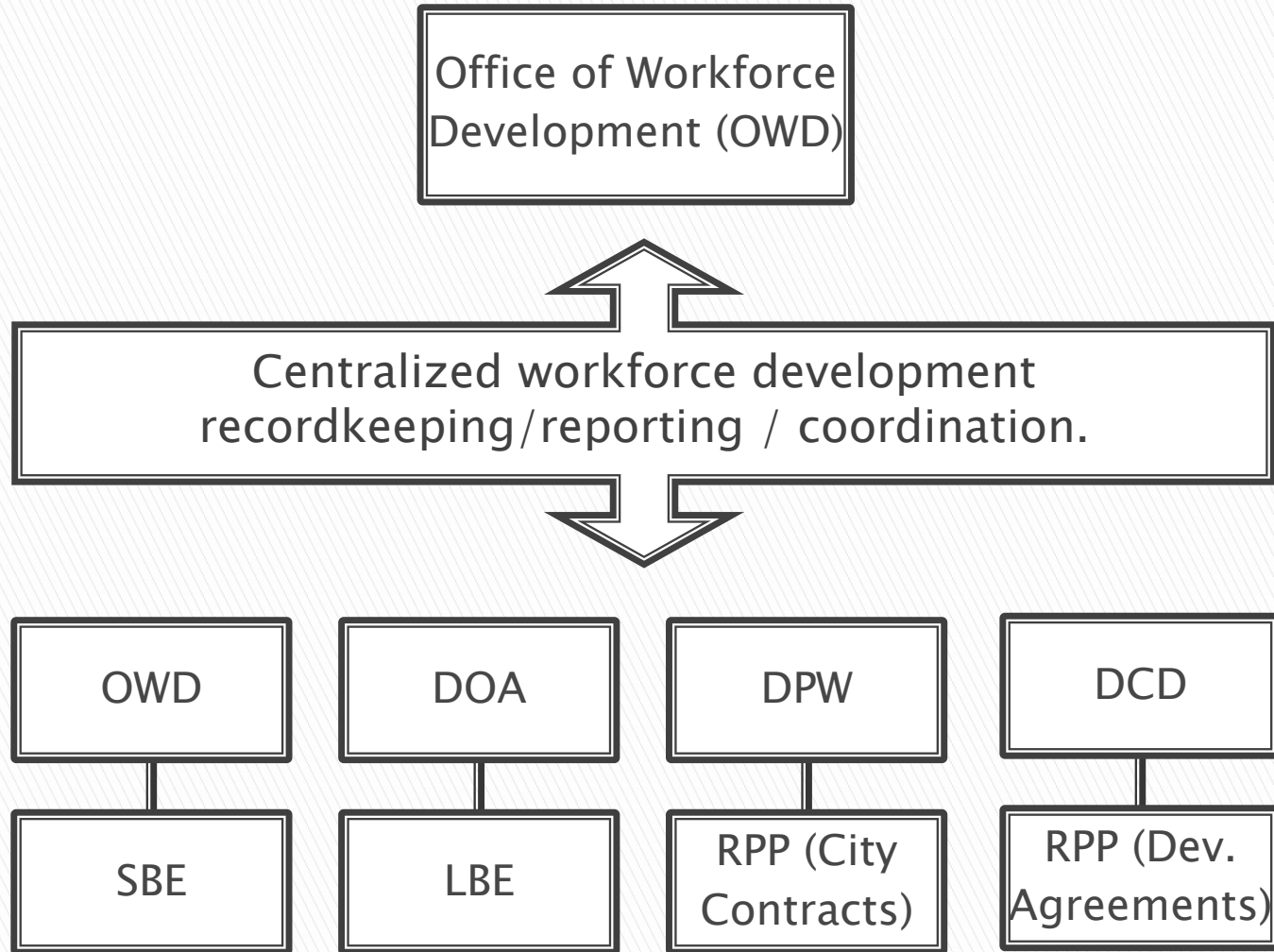
- ▶ Includes all changes relating to the WORC's recommendation.
- ▶ Organizes the RPP, SBE, LBE and other workforce development programs into one chapter.
- ▶ Consolidates certain administrative functions.
- ▶ Effective date of January 1, 2017.

Program	CURRENT				PROPOSED SUBSTITUTE
	Residents Preference (DPW) s. 309-41	Residents Preference (Private) s. 355-7	Small Business Enterprise Ch. 370	Local Business Enterprise Ch. 365	Workforce Development Programs (RPP, SBE, LBE, etc.) Ch. 370
Effective	July 1991	August 2009	January 2012	August 2009	N/A
Last Major Revision	March 2009	October 2011	May 2014	October 2011	N/A
Pertains to:	City/State/Federally-funded DPW construction contracts.	Projects receiving over \$1m in combined direct City financial assistance.	Utilization of small businesses on City contracts.	Awarding of City contracts to LBEs.	Unchanged, except: 1. 5-year RPP qualification period removed. 2. Amount of time required to be unemployed shortened to 15 days. 3. Definition of LBE expanded to include businesses operating in MKE.
Program Requirements or Standards	40% of the worker hours performed by unemployed or underemployed city residents.	40% of the worker hours performed by unemployed or underemployed city residents.	1. Construction: 25% of total contract value. 2. Goods/services: 25%. 3. Professional services: 18%.	5% (\$25,000) preference given to local business enterprises.	Unchanged, except: 1. RPP percentages to require workers from impoverished areas. 2. Certain % of apprentices required to be RPP certified. 3. Dual SBEs/LBEs given 10% (\$30,000) preference on bids.
Exceptions	Up to 1/3 of required worker hours may be achieved via workers on other projects.	Up to 1/3 of required worker hours may be achieved via workers on other projects.	N/A	N/A	1. Contractors/developers unable to meet RPP requirements may hire residents to work on concurrent projects in certain other counties. 2. Extra hours awarded (x1.5) for each hour exceeding the above apprenticeship/impoverished area requirements.
General Administration	DPW	DCD, OSBD (DOA)	OSBD (DOA)	Purchasing Director (DOA)	Office of Workforce Development (respective departments retain existing, program-specific responsibilities).
Reporting Entity	DPW	DCD, OSBD (separate reports)	OSBD (DOA)	Purchasing Director (DOA)	Office of Workforce Development.
Reporting Frequency	Annual	Annual	Unspecified	Annual	Annual (October 1).
Report Contents	Various. See s. 309-41-5-a to i. (demographics not required).	Various. See s. 355-7-3-a to g (similar to DPW's RPP reporting).	Review SBE participation and submit report to mayor & Common Council.	None specified.	Unchanged, except standardized reports also to include information on worker hours by zip code, race, gender, trade and hourly wage.
Audit	Independent annual audit every 3 years (Comptroller/accounting firm).	Independent annual audit every 3 years (Comptroller/accounting firm).	None required.	None required.	Independent audit every 3 years by Comptroller or accounting firm (ALL workforce development programs).
Review of Goals / Program Continuance	Annual (Oct. 1). DPW to prepare resolution regarding reappraisal/continuance of program.	Annual reappraisal (Oct 1), per s. 309-41-4.	OSBD (DOA) to annually review & adjust SBE percentage goal, with Common Council approval.	Common Council determines applicable % of bid award standards for LBEs every 2 years. Ordinance sunsets August 8, 2016.	None (programs become "permanent"). Creation of RPP Review Commission.
Contractor / Contracting Agency Reporting	Quarterly to DPW or within 10 days of work completion.	Quarterly to OSBD (DOA) or within 10 days of work completion.	Quarterly to OSBD (DOA) (see s. 370-5-c, different than LBE requirements).	Quarterly to DOA (see s. 365-7-2, different than SBE requirements).	Monthly to Office of Workforce Development
Sanctions	1. Withholding of payments. 2. Termination, suspension or cancellation of contract. 3. Denial of right to participate in future City contracts for 2 years.	1. Requirement that remedial efforts be undertaken. 2. Remedies available under any SBE, first-source or development agreement.	1. Withholding of payment. 2. Termination, suspension or cancellation of the contract. 3. Denial of right to participate in future City contracts for 1 year (1st violation) & 3 years (subsequent).	1. Withholding of payments. 2. Termination, suspension or cancellation of contract. 3. Denial of right to participate in future City contracts.	Standardized.
Penalty	\$1,000 to \$5,000	\$2,000 to \$5,000	\$2,000 to \$5,000	\$2,000 to \$5,000	\$2,000 to \$5,000
Enforcing Entity	DPW	DOA	OSBD (DOA)	Contracting agency or Purchasing Director (DOA)	Office of Workforce Development

Substitute 1



Proposed Substitute



s. 370-3-0

Current Requirement

- ▶ Office of Small Business Development (OSBD) to administer, coordinate and implement the SBE program.

Proposed Change

- ▶ OSBD name changed to Office of Workforce Development.
- ▶ “Review and reporting” added.
- ▶ “Implementation” removed.
- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).

s. 370-3-1

Current Requirement

- ▶ OSBD to establish criteria & procedures for review of contract performance & compliance of SBEs.

Proposed Change

- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).

s. 370-3-2

Current Requirement

- ▶ OSBD to develop rules, procedures and regulations for participation of SBEs in City contracts.

Proposed Change

- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).

s. 370-3-2 (continued)

Current Requirement

- ▶ OSBD to supervise, coordinate, monitor and enforce SBE goals.

Proposed Change

- ▶ “Review” added.
- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).

s. 370-3-3

Current Requirement

- ▶ OSBD to develop procedures for certification of SBEs.

Proposed Change

- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).

s. 370-3-4

Current Requirement

- ▶ OSBD to provide management assistance and direction to SBEs.

Proposed Change

- ▶ Expanded to include all workforce development programs (including RPP, SBE & LBE).
- ▶ Includes all paragraphs of this sub-section.

s. 370-3-5

Current Requirement

- ▶ OSBD to use a centralized labor compliance software reporting system.

Proposed Change

- ▶ Added contract compliance software.

s. 370-3-6

Current Requirement

- ▶ OSBD to review and monitor all SBE contracts for compliance.

Proposed Change

- ▶ Expanded to include LBEs.

s. 370-3-7

Current Requirement

- ▶ OSBD to serve as a liaison with economic development organizations.

Proposed Change

- ▶ Unchanged.

s. 370-3-8

Current Requirement

- ▶ OSBD to coordinate City-sponsored economic development programs for SBEs.

Proposed Change

- ▶ Expanded to include RPP and LBE programs.

s. 370-3-9

Current Requirement

- ▶ OSBD to review SBE participation and submit a report to the Mayor and Common Council.

Proposed Change

- ▶ Expanded to include all workforce development programs.

s. 370-3-10

Current Requirement

- ▶ OSBD to establish reporting requirements for contracting departments relative to the SBE program.

Proposed Change

- ▶ Expanded to include all workforce development programs.

s. 370-3-11

Current Requirement

- ▶ OSBD to develop rules, regulations and procedures for SBE waivers.

Proposed Change

- ▶ Expanded to include all workforce development programs.

s. 370-3-12

Current Requirement

- ▶ OSBD to conduct hearing for waivers from the SBE program.

Proposed Change

- ▶ Expanded to include all workforce development programs.

s. 370-3-13

Current Requirement

- ▶ OSBD to develop and monitor affirmative action criteria for employment of minorities and women.

Proposed Change

- ▶ Unchanged.