

CITY OF MILWAUKEE FISCAL NOTE

A) DATE 10/03/2012

FILE NUMBER: 101572

Substitute

SUBJECT: A substitute ordinance relating to the establishment of requirements for the purchase of American made goods.

B) SUBMITTED BY (Name/title/dept./ext.): Rhonda U. Kelsey, City Purchasing Director, DOA-Business Operations Division

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

| E) PURPOSE | SPECIFY TYPE/USE | ACCOUNT | EXPENDITURE | REVENUE | SAVINGS |
|-------------------|--|---------|-------------|---------|---------|
| SALARIES/WAGES: | | | | | |
| | | | | | |
| SUPPLIES: | | | | | |
| | | | | | |
| MATERIALS: | | | | | |
| | | | | | |
| NEW EQUIPMENT: | | | | | |
| | | | | | |
| EQUIPMENT REPAIR: | | | | | |
| | | | | | |
| OTHER: | Potential increased purchase amount based on the 12% American made good bid preference | | | | |
| | | | | | |
| | | | | | |
| TOTALS | See next page | | | | |

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

| | |
|---|------------------------------------|
| <input checked="" type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS |
| <input type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS |
| <input type="checkbox"/> 1-3 YEARS | <input type="checkbox"/> 3-5 YEARS |

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

Based on the average dollar value of commodity contracts that were awarded in 2009-2011 at a dollar value of \$30K or more, the total estimated cost of the proposed ordinance could fall in one of the following ranges, depending on the number of bidders (ultimately contract awardees) that would seek to take advantage and qualify for the 12% bid preference:

| % of Contracts Awarded with 12% Bid Preference | Estimated Cost of Proposed Ordinance |
|---|---|
| 0% | \$0 |
| 10% | \$133,339.39 |
| 20% | \$266,678.79 |
| 30% | \$400,018.18 |
| 50% | \$666,696.97 |
| 100% | \$1,333,393.93 |

The computations above are based on a very rough estimate. It is estimated that approximately 56 contracts would be affected annually. The total annual dollar value of these contracts is approximately \$11 million. Given the fact that at present there is no mechanism or system in place to verify whether or not various goods meet the definition of "Milwaukee Made" or "American Made" good as defined in the proposed ordinance, this again is a very rough estimate of what could be the fiscal impact.