



Department of Public Works

Jeffrey J. Mantes
Commissioner of Public Works

James P. Purko
Director of Operations

January 5, 2005

To the Honorable, the Common Council

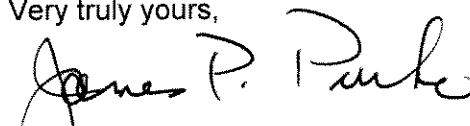
Dear Honorable Members:

Section 309-41 of the Milwaukee Code of Ordinances established the Residents Preference Program for contract work on City infrastructure. Furthermore, subsection 309-41(4) provides for an annual review of the program. Enclosed are ten (10) copies of the annual report for 2003. This report summarizes the Department of Public Works' performance administering the Residents Preference Program. The report also compares Resident Preference results in 2003 with previous years' performance.

A preliminary report for 2003 was submitted to the Common Council in September of 2004. However, that report contained information on only the thirty-four 2003 contracts that had been closed out at that time. An additional forty-one 2003 contracts have now been completed. Therefore, the attached report presents a much fuller picture of 2003's Resident Preference Participation results.

Please introduce this communication at the Common Council's meeting of January 11th. If you have any questions, feel free to contact Tom Miller at ext. 3304.

Very truly yours,


Jeffrey J. Mantes
Commissioner of Public Works

JJM:THM:ph

Enclosures

c: Ald. Willie Hines, Common Council President (w/ encl.)
Ald. Joe Davis, Chair, Community & Economic Development Committee (w/ encl.)

DEPARTMENT OF PUBLIC WORKS

ANNUAL REPORT

for the

CITY OF MILWAUKEE

RESIDENT'S PREFERENCE PROGRAM

January 2005

SUMMARY STATEMENT

Section 309-41 of the Milwaukee Code of Ordinances requires that the Department of Public Works (DPW) submit an annual report to the Common Council summarizing the results of the previous year's Resident Preference Program activities.

The Resident Preference Program began in 1991. It mandates that a set percentage of all labor hours worked on Department of Public Works' formal public improvement contracts be performed by residents of a designated area of the city. The designated target district corresponds to the City's Community Development Block Grant Area. Since 1991, steady progress has been made employing target area residents on Public Works projects. From a modest start of 14.6% of the total hours worked on DPW contracts during the last quarter of 1991, target resident participation has grown to 28.0% for those 2003 DPW contracts fully closed out to date. As these percentages show, target resident participation in DPW contracts has almost doubled since the start of the program.

The following pages contain summary data covering the life of the Residents Preference Program. As this information illustrates, the Department of Public Works has, in the aggregate, always exceeded the percentage required by the Residents Preference Program. The required minimum percentage has been increased twice since the beginning of the program, starting at 14% in 1991 and rising to the current 25% in 1997.

The following pages also contain historical information regarding the certification of resident workers. The data shows that new people are regularly being added to the list of eligible participants. This demonstrates that the program is not static but rather achieves one of its primary objectives, that being the constant turnover of participants.

DPW has always partnered with community agencies to assist contractors in finding qualified resident workers. Initially the Central City Workers' Center performed this service. When it disbanded, Esperanza Unida stepped in. In 2003, the Milwaukee Urban League joined Esperanza Unida in providing resident certification services for the community. Late in 2004, Big Step Inc. also began providing resident certification services.

2003 RESIDENT PREFERENCE PROGRAM SUMMARY DATA

Department of Public Works Contracts

2003 Formal Construction Contracts	144
2003 Contracts Closed as of 12/31/04	75
Overall Resident Participation in Closed Contracts	28.0%
2003 Contracts with <25% Resident Requirement	12
2003 Closed Contracts with Actual Performance <25%	27
2003 Closed Contracts with Actual Performance >30%	21
Total Amount of 2003 Formal Construction Contracts	\$ 100,181,000
Total Amount with <25% Resident Requirement	\$ 5,010,182
% Contract Dollars with <25% Resident Requirement	5.0%

Resident Participation Summary

<u>Year</u>	<u>Required %</u>	<u>Actual %</u>	<u>Total Contracts</u>	<u>Contracts Closed</u>
1991	14%	14.6%	26	26
1992	14%	18.5%	210	210
1993	21%	21.3%	179	179
1994	21%	22.3%	197	197
1995	21%	25.4%	190	190
1996	21%	22.8%	190	190
1997	25%	26.2%	186	186
1998	25%	27.5%	187	187
1999	25%	27.6%	147	147
2000	25%	30.4%	127	127
2001	25%	26.1%	119	103
2002	25%	29.8%	136	98
2003	25%	28.0%	144	75

Certification of Resident Workers

Total Resident Workers Certified through 12/31/04	2,034
Total Resident Workers Eligible as of 12/31/04	1,827

New Resident Workers Certified by Year

<u>Year</u>	<u>New Certified Workers</u>
1997	161

New Resident Workers Certified by Year (continued)

1998	205
1999	161
2000	136
2001	107
2002	112
2003	205
2004	202

The 205 residents certified to participate in the Resident Preference program in 2003 matches the high number for the program previously achieved in 1998. The second highest annual enrollment total occurred this year. The reasons for the recent surge in enrollment are probably twofold. First, in 2003 the Milwaukee Urban League began certifying people to participate in the program while toward the end of 2004 Big Step also started doing certifications. Thus there are now both near north side and near south side certifying agencies. Second, the difficult economy over the last few years probably means there are more people than ever in need of employment. While becoming certified to participate in the Resident Preference Program does not guarantee anyone a job, it at least opens up some potential opportunities.

CONTRACTS REQUIRING LESS THAN 25% RESIDENT PARTICIPATION

In 2003 there were 144 formal construction contracts entered into by the Department of Public Works. Twelve of these formal contracts had resident participation requirements of less than 25%. In each case, the decision to reduce the normal resident participation requirement was either imposed upon the Department or was made after discussions with the Department's contracting division concerning the type and exact method of construction involved in the project. Whenever the resident participation requirement was set below 25%, it was done so for one or more of the following reasons.

1. The work involved was highly specialized requiring skills and experience not represented on the list of eligible workers and not likely to be found in the population of such potential workers. An example of this situation was the contract for upgrading the elevators in the 809 building. Experienced and licensed elevator mechanics were required.
2. The contract was primarily for the purchase of equipment or for a highly mechanized service. In either of these situations, the contract would result in relatively few, if any, labor hours. For instance, the Department awarded a contract to Sterling Mechanical for installation of a new spray paint booth in DPW's Central Garage. The spray paint equipment constituted a significant portion of this contract.
3. No local contractors performed the type of work required meaning that the contractor selected to perform the work would not be from this area. An example is the Department's annual contract for seal coating various city streets. A new method of seal coating has been used in recent years which is only performed by contractors located outside the Milwaukee area. Unique equipment and specially trained personnel are required to undertake the seal coat operation. There is no potential for local, newly hired employees to work on this contract.
4. 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 economic development requirements that exceed the standards and requirements of the grantor. For example, the City received a State grant to construct a bicycle / pedestrian bridge suspended under the Holton Street viaduct. The State does not have a resident participation program and would not let the Department impose its program while utilizing grant funds. This category represents the largest dollar value of exceptions to the Department's normal resident participation standards. In 2003, projects with a total contract value of \$ 3,428,314 were not subject to the resident participation program because they were grant funded. This represents 68% of the overall value of those contracts for which the normal requirements were not imposed. If the Department had not been restricted by grant regulations, less than 2% of the contract dollars awarded in 2003 would have been exempt from the 25% resident participation requirement.

JOB CLASSIFICATIONS OF RESIDENT WORKERS – 2003

For the seventy-five 2003 contracts that were closed out as of 12/31/04, the following jobs were filled by participants in the Residents Preference Program¹.

<u>Job Classifications</u>	<u>Number of Contract Jobs</u>
Asbestos Abatement Worker	4
Bituminous Lute Man	42
Bituminous Utility Man	54
Bottom Man	44
Cement Finisher	7
Electrician	1
Fence Builder	1
Finisher	1
Flager	1
Foreman	3
Laborer	118
Landscaper	21
Loader Operator	1
Manhole Builder	3
Mason	19
Miner	4
Operating Engineer	51
Painter	2

¹ In 2003 there were a total of 144 contracts let by the Department of Public Works. The numbers necessarily do not include jobs associated with the 69 contracts still open as of 12/31/04.

Pipelayer	1
Raker	8
Roofer	1
Sheet metal workier	2
Steamfitter	4
Top Man	174
Truck Driver	105

Total: 25 Classifications 672 Contract Jobs

UNEMPLOYMENT DATA

2004 Rates

	<u>April 2004</u>	<u>July 2004</u>	<u>November 2004</u>
United States	5.4%	5.5%	5.2%
State of Wisconsin	5.1%	4.7%	4.2%
Metro Milwaukee Area	5.6%	5.0%	4.6%
City of Milwaukee	9.0%	8.7%	7.9%
CDBG Area ¹	20.8%	20.1%	18.3%

¹ Block Grant Area unemployment numbers are estimates based upon the relationship between Citywide and CDBG Area rates in 2000. The 2000 census was the last time the actual unemployment rate for the Block Grant Area was measured.

SUMMARY OF TARGET AREA HOURS WORKED ON RESIDENCE PREFERENCE PROGRAM CONTRACTS FOR LPW - 2003

CONTRACTOR	CONTR. NO.	TARGET AREA RES. HOURS	% OF TARGET RES. HOURS	TOTAL MILW. RES. HOURS	% OF MILW. RES. HOURS	TOTAL NON-RES. HOURS	% OF NON-RES. HOURS	GRAND TOTAL HOURS	TOTAL CONTRACT AMOUNT	TARGET AREA DOLLARS PAID
M.J. CONSTRUCTION	C030001	408.75	24.5%	583.00	35.0%	1,083.25	65.0%	1,666.25	\$252,645	\$12,626
M.J. CONSTRUCTION	C030002	245.50	24.7%	358.25	36.1%	634.00	63.9%	992.25	\$140,267	\$8,215
M.J. CONSTRUCTION	C030003	450.00	24.7%	569.50	31.3%	1,251.25	68.7%	1,820.75	\$218,983	\$14,089
M.J. CONSTRUCTION	C030004	514.75	25.9%	685.50	34.5%	1,302.75	65.5%	1,988.25	\$192,082	\$16,629
PAYNE & DOLAN	C030006	650.75	47.2%	1,379.25	100.0%	0.00	0.0%	1,379.25	\$110,358	\$21,636
PAYNE & DOLAN	C030007	149.00	16.5%	399.75	44.4%	501.25	55.6%	901.00	\$135,750	\$5,268
BLACK DIAMOND	C030008	181.50	17.2%	244.25	23.1%	812.00	76.8%	1,057.25	\$138,565	\$6,852
M.J. CONSTRUCTION	C030012	131.50	22.3%	200.50	34.0%	389.25	66.0%	589.75	\$65,730	\$4,408
M.J. CONSTRUCTION	C030013	196.00	24.9%	206.00	26.1%	582.50	73.9%	788.50	\$95,854	\$5,957
AMERICAN SEWER	C030016	798.75	38.5%	1,160.25	55.9%	917.00	44.1%	2,077.25	\$252,799	\$31,296
AMERICAN SEWER	C030017	303.00	26.4%	524.50	45.8%	621.50	54.2%	1,146.00	\$158,577	\$10,569
AMERICAN SEWER	C030018	1,021.00	35.9%	1,273.50	44.8%	1,571.75	55.2%	2,845.25	\$409,766	\$32,157
AMERICAN SEWER	C030019	1,246.25	44.9%	1,591.75	57.4%	1,182.25	42.6%	2,774.00	\$386,115	\$42,862
MICHEL'S PIPELINE	C030020	4,579.25	31.1%	4,809.75	32.7%	9,921.50	67.4%	14,727.25	\$1,958,175	\$158,587
UNDERGROUND PIPELINE	C030021	435.75	24.3%	562.75	31.4%	1,230.50	68.6%	1,793.25	\$208,911	\$13,481
SERVICE PAINTING CORP.	C030022	716.00	23.6%	1,150.50	38.0%	1,877.50	62.0%	3,028.00	\$180,002	\$24,291
PAYNE & DOLAN	C030023	566.75	29.3%	923.00	47.7%	1,010.75	52.3%	1,933.75	\$163,254	\$17,882
PAYNE & DOLAN	C030024	344.00	22.6%	389.75	25.6%	832.75	54.7%	1,522.50	\$149,490	\$11,478
UNITED SEWER & WATER	C030025	410.00	22.5%	598.50	32.8%	1,225.50	67.2%	1,823.75	\$343,717	\$12,786
NORTHERN FENCE	C030026	167.50	34.5%	219.50	45.2%	266.00	54.8%	485.50	\$33,850	\$5,413
M.J. CONSTRUCTION	C030028	180.50	25.2%	236.50	33.0%	479.50	67.0%	715.75	\$93,725	\$4,964
LALONDE CONTRACTORS	C030029	1,056.25	34.1%	1,937.00	62.6%	1,156.25	37.4%	3,093.25	\$266,692	\$37,601
LALONDE CONTRACTORS	C030030	632.25	36.4%	873.25	50.2%	865.75	49.8%	1,739.00	\$157,721	\$19,688
UNITED SEWER & WATER	C030032	144.75	19.9%	212.50	29.2%	516.25	70.8%	728.75	\$134,304	\$4,621
AMERICAN SEWER	C030033	778.50	46.4%	889.75	53.0%	788.50	47.0%	1,678.25	\$271,035	\$28,485
AMERICAN SEWER	C030034	1,274.25	38.2%	1,551.50	46.5%	1,788.25	53.5%	3,339.75	\$607,829	\$44,049

SUMMARY OF TARGET AREA HOURS WORKED ON RESIDENCE PREFERENCE PROGRAM CONTRACTS FOR I PW - 2003

CONTRACTOR	CONTR. NO.	TARGET AREA RES. HOURS	% OF TARGET RES. HOURS	TOTAL MILW. RES. HOURS	% OF MILW. RES. HOURS	TOTAL NON-RES. HOURS	% OF NON-RES. HOURS	GRAND TOTAL HOURS	TOTAL CONTRACT AMOUNT	TARGET AREA DOLLARS PAID
MILWAUKEE GENERAL	C030036	773.50	29.5%	1,389.50	53.0%	1,229.75	47.0%	2,619.25	\$180,937	\$22,844
UNDERGROUND PIPELINE	C030037	211.50	26.8%	238.00	30.2%	551.25	69.8%	789.25	\$96,685	\$6,451
UNDERGROUND PIPELINE	C030040	520.75	28.1%	552.00	29.8%	1,301.25	70.2%	1,853.25	\$199,684	\$18,055
JF AHERN COMPANY	C030043	219.00	16.2%	365.00	26.9%	989.50	73.1%	1,354.50	\$178,850	\$7,426
M.J. CONSTRUCTION	C030045	767.25	25.9%	1,058.00	35.7%	1,903.25	64.3%	2,961.25	\$448,315	\$24,790
M.J. CONSTRUCTION	C030046	461.75	24.9%	822.75	44.4%	1,030.00	55.6%	1,852.75	\$285,009	\$14,324
AMERICAN SEWER	C030047	1,236.50	43.4%	1,445.25	50.7%	1,403.50	49.3%	2,848.75	\$465,700	\$41,499
SUPER EXCAVATORS	C030048	359.00	38.0%	359.00	38.0%	586.75	62.0%	945.75	\$154,389	\$11,393
AMERICAN SEWER	C030049	1,266.25	35.8%	2,172.50	61.4%	1,365.50	38.6%	3,538.00	\$597,032	\$43,753
CW PURPERO	C030050	575.00	22.7%	1,420.75	56.0%	1,116.25	44.0%	2,537.00	\$332,152	\$11,220
UNITED SEWER & WATER	C030051	536.75	23.5%	786.50	34.5%	1,494.50	65.5%	2,281.00	\$393,560	\$17,511
GIBRALTAR CONSTRUCTION	C030052	290.50	20.2%	853.50	59.5%	581.75	40.5%	1,435.25	\$59,690	\$8,737
AMERICAN SEWER	C030054	1,392.25	36.4%	1,890.75	49.4%	1,936.50	50.6%	3,827.25	\$604,262	\$46,939
RAWSON CONTRACTORS	C030055	531.50	16.7%	1,125.75	35.3%	2,065.00	64.7%	3,190.75	\$386,774	\$18,470
UNITED SEWER & WATER	C030056	599.75	20.6%	740.50	25.4%	2,173.25	74.6%	2,913.75	\$516,078	\$19,385
WENNINGER COMPANY	C030060	185.50	2.6%	1,836.50	26.2%	5,167.25	73.8%	7,003.75	\$328,000	\$8,765
HMB CONTRACTORS	C030061	80.50	9.8%	176.00	21.5%	643.75	78.5%	819.75	\$112,000	\$2,331
M.J. CONSTRUCTION	C030063	469.25	24.8%	736.50	38.9%	1,154.75	61.1%	1,891.25	\$329,817	\$15,102
MICHEL'S PIPELINE	C030064	146.00	24.4%	241.00	40.3%	357.50	59.7%	598.50	\$113,095	\$5,018
AMERICAN SEWER	C030065	2,799.25	35.3%	3,760.50	47.5%	4,162.25	52.5%	7,922.75	\$1,048,908	\$97,472
AMERICAN SEWER	C030066	1,771.25	37.2%	2,183.25	45.9%	2,577.00	54.1%	4,760.25	\$866,691	\$60,594
J. KASIAN & SONS	C030070	191.75	22.9%	301.25	36.0%	535.25	64.0%	836.50	\$82,830	\$2,530
M.J. CONSTRUCTION	C030071	267.50	25.5%	399.50	38.0%	651.00	62.0%	1,050.50	\$154,516	\$8,818
M.J. CONSTRUCTION	C030075	227.50	29.8%	353.00	46.3%	409.50	53.7%	762.50	\$97,323	\$7,351
M.J. CONSTRUCTION	C030076	631.50	26.0%	900.25	37.0%	1,531.75	63.0%	2,432.00	\$335,914	\$18,624
INSITUFORM TECHNOLOGIES	C030079	219.00	20.9%	220.00	21.0%	825.50	79.0%	1,045.50	\$283,571	\$8,054

SUMMARY OF TARGET AREA HOURS WORKED ON RESIDENCE PREFERENCE PROGRAM CONTRACTS FOR LPW - 2003

CONTRACTOR	CONTR. NO.	TARGET AREA RES. HOURS	% OF TARGET RES. HOURS	TOTAL MILW. RES. HOURS	% OF MILW. RES. HOURS	TOTAL NON-RES. HOURS	% OF NON-RES. HOURS	GRAND TOTAL HOURS	TOTAL CONTRACT AMOUNT	TARGET AREA DOLLARS PAID
VISU SEWER CLEAN & SEAL	C030080	436.50	25.8%	666.50	39.3%	1,027.50	60.7%	1,694.00	\$227,131	\$13,475
MARED MECHANICAL	C030083	247.50	27.6%	330.50	36.9%	564.75	63.1%	895.25	\$52,900	\$6,666
STERLING DESIGN	C030084	4.50	0.5%	84.00	8.6%	890.75	91.4%	974.75	\$127,699	\$145
AUTO INDUSTRIAL COLOR	C030085	0.00	0.0%	7.00	1.4%	508.50	98.6%	515.50	\$83,848	\$0
MARED MECHANICAL	C030086	32.50	17.3%	100.50	53.5%	87.50	46.5%	188.00	\$26,143	\$1,002
AMERICAN SEWER	C030087	561.25	32.6%	688.50	40.0%	1,034.25	60.0%	1,722.75	\$496,611	\$28,359
MICHELS PIPELINE	C030092	480.75	29.0%	572.75	34.6%	1,083.50	65.4%	1,656.25	\$269,875	\$15,753
AMERICAN SEWER	C030096	628.25	31.4%	888.25	44.4%	1,112.25	55.6%	2,000.50	\$316,181	\$23,234
JAMES CAPE & SONS	C030097	303.75	23.8%	460.50	36.0%	818.00	64.0%	1,278.50	\$167,630	\$8,344
M.J. CONSTRUCTION	C030099	1,593.50	26.0%	2,875.00	46.9%	3,253.25	53.1%	6,128.25	\$1,133,597	\$54,814
MILWAUKEE GENERAL	C030101	335.25	25.9%	593.75	45.9%	700.00	54.1%	1,293.75	\$169,025	\$10,401
VISU SEWER CLEAN & SEAL	C030103	118.50	14.9%	159.25	20.1%	634.75	79.9%	794.00	\$69,192	\$4,336
AMERICAN SEWER	C030104	172.75	26.7%	230.75	35.7%	416.50	64.3%	647.25	\$103,628	\$5,923
RAWSON CONTRACTORS	C030105	419.25	21.8%	731.50	38.0%	1,194.00	62.0%	1,925.50	\$388,820	\$14,956
BALESTRIERI ENVIRONMENTAL	C030106	152.00	100.0%	152.00	100.0%	0.00	0.0%	152.00	\$15,270	\$4,738
UNITED SEWER & WATER	C030107	516.50	24.0%	829.50	38.6%	1,319.50	61.4%	2,149.00	\$360,376	\$16,305
M.J. CONSTRUCTION	C030109	685.00	26.9%	828.50	32.6%	1,716.50	67.4%	2,545.00	\$434,359	\$22,922
UNITED SEWER & WATER	C030110	191.00	28.8%	262.00	39.4%	402.25	60.6%	664.25	\$113,739	\$6,199
ARROW-CRETE CONSTRUCTION	C030111	325.00	26.6%	336.00	27.5%	886.50	72.5%	1,222.50	\$94,247	\$11,280
AMERICAN SEWER	C030112	952.75	31.5%	1,239.75	41.0%	1,784.25	59.0%	3,024.00	\$773,518	\$34,138
PIEPER ELECTRIC	C030116	34.00	13.4%	221.00	87.4%	32.00	12.6%	253.00	\$33,000	\$1,425
AMERICAN SEWER	C030127	439.50	38.3%	546.50	47.7%	600.00	52.3%	1,146.50	\$224,111	\$15,810
J.F. AHERN	C030138	49.50	21.9%	129.50	57.2%	96.75	42.8%	226.25	\$49,240	\$1,777

SUMMARY OF TARGET AREA HOURS WORKED ON RESIDENCE PREFERENCE PROGRAM CONTRACTS FOR CPW - 2003

CONTRACTOR	CONTR. NO.	TARGET AREA RES. HOURS	% OF TARGET RES. HOURS	TOTAL MILW. RES. HOURS	% OF MILW. RES. HOURS	TOTAL NON-RES. HOURS	% OF NON-RES. HOURS	GRAND TOTAL HOURS	TOTAL CONTRACT AMOUNT	TARGET AREA DOLLARS PAID
TOTAL		42,992	28.0%	62,791	40.8%	90,715	59.0%	153,802	21,508,117	1,445,348