

2020 Quarterly RPP Report

QUARTER 1

DEPARTMENT OF PUBLIC WORKS

January 1 – March 31, 2020

CITY OF MILWAUKEE



SUMMARY

The Department of Public Works (DPW) closed 35 formal contracts from January 1 – March 31, 2020. In the first quarter of 2020, 94.3%--or 33 of 35—closed contracts were compliant with Resident Preference Program (RPP) requirements.

Beginning in 2017, all contracts let with a RPP requirement also included a requirement that one quarter of all RPP hours be worked by residents of high-poverty zip codes as identified by the City Clerk's Office. The following zip codes are identified as high-poverty for this reporting period: 53204, 53205, 53206, 53208, 53210, 53212, 53215, 53218 and 53233. A new provision of this program allows each RPP hour from these zip codes in excess of the required amount to be counted as 1.5 hours. DPW closed 27 construction contracts in the first quarter that made use of the provision for high-poverty credit hours. In fact, all but one contract closed in this period that were let in 2017 or later included credit hours for exceeding the required number of RPP hours from those living in high-poverty zip codes. This demonstrates that the contracting community is hiring from Milwaukee's high-poverty neighborhoods.

One contract closed during this period was let without RPP requirements and two were let with reduced RPP requirements.

A detailed listing of all closed contracts from January – March 2020 begins on the following page.

Demographic information for these 35 contracts begins on page 4.

HIGHLIGHTS OF QUARTER 1 RPP COMPLIANCE

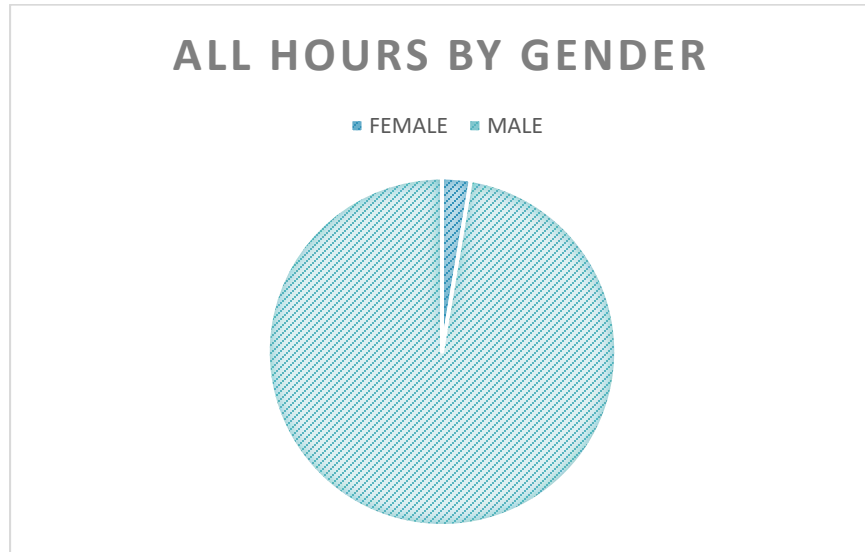
- 35 contracts closed
- 94.3% of contracts closed during this period were compliant with RPP requirements
- 1 contract let without RPP requirements and 2 let with reduced RPP requirements due to the specialized nature of the work
- Two contracts closed during this period were noncompliant with RPP requirements
 - o Michels Corporation was penalized \$3,000.00 for a 6% shortfall on a sewer mains project
 - o Marion Inc. was penalized \$2,290.50 for a 20% shortfall on the North Point Water Tower Exterior and Interior Restoration project

| Year | ON | Amount | Contract | Contractor | Closed | Description | Req RPP | Final RPP | Notes |
|------|-----|-----------------|------------|----------------------------------|-----------|---|---------|-----------|----------------------|
| 2017 | 70 | \$ 770,853.00 | C641170071 | MJ Construction Inc | 1/2/2020 | Water Main Relays | 40% | 43% | |
| 2018 | 4 | \$ 995,682.00 | C683180056 | MJ Construction Inc | 1/2/2020 | Sewer Construction | 40% | 42% | |
| 2018 | 131 | \$ 147,800.24 | C523190002 | Duet Resource Group, Inc. | 1/2/2020 | City Hall 3rd Floor Renovations, Furnishings and Specialties | 10% | 10% | |
| 2019 | 29 | \$ 114,318.00 | C545190020 | Trees R Us Inc | 1/2/2020 | Stump Grinding, Removal and Site Restoration Standards | 0% | 0% | |
| 2017 | 76 | \$ 1,046,350.00 | C641170065 | MJ Construction Inc | 1/6/2020 | Water Main Relays | 40% | 43% | |
| 2017 | 30 | \$ 1,183,772.00 | C641170006 | MJ Construction Inc | 1/7/2020 | Water Main Relays | 40% | 70% | |
| 2017 | 92 | \$ 1,201,309.00 | C641170087 | MJ Construction Inc | 1/14/2020 | Water Main Relays | 40% | 64% | |
| 2018 | 12 | \$ 635,876.41 | C523180020 | Payne & Dolan Inc | 1/14/2020 | Asphalt overlay | 40% | 40% | |
| 2016 | 52 | \$ 1,173,635.00 | C683160046 | MJ Construction Inc | 1/15/2020 | Sewer Work | 40% | 40% | |
| 2019 | 69 | \$ 414,225.97 | C523190067 | Snorek Construction Inc | 1/16/2020 | Replacing walk at various locations | 40% | 65% | |
| 2016 | 64 | \$ 244,216.00 | C523160088 | Payne & Dolan Inc | 2/3/2020 | Crackfilling at various locations in the City of Milwaukee | 40% | 94% | |
| 2018 | 13 | \$ 811,915.85 | C523180027 | Payne & Dolan Inc | 2/3/2020 | Asphalt overlay | 40% | 42% | |
| 2018 | 41 | \$ 840,607.00 | C523180068 | Hernandez Roofing LLC | 2/3/2020 | Lincoln Garage Re-roofing | 40% | 40% | |
| 2016 | 18 | \$ 2,835,656.00 | C683160012 | Michels Corporation | 2/10/2020 | SEWER WORK | 40% | 34% | penalized \$3,000.00 |
| 2016 | 86 | \$ 532,882.00 | C641160070 | American Sewer Services Inc | 2/11/2020 | Water Main Relays | 40% | 57% | |
| 2017 | 3 | \$ 481,394.10 | C523170081 | Milwaukee General Const Co Inc | 2/11/2020 | Concrete pavement construction, track zone removal, construct curb/gutter and walk as necessary. | 40% | 46% | |
| 2019 | 75 | \$ 916,000.00 | C641190057 | Hero Plumbing | 2/12/2020 | 100 Lead Service Line Replacements | 40% | 70% | |
| 2017 | 66 | \$ 629,259.00 | C641170052 | MJ Construction Inc | 2/13/2020 | Water Main Relays | 40% | 41% | |
| 2017 | 100 | \$ 322,384.85 | C523170102 | Milwaukee General Const Co Inc | 2/14/2020 | Asphalt pavement resurfacing, replace curb and gutter, walk and driveway approaches as necessary; construct curb pushouts | 40% | 64% | |
| 2018 | 2 | \$ 65,163.00 | C683180025 | UPI LLC | 2/17/2020 | New Storm Sewer Main Construction, Combined Sewer Main Relay, and Sanitary Manhole and Sewer Structures Inspection | 40% | 40% | |
| 2016 | 16 | \$ 265,000.00 | C523160034 | WM Sackerson Construction Co Inc | 2/18/2020 | 7th District Police Station RTU's Replacement | 40% | 40% | |
| 2019 | 59 | \$ 904,950.00 | C641190031 | MJ Construction Inc | 2/24/2020 | 100 Lead Service Line Replacements | 40% | 44% | |
| 2018 | 6 | \$ 470,826.00 | C683180081 | UPI LLC | 2/26/2020 | Sewer Construction | 40% | 53% | |
| 2018 | 52 | \$ 636,257.00 | C683180121 | MJ Construction Inc | 2/27/2020 | Sewer Construction | 40% | 40% | |
| 2018 | 51 | \$ 1,379,369.00 | C683180111 | MJ Construction Inc | 3/3/2020 | Sewer Construction | 40% | 47% | |
| 2017 | 93 | \$ 938,617.60 | C641170079 | American Sewer Services Inc | 3/5/2020 | Lead Service Line Replacements | 40% | 58% | |
| 2019 | 24 | \$ 130,456.00 | C683190006 | MJ Construction Inc | 3/5/2020 | 2019 Sanitary Bypass Pump & Sanitary Lift Station Inspection and Bypass Pump Wet Testing | 10% | 25% | |
| 2017 | 55 | \$ 525,103.40 | C683170078 | UPI LLC | 3/9/2020 | Sanitary and Combined Sewer Main Relay & Storm Sewer Main Lining & Manhole Repair and Lining | 40% | 62% | |
| 2016 | 14 | \$ 245,760.00 | C523160011 | Marion, Inc. | 3/10/2020 | North Point Water Tower Exterior and Interior Restoration | 40% | 20% | penalized \$2290.50 |

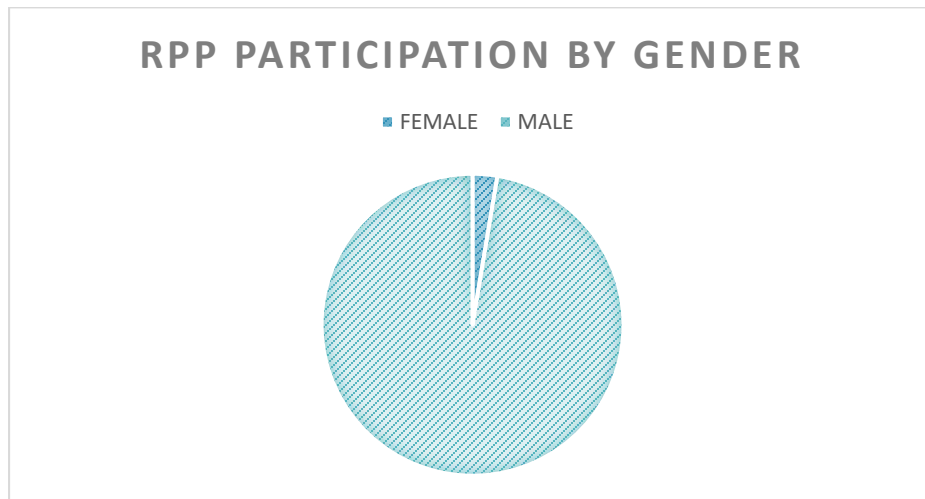
| Year | ON | Amount | Contract | Contractor | Closed | Description | Req RPP | Final RPP | Notes |
|------|----|-----------------|------------|-------------------------|-----------|---|---------|-----------|-------|
| 2018 | 4 | \$ 541,752.00 | C683180055 | MJ Construction Inc | 3/10/2020 | Sewer Construction | 40% | 45% | |
| 2019 | 22 | \$ 462,205.10 | C523190021 | Snorek Construction Inc | 3/10/2020 | Asphalt pavement resurfacing, replace curb and gutter and sidewalk as necessary | 40% | 59% | |
| 2018 | 5 | \$ 373,003.00 | C683180064 | Globe Contractors Inc | 3/11/2020 | Sewer Construction | 40% | 75% | |
| 2018 | 53 | \$ 928,902.00 | C683180129 | UPI LLC | 3/13/2020 | Sewer Construction | 40% | 58% | |
| 2019 | 33 | \$ 457,565.00 | C641190014 | Mid City Corporation | 3/13/2020 | 50 Lead Service Line Replacements - Child Care | 40% | 41% | |
| 2018 | 48 | \$ 1,777,963.20 | C641180053 | UPI LLC | 3/31/2020 | Water Main Relays and Lead Service Line Replacements | 40% | 44% | |

DEMOGRAPHIC DATA

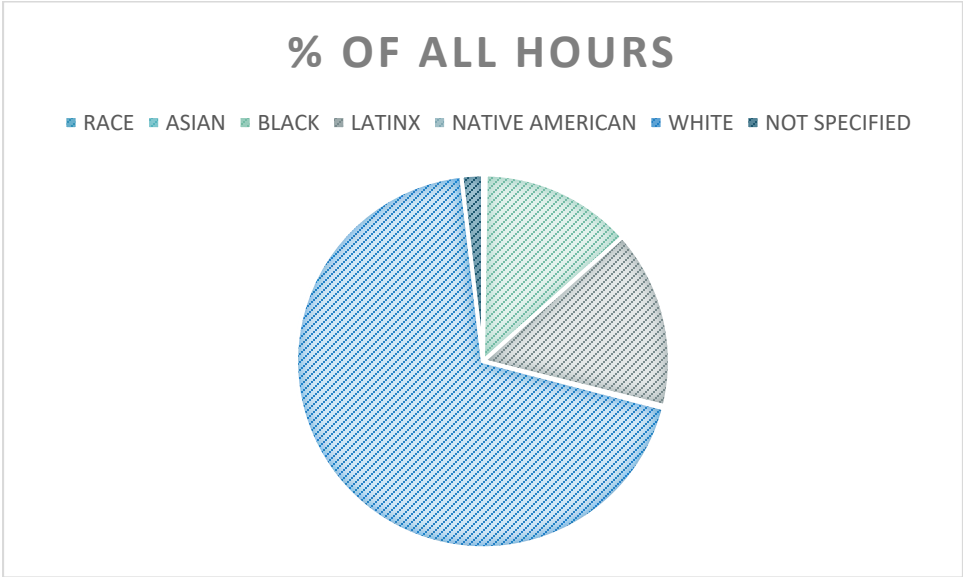
| PARTICIPATION BY GENDER | |
|-------------------------|----------------|
| | % of all hours |
| FEMALE | 2.7% |
| MALE | 97.3% |



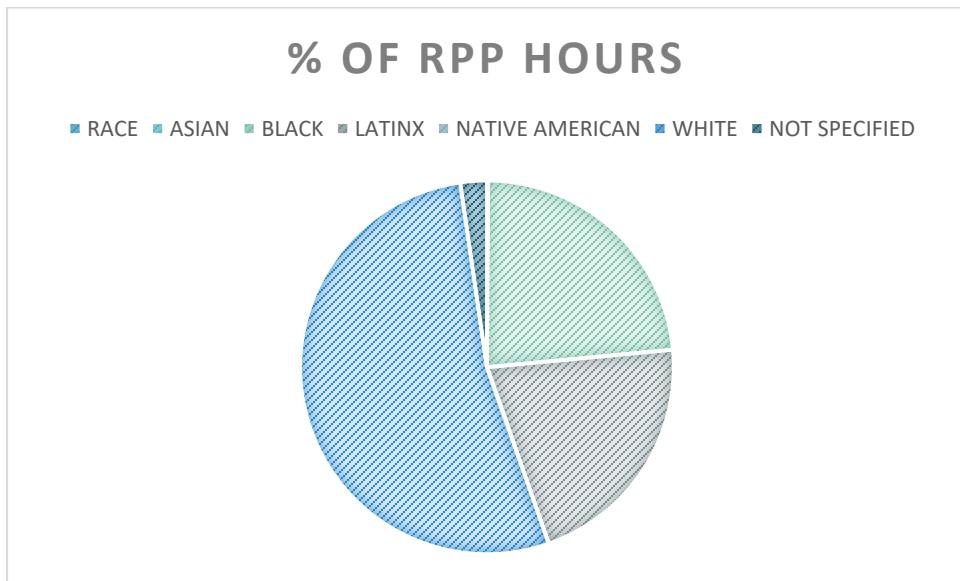
| PARTICIPATION BY GENDER | |
|-------------------------|----------------|
| | % of RPP hours |
| FEMALE | 2.65% |
| MALE | 97.35% |



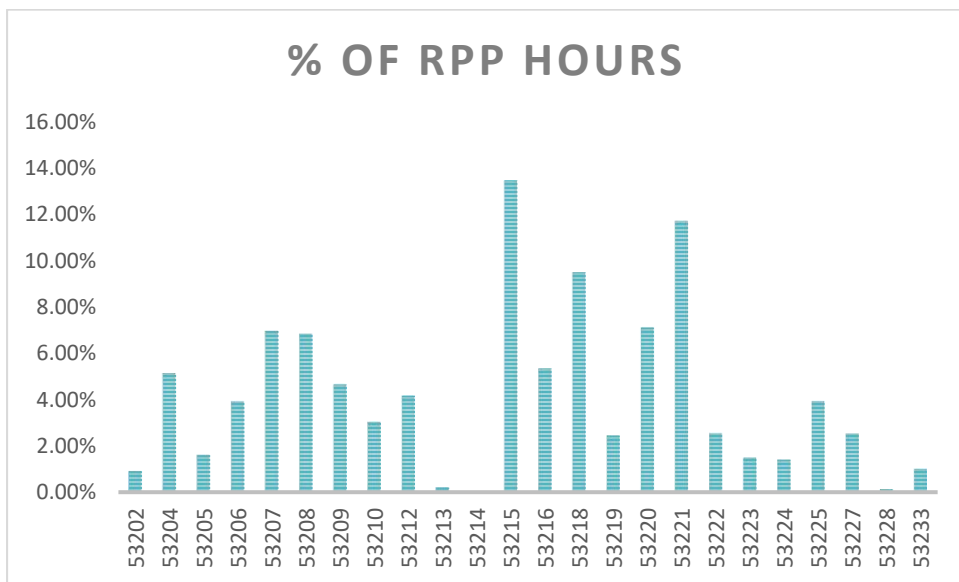
| ETHNICITY | HOURS | % OF ALL HOURS |
|-----------------|----------|----------------|
| ASIAN | 215 | .24% |
| BLACK | 11861.25 | 13.17% |
| LATINX | 13917.95 | 15.45% |
| NATIVE AMERICAN | 178.5 | .2% |
| WHITE | 62247.53 | 69.1% |
| NOT SPECIFIED | 1663.06 | 1.85% |



| ETHNICITY | RPP HOURS | % OF RPP HOURS |
|-----------------|-----------|----------------|
| ASIAN | 38 | .1% |
| BLACK | 9303.75 | 23.4% |
| LATINX | 8404.75 | 21.14% |
| NATIVE AMERICAN | 0 | 0% |
| WHITE | 21097.88 | 53.07% |
| NOT SPECIFIED | 910.25 | 2.29% |



| ZIP | % OF RPP HOURS |
|-------|----------------|
| 53202 | 0.91% |
| 53204 | 5.14% |
| 53205 | 1.60% |
| 53206 | 3.92% |
| 53207 | 6.97% |
| 53208 | 6.83% |
| 53209 | 4.65% |
| 53210 | 3.03% |
| 53212 | 4.17% |
| 53213 | 0.20% |
| 53214 | 0.04% |
| 53215 | 13.46% |
| 53216 | 5.34% |
| 53218 | 9.49% |
| 53219 | 2.44% |
| 53220 | 7.11% |
| 53221 | 11.71% |
| 53222 | 2.53% |
| 53223 | 1.49% |
| 53224 | 1.40% |
| 53225 | 3.93% |
| 53227 | 2.53% |
| 53228 | 0.13% |
| 53233 | 1.00% |



| RPP PARTICIPATION BY ZIP CODE TYPE | | |
|------------------------------------|----------|------------|
| TYPE OF PARTICIPATION | HOURS | PERCENTAGE |
| HIGH POVERTY RPP | 19300.83 | 21% |
| ALL OTHER RPP | 39754.63 | 44% |

HISTORICAL DATA

| YEAR | REQUIRED RPP | FINAL RPP |
|------|--------------|-----------|
| 1997 | 25% | 26.20% |
| 1998 | 25% | 27.50% |
| 1999 | 25% | 27.60% |
| 2000 | 25% | 30.40% |
| 2001 | 25% | 26.10% |
| 2002 | 25% | 28.80% |
| 2003 | 25% | 27.40% |
| 2004 | 25% | 31.10% |
| 2005 | 25% | 31.50% |
| 2006 | 25% | 30.60% |
| 2007 | 25% | 30.50% |
| 2008 | 25% | 31.30% |
| 2009 | 25% / 40% | 33.00% |
| 2010 | 40% | 45.30% |
| 2011 | 40% | 43.80% |
| 2012 | 40% | 50.20% |
| 2013 | 40% | 45.40% |
| 2014 | 40% | 42.80% |
| 2015 | 40% | 47.90% |
| 2016 | 40% | 41.96% |
| 2017 | 40% | 43.80% |
| 2018 | 40% | 55.88% |

CONCLUSION

DPW contracts meet—and often exceed—RPP requirements. All but two formal contracts closed by DPW during the first quarter of 2020 met RPP requirements. Nearly all closed construction contracts let

after 2017 made use of the provision for RPP credit hours by employing RPP-certified workers from high-poverty areas beyond the requirement that 25% of all hours are worked by employees living in these zip codes. Contractors are meeting new RPP requirements and are employing RPP participants from high-poverty zip codes to a greater degree than expected.

Overall, the rate of RPP compliance on DPW contracts closed from January 1 – March 31, 2020 is in line with previous reports of the department's compliance with RPP requirements. Non-compliance with RPP requirements is rare. When contractors fail to meet RPP requirements, DPW imposes penalties on contractors unless the contractor is able to provide an acceptable explanation of this shortfall. The Department of Public Works expects that high levels of RPP compliance will continue to be seen as the department and the contractors who work with DPW most often are committed to the success of the Residents Preference Program.