

SOCIALLY-RESPONSIBLE CONTRACTORS (SRC) LEGISLATION



2019-2020 ANNUAL REPORT

City of Milwaukee
Department of Administration
Purchasing Division

BACKGROUND

Milwaukee Code of Ordinances, Chapter 310-10, Socially-Responsible Contractors, was adopted on September 25, 2018 and went into effect on December 12, 2018.

- Established to increase awards to contractors who make efforts to eliminate, or significantly reduce, barriers to employment.
- Requires the City to award contracts to socially-responsible contractors if the bid does not exceed the lowest bid by more than 5% or \$25,000.
- Applies to all competitive bids/RFPs over \$50,000.

REQUIREMENTS

Each bidder or proposer seeking to qualify as a socially-responsible contractor shall submit a sworn affidavit describing:

- Actions taken and programs implemented to substantially reduce barriers to unemployment for current and prospective employees of the contractor.
- Outcomes of these actions and programs.

QUALIFIED ACTIONS OR PROGRAMS

Actions or implemented programs shall include at least three (3) out of following thirteen (13):

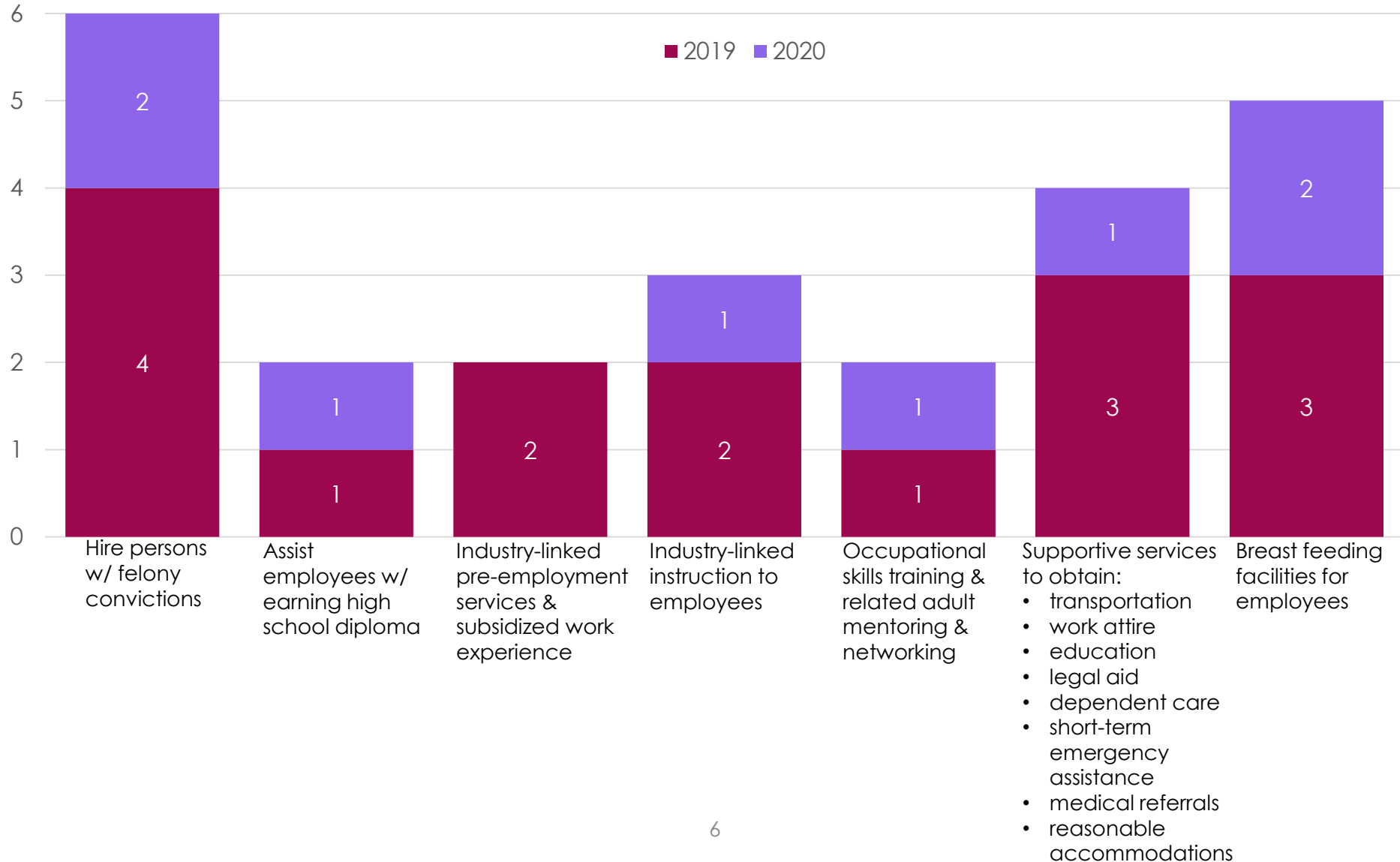
1. Hire persons with felony convictions;
2. Assist employees with earning their high school diploma;
3. Facilitate industry-linked pre-employment services & subsidized work experience including:
 - Internships
 - Job shadowing
 - One-the-job training
 - Summer employment
4. Partner with an employment agency to track individualized employment plans;
5. Provide industry-linked career-based instruction to employees in areas such as:
 - Blueprint reading
 - Math skills
 - Construction culture and essential skills
 - Health and safety awareness
 - Manufacturing processes
 - Maintenance
 - Financial literacy
6. Occupational skills training, adult mentoring and networking;

QUALIFIED ACTIONS OR PROGRAMS

Actions or implemented programs shall include at least three (3) out of following thirteen (13):

7. Provide supportive services for employees to obtain or fund:
 - Transportation
 - Appropriate work attire
 - Testing and certification fees
 - Legal aid services
 - Child care & dependent care
 - Emergency housing, health care, and short-term emergency assistance
 - Career and training services
 - School supplies, books and fees
 - Referrals for medical services
 - Reasonable accommodations for persons with disabilities
8. Supplement subsidized wages to ensure employees receive a living wage;
9. Provide breastfeeding facilities;
10. Provide a minimum of 120 hours of paid sick leave;
11. Provide a minimum of five (5) paid sick days;
12. Provide an employer-assisted housing program providing homebuyer assistance;
13. Assistance to reduce fees and penalties on tardy child support payments.

SRC AWARDEES' SELECTED CRITERIA



SRC INCENTIVE COST

Table 1: 2019 Contracts Awarded to Socially-Responsible Contractors

Contract Information				SRC (Awardee) Information		Lowest Non-SRC Bidder		Incentive			
Qtr	Dept	Description	Term	Company	Bid	Company	Bid	\$ Difference	% Difference	Contract Value	Incentive Cost
1	DPW	Fifty (50) Lead Service Line Replacements - Child Care	-	Mid City Corporation	\$ 457,565	MJ Construction	\$ 439,541	\$ 18,024	4.1%	\$ 457,565	\$ 18,024
3	DPW	Sewer Construction	-	American Sewer Services	\$ 233,188	Visu-Sewer, Inc.	\$ 229,670	\$ 3,518	1.5%	\$ 233,188	\$ 3,518
3	DOA	VC for HPS Ballasts	3 years	Price & Sons, Inc.	\$ 174,072	Neher Electric Supply	\$ 173,410	\$ 662	0.4%	\$ 225,000	\$ 1,986
4	DNS	Demolition of One (1) Building	7 days	Anderson Landscape & Maintenance	\$ 12,900	Brew City Environmental	\$ 12,879	\$ 21	0.2%	\$ 12,900	\$ 21
Total:										\$ 928,653	\$ 23,549

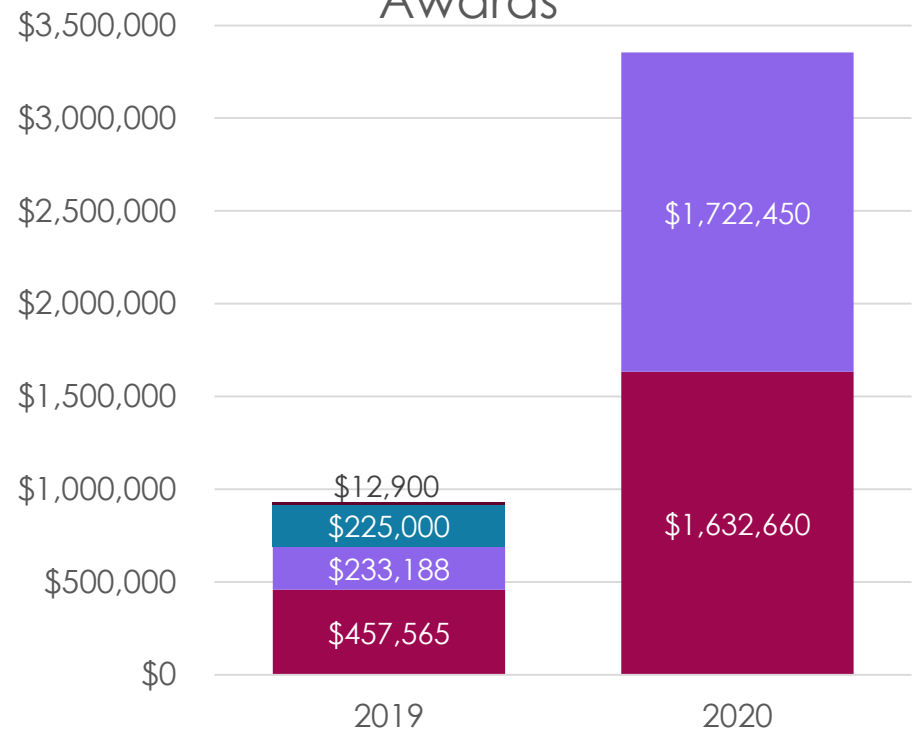
Table 2: 2020 Contracts Awarded to Socially-Responsible Contractors

Contract Information				SRC (Awardee) Information		Lowest Non-SRC Bidder		Incentive			
Qtr	Dept	Description	Term	Company	Bid	Company	Bid	\$ Difference	% Difference	Contract Value	Incentive Cost
1	DPW	200 Lead Service Line Replacements	-	Mid City Corporation	\$ 1,632,660	Five Star Energy Services	\$ 1,624,500	\$ 8,160	0.5%	\$ 1,632,660	\$ 8,160
1	DOA	VC Asphalt Patch Material	3 years	Payne & Dolan, Inc.	\$ 6,150	Stark Pavement Corporation	\$ 5,950	\$ 200	3.4%	\$ 1,722,450	\$ 600
Total:										\$ 3,355,110	\$ 8,760

2019-2020 CONTRACTING ACTIVITY

	2019	2020
Eligible Contracts Awarded	227	238
SRC Affidavits Submitted	15	34
Contracts awarded to SRC vendors	11	17
Contracts awarded based on incentive	4	2

\$ Value of SRC Incentive Awards



CONCLUSION

- The SRC bid incentive program is fairly new and efforts will be made to create more exposure: pushing out regular communications and informing community based business resource agencies.
- In effort to be more inclusive consideration should be given to expanding the program to LGBTQ and Veteran Owned firms.
- Consideration should be given to creating a public recognition program, if feasible.