



Department of Administration
Business Operations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Rhonda U. Kelsey
City Purchasing Director

July 15, 2011

To the Honorable
Michael J. Murphy, Chair
Committee on Finance & Personnel
Common Council-City Clerk
City Hall Room 205
Milwaukee, WI 53202

Dear Alderman Murphy:

This letter is in regard to a communication file related to the fiscal impacts of the award of contracts to low bidders in conjunction with the city's purchasing of *American* made vehicles. More specifically, this letter is in regard to an update on Milwaukee Code of Ordinances, Chapter 310-18.3 – *Purchase of American Vehicles* that went into effect in January 2010.

The intent of Chapter 310-18.3 of the city's local code of ordinances seeks to complement the U.S. federal government's efforts to preserve and contribute to the success of the American automobile industry and it requires that the city only purchase light duty vehicles having at least 51% of the monetary value of the parts manufactured in the United States, and 51% of the vehicle assembled in the United States, or in the case of public safety vehicles, 51% of the monetary value of the parts manufactured in the United States.

The Business Operations Division (BOD) – Procurement Services Section (PSS) of the Department of Administration (DOA) is responsible for monitoring contracts for compliance with this section including the right to waive the requirement. Since the "Buy American Vehicle" ordinance has been in effect, approximately 96.0% or a total of 191 of the total number (199) of vehicle purchases have been made in compliance with Chapter 310-18.3. Conversely, only a small percentage (4.0%) of the total number (8) of city vehicle purchases has not been made in compliance with the ordinance.

The attached two spreadsheets (2010 & 2011 Light Duty Vehicle Purchases) prepared in partnership with the Department of Public Works (DPW) – Fleet Services Section provides a summary of 2010 and 2011 city vehicle purchases and details the reasons as to why a small percentage of city vehicle purchases have not been made in compliance with the "Buy American Vehicle" ordinance. These reasons range from lack of an American made equivalent and/or an unknown/unverifiable assembly location.

In closing, in spite of the small percentage of vehicles that have not been made in accordance with the "Buy American Vehicle" ordinance and the practical challenges that arise in working toward purchasing all *American* made vehicles in a global economy; the City has displayed an overall solid record of complying with the recently enacted "Buy American" vehicle ordinance.

Sincerely,

Rhonda U. Kelsey
City Purchasing Director

c: Alderman Bob Bauman, Vice Chair
Alderman Joe A. Dudzik
Alderman Milele A. Coggs
Alderman Nik Kovac