

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** June 2, 2010

**To:** Economic and Community Development Committee  
Transportation, Public Works and Transit Committee

**From:** Residency Contracting Workgroup

**Subject:** Residency Contracting Workgroup (File No. 10-135)

The May 3, 2010 report from the Residency Contracting Workgroup provided a status report on implementation of an adopted resolution calling for the implementation of a 50% residency contracting goal for public works construction projects and recommendations on enhanced administrative strategies and policy recommendation for monitoring and achieving the goal. The Workgroup is comprised of representatives of the Office of Corporation Counsel, the Department of Transportation and Public Works, the Department of Administrative Services, County Board Staff and the Department of Audit.

In the May 3 report, the Workgroup reported that the following actions should be taken:

1. A 50% County residency goal should be included in bid documents and contracts for all public works projects, including Time and Materials contracts.
2. Contracts will be awarded to the lowest responsive, responsible bid with the residency goal identified as a factor in the responsiveness of a bid.
3. The basis for the goal shall be the percentage of gross payroll dollars expended on the project.
4. Prior to the implementation of revisions to bid and contract documents, the Office of Corporation Counsel will review draft language to ensure that implementation of the policy will be as defensible as possible.
5. Monitoring of goal achievement shall be done by the Department of Audit on a sample basis similar to the process used when the residency goals were initiated in 1995. Contractors will be required to provide invoices that facilitate monitoring efforts. The reports will be provided on a semi-annual basis.
6. Consideration will be given to the establishment of waiver opt-out charges and / or liquidated damages that may generate funds that could be targeted to job training.

All of these steps were to be addressed in time for implementation effective July 1, 2010.

Economic and Community Development Committee  
Transportation, Public Works and Transit Committee  
June 2, 2010  
Page Two

Items 1 through 4 above are proceeding as planned with a July 1, 2010 target date for implementation in all bids and contracts processed after that effective date. Item 5, monitoring of the initiative by the Department of Audit, will be conducted after the first six months of activity. Item 6, the consideration of opt-out charges or liquidated damages provisions to generate job training funds, has not yet been finalized and should not be a barrier to the July 1 start-up date. Rather, the Workgroup will continue to meet and refine an approach to enhanced workforce development that may be linked to the Contractor Residency initiative. Various models including those used by the Southeast Wisconsin Professional Baseball Park District and the Milwaukee Metropolitan Sewerage District will be considered.

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Jerome J. Heer, Director of Audits

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Steve Cady, Fiscal & Budget Analyst, County Board Staff

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Jack Takerian, Interim Director, Department of Public Works

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Steve Kreklow, Fiscal & Budget Administrator, Department of Administrative Services

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John Schapekahn, Principal Assistant Corporation Counsel

JJH/SC/JK/SK/JS/cah

cc: Milwaukee County Board of Supervisors  
Scott Walker, Milwaukee County Executive  
Cynthia Archer, Director, Department of Administrative Services  
Timothy Schoewe, Acting Corporation Counsel