



December 04, 2025

RE: Racine Works Program Compliance

Berglund Construction Company,

After careful consideration and review of all the information respective to Contract# 2024107, City of Racine Core Building Tuckpointing, the City of Racine has made the decision to assess a penalty for non-compliance of the Racine Works Program for failing to utilize eligible RWP-certified residents for at least 20% of the total project worker hours, as per Section 46-41 (d) of the City of Racine Purchasing Ordinance. Berglund Construction Company achieved 0.0% of the required 20% minimum target for the above-mentioned project.

With regards to the assessed penalty, Section 46-41 (g) states the following:

(g) *Prohibition and penalty.* No contractor or agent thereof shall fail to comply with the worker hours requirement under paragraph (d), above.

(1) Upon failure of a contractor or agent to timely submit any monthly workforce participation report or the required final affidavit required under paragraph (e), above, the city, for contracts paid by city-source funds, or the water department, for contracts paid by water utility funds, may withhold payment and such contractor or agent shall be prohibited from bidding on any qualifying contract until such report or affidavit is submitted.

(2) Upon failure of a contractor to comply with the worker hour requirements under paragraph (d), above, such failure shall be considered by the public works and services committee for contracts paid by city-source funds or by the waterworks commission for contracts paid by water utility funds at the time the contract is considered for final payment. Upon demonstration by the purchasing agent or the general manager of the water department that the contractor has failed to comply with such worker hour requirements, for such failure the public works and services committee or the waterworks commission shall reduce the final payment for such contract by \$10,000.00, or two and one-half percent of the total cost of the qualifying contract as awarded, whichever is greater. The purchasing agent or the general manager of the water department, as appropriate, shall provide written notice to the contractor within ten days of the decision of the public works and services committee or the waterworks commission.

**City of Racine**  
**Purchasing Department**  
730 Washington Ave Room 102  
Racine, Wisconsin 53403  
[www.cityofracine.org/purchasing](http://www.cityofracine.org/purchasing)



City of Racine, Wisconsin

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Please note that a change order deducting a penalty of \$25,226.63(1,009,065.23 x 2.5%) will be deducted from the final payment due to Berglund Construction Company, for this contract, and will be forthcoming from the Public Works Department.

Sincerely,

Jon Dragotta  
Purchasing Manager

Cc: John Rooney, Commissioner of Public Works  
Jim Sullivan, City Administrator  
Kathleen Fischer, Finance Director  
Ron Pritzlaff Deputy Commissioner of Public Works