

City of Racine
Purchasing Department
730 Washington Ave Room 105
Racine, Wisconsin 53403
www.cityofracine.org/purchasing



Monica G. Santos
Purchasing Agent
Office: (262) 636-9143
Fax: (262) 636-9100
Purchasing@cityofracine.org

August 16, 2022

RE: Racine Works Program Compliance

General Construction Services,

After careful consideration and review of all the information respective to W-21-1 Roof Replacement, 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. General Construction Services achieved 0% of the required 20% minimum target for the above-mentioned project. In addition, monthly payroll reports were not submitted in a timely manner as stated in the ordinance.

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

Prohibition and penalty. No contractor or agent thereof shall fail to employ and use on non-exempt qualifying contracts eligible residents for at least the percent of qualifying work specified in this section. 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 may withhold payment and such contractor or agent shall be prohibited from bidding on any qualifying contract until such report or affidavit is submitted. Upon failure of a contract or agent thereof to fail to employ and use on non-exempt contracts eligible residents for at least the percent of qualifying work specified in this section, such contractor or agent thereof may be cited for such failure. Upon conviction, such person shall forfeit \$10,000.00, or two and one-half percent of the total cost of the qualifying contract as awarded, whichever is greater, plus statutory court costs.

Please note that a penalty of \$10,000 or 2.5% of contract whichever is greater will be deducted from the final payment due to General Construction Services for this contract, and will be forthcoming from the Water Department.

Sincerely,

Monica G. Santos

Monica G. Santos
Purchasing Agent

Cc: Michael Gitter, Water Utility Director
Paul Vornholt, City Administrator
Kathleen Fischer, Finance Director



Racine Works Program (RWP) Payout Request

City of Racine Ordinance Section #46-41

Date: 08/12/2022

Contractor Name: **General Construction Services**

Department: ☐ Public Works ☒ **Water/Waste Water** ☐ Other _____

Project Name: **Perry Ave. Tank Roof Replacement**

Project Number: W-21-1

Munis Contract #: N/A

Total project hours: **3158**

Total RWP Hours: **0**

City of Racine Residents: **0**

RWP Certified: **0**

RWP Compliance Percentage: **0**

- On 01/21/2021 Interim General Manager Michael Gitter had completed a Specialized Service Waiver Request to waive RWP and not include RWP on the bid document.

This contract consists of the removal and replacement of a large 90 foot diameter steel roof at a height of 80 to 90 feet above ground. The contractor must specialize in working with large steel trusses and be able precisely operate cranes to both remove the old roof and install the new one. Hazardous working conditions.

- Waiver was denied by Interim City Administrator Kathleen Fischer for the following reasons:
 - Contract was not yet awarded to any Contractor
 - All bid documents should include RWP language
 - Awarded contractor should make a good faith effort to hire a RWP and achieve the goal
 - The City of Racine would reassess later once awarded
- General Construction Services reached out to WRTP on 08/24/2021
 - None had certificates in welding
 - Amber from WRTP referred them to the City of Racine
- General Construction Services and sub-contractors discussed via email claiming this job was specialized
 - Job was at 70 ft. high
 - Super Heavy Roof up to 125,000 lbs.
 - Entry-level construction workers or someone without experience could be severely hurt or killed.
- General Construction Services never contacted Purchasing or Water Department for further reassessment of RWP.



- General Construction Services never contacted the City of Racine to communicate challenges with RWP.
- Water Department inquired about RWP Compliance on 06/23/2022 as contract was coming close to being completed.
 - **General Construction Services never submitted monthly payroll sheets as noted in bid specifications.**
- Purchasing Agent reached out to General Construction Services on 06/23/2022 reminding them that this contract complies with RWP per bid specifications.
 - Purchasing Agent inquired looking for the monthly payroll files
 - Purchasing provided all the documents necessary to submit their payroll files and advised to submit their payroll files.
- General Construction Services finally reached out to Purchasing Agent on 07/05/2022
 - Purchasing reminded to submit their payroll files
- General Construction Services submitted one big payroll report on 08/04/2022
 - NO RWP
 - NO Racine Residents

Staff Recommendation:

Contractor achieved total RWP compliance of 0%, which is below the required threshold.
Purchasing office has no record of contractor reaching out to communicate any challenges with RWP.
Contractor failed to submit monthly payroll files.

Recommendation is that contractor be assessed a penalty of 2.5% total contract for non-compliance of the Racine Works Program per Purchasing Ordinance Sec. 46-41(g) for failing to employ or use eligible City of Racine residents for at least 20% of total project work hours.

Total Contract amount with all change orders is \$1,450,200.00.

Penalty of \$36,255.00 should be deducted from contractor's final payment \$134,260.00.

Final payout request to be paid to General Construction Services **\$98,005.00.**

Monica G. Santos

08/16/2022

Signed: _____

Date: _____