

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 23, 2022

RE: Racine Works Program Compliance

Five Star Energy Services LLC,

After careful consideration and review of all the information respective to W-22-1 Water Main Replacement Phase 1, 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. Five Star Energy Services LLC achieved 1.78% of the required 20% minimum target for the above-mentioned project.

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 change order deducting a penalty of \$10,000 or 2.5% of contract (whichever is greater) will be deducted from the final payment due to Five Star Energy Services LLC, for this contract, and will be forthcoming from the Water Department.

Sincerely,

Monica G. Santos
Purchasing Agent

Cc: Michael Gitter, Water Utility Director
Jeff Guttenberg, Water Civil Engineer II
Paul Vornholt, City Administrator
Kathleen Fischer, Finance Director



Racine Works Program (RWP) Payout Request

City of Racine Ordinance Section #46-41

Date: August 23, 2022

Contractor Name: **Five Star Energy Services, LLC**

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

Project Name: **Water Main Replacement Phase 1** Project Number: **W-22-1**

Munis Contract #: **N/A**

Total project hours: **2101**

Total RWP Hours: **37.5**

City of Racine Residents: **1**

RWP Certified: **April 2022 - 1 RWP**

May 2022 - 0 RWP

June 2022 - 0 RWP

RWP Compliance Percentage: **1.78%**

- Payroll reports were submitted for April, May and June of 2022
- Five Star Energy has one (1) City of Racine worker and that individual is RWP-certified
- RWP Certified individual worked in April of 2022
- Contractor is aware of the process of Racine Works Program & has had previous contracts with the City of Racine that have met the % of previous projects.
 - Contractor achieved 31.1% for project W-21-6 South Side Lead Service Replacement

Staff Recommendation:

Contractor achieved total RWP compliance of 1.78%, which is below the required threshold.

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 \$489,284.00

Penalty of \$12,232.10 should be deducted from contractor's final payment.

Marie G. Santos

08/16/2022

Signed: _____

Date: _____

Purchasing Agent