

CITY OF MADISON ENGINEERING DIVISION

Best Value Contracting

Response to two questions asked by Board of Public Works Members at February 17, 2010 meeting

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4/21/2010

Introduction

At the Board of Public Works meeting on February 17, 2010, the “Best Value Contracting and Public Works Contracts Report” as required by Madison General Ordinance 33.07(7), was accepted and referred to the Common Council. The Board of Public Works, however, requested that City Engineering staff research two questions prompted by the report:

First, as of January 1, 2010, the State applies Best Value Contracting (BVC) requirements to their contracts beginning at \$25,000; the City begins at \$51,000. What are the challenges associated with the City using the same dollar value as the State?

And second, are there changes that may be made that would address contractors’ concerns about the ordinance in its current form?

Response to Question One: Challenges of City Using Same Dollar Value as State

To answer the question about challenges associated with using the same dollar value as the State to apply BVC, an explanation is in order for why the difference exists.

When Madison General Ordinance 33.07(7) took effect on January 1, 2008, it directly cited State Statute to set the same dollar values to apply BVC as used by the State. The State computed the dollar values yearly for single- and multi-trade projects based upon prevailing wage and the construction cost index, which is published in the Engineering News-Record. Those dollar figures were then posted on the State’s DWD website, which City Engineering staff would use to apply MGO 33.07(7).

In March 2009, City staff was informed that beginning in 2010, the State would apply BVC requirements to contracts at \$2,000 in an effort to boost apprenticeship training opportunities and increase prevailing wage compliance. This change also eliminated the single and multi-trade dollar amounts for applying BVC. The City already complies with enforcing prevailing wages on all Public Works Contracts regardless of the dollar of the contract. Staff, however, expressed concerns about the

economic burden that a \$2,000 threshold would put on construction companies (administrative costs of paperwork and hiring apprentices) without necessarily yielding more apprenticeship training opportunities. Severely straining the City's ability to administer the overall Public Works Program at existing staff levels was also a concern. MGO 33.07(7) was therefore amended in mid 2009 to directly specify that the City would continue maintain the current dollar values at which BVC was applied and use construction cost index as published by the Engineering News-Record to adjust the rates annually.¹

In December 2009, the City received notification from the DWD that the State had set the dollar amount at \$25,000.

If the City were to use the \$25,000 threshold, more companies would have to become prequalified, without more apprenticeship training opportunities necessarily being generated. Trucking companies and landscapers are examples of subcontractors with contracts around \$25,000 performing work considered by the DWD to be non-apprenticeable. These companies would still be required to become prequalified with the City even though they are not required to have an apprentice and then they would be considered in compliance with MGO 33.07(7). Also, companies with contracts in the ballpark of \$25,000 are often smaller, and likely to have four or less journey workers company-wide, which would qualify them for an exemption from the apprenticeship requirement under the ordinance.

The prequalification requirement for subcontractors has presented challenges in 2008 and 2009, particularly for building projects and for trucking companies on road projects. Feedback from subcontractors has focused on the amount of paperwork and requirements associated with becoming prequalified, such as disclosing financial information.

Compliance with prequalification and the Active Trade Trainer provision of BVC has resulted in four companies over a two year period ceasing to complete the prequalification process.² Of the four, at least

¹ MGO 33.07 include in Appendix, Pg. A1 – A5

² Log of companies, Pg. A6

one was listed as a subcontractor on an active construction project (Contract 6194, Fire Station #12) and was removed from the project, causing a delay and additional administrative work for the general contractor and City staff.

The increased workload associated with BVC, from the prequalification application to checking for apprenticeship compliance, has been absorbed by existing staff in the Engineering Division, Department of Civil Rights and the Comptroller's Office (Risk Manager). More time is spent guiding contractors through the pre-bid and award phases of the contracts. New contractors need to have the BVC requirements explained to them, experienced contractors also need explanation as City BVC requirements vary from the State. Two examples of educational materials for companies and staff are included in the appendix.³ An example of weekly communication between City staff and the general contractor on a building project is also included to illustrate the time and effort that goes into determining compliance.⁴ Taking into account current staff levels, the increased number of Public Works contracts being bid (177 contracts in 2008 and 2009 combined) and companies new to the City's program, using the \$25,000 threshold without modifying the ordinance in its present form would likely have a serious impact on the Public Works Contracting Program. Every step of the process from being able to attract competitive bids, prequalifying companies, ensuring compliance and keeping construction projects on schedule would be affected.

Response to Question Two: Addressing Contractor Concerns

Engineering staff has received feedback from contractors that consistently focuses on two concerns. These concerns were also expressed at the Quarterly Contractors Meeting held on February 10, 2010. The meeting was attended by 33 contractors, developers and City staff, which seemed to be about typical attendance. The breakdown of attendees was 21 contractors, two developers and 10 City staff.

³ Two handouts developed for companies and staff: "Steps" sheet and BVC brochure (draft), Pg. A7-A9

⁴ Spreadsheet, Pg. A10

Of the contractors, the majority were road/underground construction related rather than building trades. Building contractors generally do not attend the quarterly meetings, although they are invited. Meeting minutes are posted on the Public Works web page.⁵

First, the contractors said they disagree with the requirement of having an apprentice actively employed before a laid off journey worker is able to return to work. This has been a routinely cited issue because of the economy. One contractor at the meeting said the requirement has “caused him heartburn” when his company worked on a City of Madison Public Works Contract and he had to hire an apprentice while a journey worker remains laid off.

This situation comes about as a result of the following ordinance language contained in 33.07(7)(k)(7): “Participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and continue to participate in such a program or programs for the duration on the project. In applying this requirement, the City Engineer shall apply to all crafts in the same manner as the State of Wisconsin applies the requirements of Wisconsin Executive Order 108 (June 29, 2005).”

The second issue commonly expressed by contractors (and again at the February 10 meeting), is if the City would consider a company “BVC Compliant” if they are registered with the DWD. Language in MGO 33.07(7) results in BVC compliance having to be demonstrated on a contract-by-contract basis. To develop a pre-certification program would require an ordinance revision, as a company can be pre-certified with the State as an Active Trade Trainer (thus in compliance with the State) without having an active apprentice in a particular trade, which would not meet the City’s requirements in the ordinance’s current form.

There is a third area where the City’s ordinance causes challenges for contractor compliance, although this issue was not specifically mentioned at the February 10 meeting. The City requires, based on certain conditions being met (contract dollar value, apprenticeable trade), that if a journey worker is on

⁵ <http://www.cityofmadison.com/business/pw/pwMeetings.cfm>

the project, then an apprentice in that trade must also be employed by the company (but is not required to work on the City project job site). This has led to a hitch with Construction Craft Laborers in particular. If a company has less than three journey level craft laborers, by their union agreement, they may not qualify to be an apprentice trainer. This situation occurred with Contract 6261, Senior Center HVAC and Lighting Upgrade, Remodeling Project. It was resolved by the company removing the Construction Craft Laborer from the project and having the work performed by the Carpenter journey worker and apprentice, for which the company was an Active Trade Trainer. The City has not applied an exemption when a company cannot be granted an apprentice because of the company's pre-existing agreement with their union. City Engineering staff believes that language in MGO 33.07(7)(k)(7) would allow the City to use the same ratios as the State in applying the ordinance. In such a situation, the contractor would be allowed to have a journey worker craft laborer on the project without an apprentice.

MGO 33.07(7)(k)(7) states:

“With respect to BVC contracts only, participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and continue to participate in such program or programs for the duration of the project. In applying this requirement, the City Engineer shall apply it to all crafts in the same manner as the State of Wisconsin applies the requirements of Wisconsin Executive Order 108.”

Conclusion

In conclusion, City Engineering staff would like to make four recommendations related to MGO 33.07(7). First, that the City continues to use the single and multi-trade dollar benchmarks as currently defined by the ordinance. Second, that a change to the existing ordinance is considered that would allow for implementation of pre-certification status. If a contractor is pre-certified by the State DWD, they would be considered to have demonstrated a commitment to apprenticeship training and in compliance

with City ordinance. Third, applying ratios using current ordinance provision set forth in MGO 33.07(7)(k)(7). And fourth, further discussing a “dislocated journey worker” exemption that would address the issue of an apprentice being hired before a laid off journey worker is brought back to work.

33.07 BOARD OF PUBLIC WORKS.

- (1) Creation. There is hereby created for the City of Madison, pursuant to Wis. Stat. § 62.14, a Board of Public Works.
- (2) Composition, Appointments and Terms. The Board of Public Works shall consist of seven (7) voting members. The Mayor or her/his designee shall serve as a member of the Board, one (1) member shall be an adult City of Madison resident with an engineering background who shall serve for one (1) year, two (2) members shall be alderpersons, and three (3) members shall be citizens. The Mayor shall also appoint two persons to serve as alternate members. The alternate member may act with full power and authority when any other member of the Board is absent. The alternate member may participate in Board discussion, may serve on subcommittees, and may be appointed to any committee which requires the participation of a member of the Board of Public Works.

All members shall be appointed by the Mayor, subject to approval of the Common Council. All members shall be appointed for a term of two (2) years. The terms of aldermanic members shall expire with the expiration of their terms as members of the Common Council. The Mayor at the organizational meeting each year shall indicate to the Common Council whether s/he will serve on the Board or inform the Council of the name of her/his designee. The Board shall elect one (1) of its members to serve as chair and another of its members to serve as vice-chair. The Mayor may change her/his designee or elect to assume membership on the Board any time and upon so assuming membership may elect to be chair of the Board. All appointments under this section shall be submitted by the Mayor to the Common Council for confirmation except that membership by the Mayor or selection of a designee shall be at the option of the Mayor. The Board shall adopt special rules for the conduct of public hearings before the Board. One (1) member of the Board of Public Works shall be a member of the Long-Range Transportation Committee. (Am. by Ord. 11,848, Adopted 4-15-97; Eff. 5-21-97; ORD-09-00052, Pub. 4-2-09, Eff. 8-1-09)

- (3) Executive Secretary to the Board of Public Works. The Director of Public Works shall serve as the executive secretary of the Board of Public Works by virtue of her/his office but shall not vote. All matters to be considered by the Board of Public Works shall be submitted to the Director of Public Works who shall summarize these proposals, provide additional information as s/he may deem to be appropriate, append her/his recommendations, and submit them to the Board for consideration. Agendas for meetings of the Board, together with summaries and background information and the recommendations of the Director of Public Works shall be delivered to members of the Board at least twenty-four (24) hours before the date of the meeting.
- (4) This is a charter ordinance and shall be effective upon sixty (60) days from the passage and publication; subject, however, to the referendum provisions of Wis. Stat. § 66.0101(5).
- (5) Sanction Against Bid Rigging. Any corporation, firm or individual violating Wis. Stat. § 133.01(1971), or any subsequent amendment thereof, shall upon conviction thereof be thereby disqualified as a bidder on any City of Madison project for a period of three (3) years from the date of such conviction; however, nothing herein shall be interpreted to preclude such corporation, firm or individual from completing any and all contracts he may already have with the City at the time of such conviction, nor shall this ordinance be applied retroactively to violations occurring prior to the adoption and publication of this ordinance. (Renumbered from Sec. 23.10(2), ORD-07-00028, 3-15-07)
- (6) Public Construction Allowed to be Done by the City Without Bids.
- (a) The installation and maintenance of irrigation equipment at municipal golf courses is hereby designated a class of public construction which may be done directly by the City without submitting same for bids, in accordance with Wis. Stat. § 62.15(1).
- (b) The installation of prefabricated bus shelters is hereby designated a class of public construction which may be done directly by the City without submitting same for bids, in accordance with Wis. Stat. § 62.15(1). (Am. by ORD-07-00193, 12-20-07)
- (Renumbered from Sec. 23.10(3), ORD-07-00028, 3-15-07)
(Sec. 3.10(1)-(4) Am. by Charter Ord. 68, 2-26-93; Am. by Charter Ord. 71, 10-20-00)

(7) Best Value Contracting.

(a) Policy. When entering into contracts for public construction under Wis. Stat. § 62.15, the City of Madison requires bidders to prequalify pursuant to the provisions of Wis. Stat. § 66.0901, and procedures adopted by the City. The City of Madison finds that using the Best Value Contracting procedures set forth in this ordinance will provide the City with the best value for its public construction while also meeting requirements that contracts be awarded to the lowest responsible bidder, and that the requirements of this ordinance are for the protection and welfare of the public in the performance of public contracts.

(b) Definitions.

1. "Contractor" means a person, corporation, partnership or any other business entity that performs work on a public works contract as a general contractor, prime contractor or (subject to the limitations for subcontractors in Secs. (j)3. and 4. and (l) of this ordinance) subcontractor at any tier.
2. "Class A Apprenticeship Program" means an apprenticeship program that is currently approved by the U.S. Department of Labor or a state apprenticeship agency and has graduated apprentices to journeyperson status for three (3) years. In addition, a new apprenticeship program that has been registered with the federal or state government within the last three (3) years will be considered a Class A Apprenticeship Program, provided that such new program graduates apprentices to journeyperson status within the indenture period.
3. "Engineer" or "City Engineer" means the City of Madison City Engineer.
4. "Public works contract" means a contract for the City of Madison for the construction, alteration, execution, repair, remodeling or improvement of a public work or building, where the contract is required to be bid pursuant to Wis. Stat. § 62.15.
5. "BVC Contract" is a public works contract where the value of the contract is more than \$48,000 for any single-trade public works project and \$234,000 for any multiple-trade public works project. Every year, the City Engineer shall adjust the minimum estimated project cost of completion figures for both single-trade and multiple-trade public works contracts on the basis of the change in the construction cost index as published in the Engineering News-Record. The adjusted minimum estimated project cost of completion figures shall be rounded to the nearest thousand, and maintained by the City Engineer.
6. "Multiple-trade public works contract" is a public works project in which no single trade accounts for 85% or more of the total labor cost of the project.
7. "Single-trade public works contract" is a public works project in which a single trade accounts for 85% or more of the total labor cost of the project.

(Am. by ORD-09-00095, 6-20-09)

(c) Prequalification Requirement. As a condition of performing work on a public works contract for the City of Madison, a contractor shall first be prequalified by the City in accordance with the provisions of this ordinance and other policies of the City as adopted by the Board of Public Works. This section shall apply to general contractors, prime contractors and (subject to the limitations for subcontractors in Secs. (j)3. and 4. and (l) of this ordinance) subcontractors of any tier.

(d) Additional Qualification Information. In addition to information specified in this ordinance, the City Engineer may request, in prequalification applications or separately on a project by project basis, any other information he or she determines necessary to ensure that prospective contractors meet the contractor responsibility standards established by this ordinance and otherwise possess sufficient qualifications and capabilities in all respects to successfully qualify for and perform public works contracts.

- (e) Prequalification Term.
1. Any contractor or subcontractor that has prequalified under standards applicable on or after the effective date of this ordinance shall remain prequalified until January 31, 2008.
 2. For any public works contracts advertised for bid on or after January 1, 2008, a contractor or subcontractor must be prequalified under this ordinance.
 3. Once a contractor's prequalification application is approved by the City Engineer under this ordinance, it shall remain valid for a period of two years to expire on January 31, unless suspended or revoked pursuant to this section.
- (f) Renewal and Disclosure. It shall be the obligation of the contractor to timely renew its prequalification and to report information regarding any material changes to its business or operations that are relevant to its prequalification application, including information that would affect its ability to make the certifications required by this ordinance. Any such information must be reported within fifteen (15) days of the contractor's knowledge of the information. Failure to report information under this subsection may result in suspension or revocation of the contractor's prequalification, debarment from City contracts for a period of up to three years and other sanctions available under applicable law.
- (g) Prequalification Approval. The City Engineer shall review contractor prequalification applications and approve applications that comply with the requirements of this ordinance and other applicable standards developed by the City Engineer. If a contractor has been certified by the City as a DBE, MBE, SBE or WBE, and the City Engineer determines that the contractor fails to meet the prequalification requirements under this ordinance, the City Engineer will notify and discuss the determination with the Affirmative Action Division prior to issuing any notice of non-qualification.
- (h) Prequalification List. The City Engineer shall publicly post a list of prequalified contractors which shall include the names, addresses and prequalification numbers of contractors and applicable dates of prequalification approval. This list shall be updated on a monthly basis.
- (i) Prequalification Review. The City Engineer shall review the performance of contractors prequalified according to this section periodically, but at least once a year, to determine whether contractors are performing satisfactorily. This review shall examine all relevant areas of contractor performance, including but not limited to project cost and schedule, compliance with plans and specifications, quality of workmanship and compliance with applicable laws and regulations. For good cause shown, the Engineer may suspend or revoke a contractor's prequalification status at any time after providing the contractor with notice and the opportunity to be heard by the City Engineer.
- (j) Prequalification Enforcement. The City Engineer shall:
1. Take the necessary actions to ensure that all contractors and subcontractors on public works contracts and BVC contracts are properly prequalified in accordance with the requirements of this ordinance;
 2. Require general contractors or prime contractors to verify their prequalification as a condition of submitting bids on public works contracts and BVC contracts;
 3. Further require general contractors or prime contractors to submit a list of the subcontractors they intend to use in the performance of the contract with the names and prequalification numbers of such subcontractors. This information for subcontractors may be submitted at the time of the bid and must be submitted by the time specified in sub. (l). Firms identified on the subcontractor list may be substituted only for good cause shown and with the written approval of the City Engineer.
 4. Notify subcontractors that they may apply for prequalification under this ordinance.
- (k) Required Certifications. Prequalification applications submitted pursuant to this ordinance shall include all information as determined necessary and appropriate by the

City Engineer. Such applications shall, at a minimum, require a sworn certification by the applicant attesting to the facts specified in this subsection. In submitting a prequalification application, the applicant shall certify that for any project it seeks to perform for the City during the term of its prequalification, it shall:

1. Possess all technical qualifications and resources, including equipment, personnel and financial resources, necessary to perform the work required for the project or will obtain same through the use of responsible, prequalified subcontractors.
2. Possess all valid, effective licenses, registrations or certificates required for the contractor or its employees by federal, state, county or local law necessary for the type of work it seeks to perform, including, but not limited to, licenses, registrations or certificates for any type of trade work or specialty work.
3. Meet all bonding requirements as required of it by applicable law or contract specifications.
4. Meet all insurance requirements as required of it by applicable law or contract specifications, including general liability insurance, workers compensation insurance and unemployment insurance requirements.
5. Maintain a substance abuse policy for employees hired for public works contracts that complies with Wis. Stat. § 103.503.
6. Pay all craft employees that it employs on public works projects the wage rates and benefits required under applicable prevailing wage law, Sec. 23.01, MGO.
7. With respect to BVC contracts only, participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and continue to participate in such program or programs for the duration of the project. In applying this requirement, the City Engineer shall apply it to all crafts in the same manner as the State of Wisconsin applies the requirements of Wisconsin Executive Order 108 (June 29, 2005).
8. Fully abide by the equal employment opportunity and affirmative action requirements of all applicable laws, including City ordinances.
9. Provide in its prequalification application a detailed statement regarding related companies if, at any time during the past three (3) years, the contractor has controlled or has been controlled by another corporation, partnership or other business entity operating in the construction industry. This statement shall be included in prequalification application and shall explain the nature of the contractor relationship.
10. Disclose, whether for the past three years:
 - a. It has had any type of business, contracting or trade license, certification or registration revoked or suspended.
 - b. It has been debarred by any federal, state or local government agency.
 - c. It has defaulted on any project in the past three years;
 - d. It has committed a willful violation of federal or state safety laws as determined by a final decision of a court or government agency authority.
 - e. It has been found by a final decision of a court or government agency in violation of any other law relating to its contracting business, including, but not limited to wage and hour laws, prevailing wage laws, environmental laws, antitrust laws or tax laws, where the penalty for such violation resulted in the imposition of fine, back pay damages or any other type of penalty in the amount of more than \$10,000.

The applicant shall provide an explanation to the City Engineer of any disclosures under this subsection, and the City Engineer shall determine if such incidents are of such a nature as to disqualify the applicant.

11. Certify that the contractor prequalification application has been executed by a principal or person employed by the applicant who has sufficient knowledge to address all matters in the prequalification application and shall include an attestation stating, under the penalty of perjury, that all information submitted is true, complete and accurate.
12. Understand that in performing under any City public works contract, it will be required to use as subcontractors only those entities that have been properly prequalified in accordance with the requirements of this ordinance.
- (l) Subcontractors. Subcontractors may, but are not required to, apply for and obtain prequalification status under this ordinance. At least ten (10) days prior to commencing work under any City of Madison Public Works Contract, a subcontractor, the value of whose work exceeds the single-trade minimum of Wis. Stat. § 66.0903(5), shall submit the information required under this ordinance to be qualified, and no such subcontractor may begin work on a City of Madison Public Works Project until the City Engineer determines that such subcontractor meets the qualification requirements herein.
- (m) Conditional Approval. The City Engineer may issue conditional approvals of any application for prequalification and shall set out the conditions thereof in writing, provided, however, that no conditional approval of a bidder's application for prequalification that relates to the pending approval of an Affirmative Action Plan shall extend beyond the date of the bid opening, at which time the contractor must be in full compliance with Sec. 39.02(9)(e), MGO. (Am. by ORD-09-00012, 2-6-09)
- (n) Best Value Contracting in City Supported Projects. In order to achieve the goals set out in this ordinance, it shall be a condition of any City financial support of a development project, in the form of TIF financing, Capital Revolving Loan funds, industrial development bonds, or other City or CDA assistance as designated by the Common Council in the resolution granting such assistance, in an amount that meets the requirements of sub. (7)(b)5., that the developer utilize for construction those firms that have met the prequalification requirements of this ordinance. This provision will be included as a developer obligation in any agreement between the City and the developer.
- (o) Appeal. Any applicant, contractor, or subcontractor aggrieved by a determination of the City Engineer under this ordinance has the right to appeal the City Engineer's determination to the Board of Public Works. The appeal shall be taken by delivery of a letter to the City Engineer within fifteen (15) days of the determination to be appealed. The Board of Public Works will schedule a hearing on the appeal promptly.
- (p) Report by City Engineer. After this ordinance shall have been in effect for two years, the City Engineer shall prepare a report to the Common Council on the effects of the ordinance.
- (q) Effective Date. This ordinance applies to any Public Works Contract advertised for bid, and any contracts under sub. (n) entered into, on or after January 1, 2008.
- (Cr. by ORD-07-00028, 3-15-07)

33.08 BOARD OF REVIEW.

- (1) Composition of Board of Review. The Board of Review of the City of Madison shall consist of five (5) residents of said City none of whom shall occupy any public office or be employed by the City of Madison. The members shall be appointed by the Mayor with the approval of the Council and shall hold office as members of said Board for terms of five (5) years commencing on the third Tuesday of April in the particular year for which appointed, or until their successors are appointed and qualified, except that the first appointments commencing on April 19, 1960 shall be for one (1), two (2), three (3), four (4) and five (5) years, respectively. (Am. by Ord. 9809, 6-29-89)

~~Architectural Metals~~

~~Austad & Sons~~ 10/15/08 AA Incomplete ~~No to BVC~~

~~Bluemelts~~ ~~3/4/08 AA Incomplete~~ ~~No to BVC~~

~~Breezy Hill~~ 1/23/08 AA Incomplete ??

~~Carrier Corp~~ ~~12/5/08 AA Incomplete~~ ~~No to BVC~~

~~Conway Concrete~~ 9/25/08 Insurance/Bond

~~Dodge Construction~~ 1/31/08 AA not submitted Financial/LOC

~~Earth & Water Works~~ 3/27/09 Insurance/Bond

~~Hallmark~~ 2/20/08 AA not submitted Financial/LOC

~~JP Cullen~~ 2/29/08 AA Incomplete

~~Lalonde~~ 1/31/08 AA Incomplete

~~McKee & Assoc~~ 8/22/08 AA Incomplete

~~Omega Demolition~~ 6/3/08 AA not submitted Insurance/Bond

~~Omni Glass~~ 7/17/08 AA Incomplete

~~Otis Elevator~~ 12/7/07 Insurance/Bond

~~Par Concrete~~ 6/6/08 Insurance/Bond

~~Pinenut Landscaping~~ 7/2/08 Only turned in AA No application

~~Precision Sealcoating~~ 2/10/09 AA not submitted Financial/LOC

~~Radtke Contractor~~ 2/26/09 Insurance/Bond

~~Ridgetop Roofing~~ 4/30/09 Insurance/Bond

~~Selden Steel~~ 11/20/08 AA not submitted Financial/LOC

~~SMR Engineering~~ 8/22/08 Insurance/Bond

~~Spectrum Contracting~~ AA Incomplete Incomplete application

~~South Central Construction~~ 4/10/09 Incomplete application

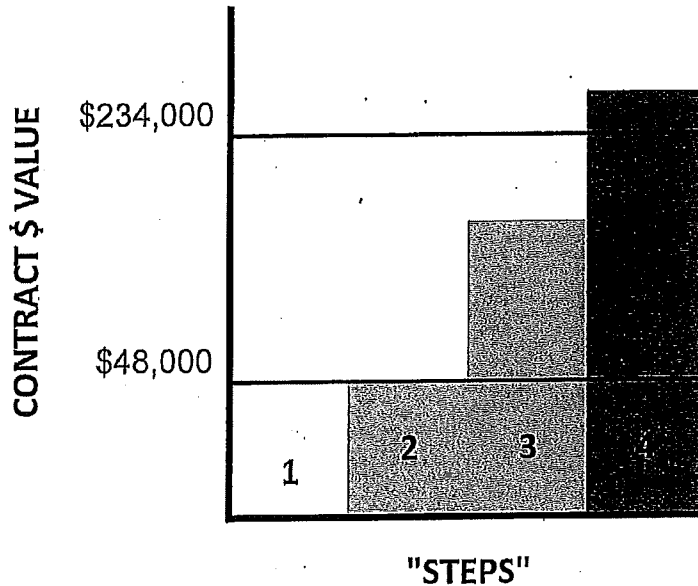
~~Terry Kahl Plumbing~~ 3/20/08 AA Incomplete Incomplete application

~~Thering Construction~~ ~~5/4/09~~ ~~No to BVC~~

~~Vidmar Roofing~~ ~~2/4/09~~ Insurance/Bond

~~Sidewalk~~ Ryan Zander

BEST VALUE CONTRACTING & RELATED PAPERWORK REQUIREMENTS FOR SUBCONTRACTORS



- "STEPS"**
- 1 Contract is less than \$48,000 (2009)
 Prequalification: Subcontractor not required to be City Prequalified
 Subcontractor Best Value Contracting Compliance Form: Not required to submit.
 Workforce Profile: Required

 - 2 Contract is \$48,000 or greater (2009)
 Prequalification: Subcontractor is required to be City Prequalified
 Subcontractor Best Value Contracting Compliance Form: Required and Sub must comply with Madison General Ordinance 33.07 (as applicable)
 Workforce Profile: Required

 - 3 Example:
 Between \$48K and \$234K, BVC is met if: (only one condition need to exist)
 The Subcontractor is an active trade trainier in the single trade being used
 Subcontractor proposes using multi-trades (documented on Workforce Profile)
 Subcontractor is performing non-apprenticeable work
 Subcontractor has total skilled workforce of four or less individuals in all apprenticeable trades combined.

 - 4 Contract is \$234,000 or greater
 Prequalification: Subcontractor is required to be City Prequalified
 Subcontractor Best Value Contracting Compliance Form: Required and Sub must cor comply with Madison General Ordinance 33.07 (as applicable)
 Workforce Profile: Required.

All Subcontractors will receive the Subcontractor Best Value Contracting Compliance form and Workforce Profile form from their General Contractor.

Resources

Madison General Ordinances:

www.cityofmadison.com/CityHall/

Prequalification Forms, link to

Affirmative Action Plan : www.cityofmadison.com/business/pw/forms.cfm.

GC's are urged to be aware of which subs will need to be City

prequalified and share information with the subs as they establish

contracts. City Engineering staff will contact subs needing to become

prequalified and/or satisfy BVC

requirements once. The GC is then responsible for ensuring that subs are

progressing with paperwork requirements.

City Prequalified Contractors:

www.cityofmadison.com/business/pw/prequalifiedContractors.cfm

This list is updated at least once a month. Questions about

prequalification status or

completing paperwork may be

directed to Janet Plan, Engineering

Division, (608) 266-4620.

Department of Workforce

Development's website:
dwd.wisconsin.gov/apprenticeship/pdf/active_wrt.pdf

DWD's Active Trade Trainer List

dwd.wisconsin.gov/apprenticeship/pdf/active_wrt.pdf

Workforce Profile Assistance

Johanna Johnson, City Engineering
Division, (608) 267-1197.



BVC & Paperwork Requirements for Public Works Subcontractors

*City of Madison
logo*

**A Best Value Contracting
Municipality**

Tel: (608) 267-1197

City of Madison

Engineering Division
1600 Erill St.
Madison, WI
53713

Phone: (608) 267-1197

Fax: (608) 267-4123

Email: jjohnson@cityofmadison.com

Paperwork Requirements for Subcontractors

The City of Madison's commitment to being a Best Value Contracting Municipality is established in Madison General Ordinance (MGO) 33.07(7). The full text of this ordinance is available on the City's website under the City Hall portal. However, a brief summary is that both the General Contractor (GC) and subcontractor(s) on Public Works contracts are required to comply individually. This brochure aims to highlight requirements for subs, which are based on the dollar amount of their contract with the GC (labor, equipment and material combined), and if the Department of Workforce Development considers the type of work being performed apprenticeable.

City Prequalification

All subs with a contract dollar amount of at least \$48,000 (2009 rate) are required to become prequalified with the City. This threshold is established by Wisc. Stat. Sec 66.0903(5) and may change yearly.

Best Value Contracting Compliance Form

Subcontractors with at least a \$48,000 contract are required to submit the Subcontractor Best Value Contracting Compliance Form and comply with MGO 33.07(7). First-tier subs will receive this form from the GC. Second-tier subs (etc.) are also required to comply with prequalification and BVC requirements, as applicable. Second-tier subs should expect to receive the BVC form from the contractor engaging their company on the job.

Workforce Profiles

All contractors performing work on a Public Works project site are required to have an approved workforce profile. Supplier-only companies are exempt. The GC will not be issued a partial payment until all firms listed on the subcontractor form have an approved workforce profile. The GC will provide subs with a copy of the workforce profile. Second-tier (etc.) subs should expect to receive the workforce profile from the company engaging them on the project. Questions about filing out the workforce profile may be directed to Johanna Johnson in the City Engineering Division, (608) 267-1197.

Active Trade Trainer Status

A company's Active Trade Trainer Status (W-ATT) is confirmed in one of two ways. First, if the firm is listed as W-ATT in a

specific trade with the state DWD. A report is available on the Internet (please see back panel for web address). Or, second, if the firm is in the process of becoming W-ATT (considered SBATT), a letter from the firm stating their intention to hire an apprentice in a particular trade. Documentation from the union or certified training body that the hire has been made (including name, percent of apprenticeship program complete) is required before the sub may start work on the job site.

Based on the dollar amount of a sub's contract, it is possible that they need not be W-ATT in all categories of apprenticeable trades used on the project. For this to apply, the sub's contract would need to be greater than \$48,000 but less than \$234,000, and the sub is proposing to use more than one trade. This is considered a multi-trade contract as defined by Wisc. Stat. Sec 66.0903(5). Over \$234,000, subs must be W-ATT in all apprenticeable trades proposed to be engaged on the project.

City of Madison

Engineering Division
1600 Linn St.
Madison, WI
53725

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Fax: (608) 267-1123
Email: johnson@cityofmadison.com

Contract 61194, Fire Station #12
 Stevens Construction Corp.
 status as of Fri., Oct 22, 2008

	City	Prequalified	BVC	Workforce Profile	Notes
Stevens Construction Co. (General)					
McKnight		Yes	rec'vd	rec'vd	BVC likely ok - need to compare workforce profile w/BVC form
		Yes	rec'vd	ok	BVC Exempt - multi trade; bvc and workforce profiles match
Jefferson Glass		\$121,730 Yes	rec'vd	Needed	Spoke w/ Kurt 10/17; emailed bvc and workforce profile on 10/20 but workforce profile was blank; emailed Jen at Stevens on 10/20 that workforce profile still needs to be submitted
H&B Steel		\$52,150 Pending	rec'vd	ok	BVC and workforce profile forms match.
Urban Const		\$182,239 Pending	rec'vd	ok	BVC and workforce profile forms match. - multi trade BVC exempt, Insurance certification missing (Janet Pien email 10/21)
Klugst		\$412,800 Yes	rec'vd	ok	BVC and workforce profile match; WATT for sheetmetal worker & steamfitter
Dave Jones Fire		\$28,312 NA	NA	ok	
Fitchburg Plumbing		\$127,794 <u>Needed</u>	rec'vd	ok	
Master Foam		\$52,789 Yes	rec'vd	rec'vd	
Architectural Panel Systems		\$157,035 Pending	Needed	Needed	
Schultz Electric		\$222,185 <u>Needed</u>	rec'vd	ok	
American Landscape		\$72,404 <u>Needed</u>	rec'vd	Needed	
Avant Gardening		\$71,238 <u>Needed</u>	Needed	Needed	
Architectural Metals		\$110,530 <u>Needed</u>	Needed	Needed	
Sciachitano Caulking		\$3,900 NA	NA	Needed	
Overhead Door of Madison		\$31,595 NA	NA	Needed	
Austad & Son		\$10,400 NA	NA	ok	
Noyce Painting		\$24,050 NA	NA	Needed	
Maly Ceramic Tile		\$87,165 Yes	rec'vd	rec'vd	John: BVC question on this
THD Design		\$18,055 NA	NA	Needed	

email from Janet P. 10/21 - she has informed them of what needs to be submitted for prequal ap.; John: BVC & workforce profile don't appear to match, question to ask you about the 2 forms

Need more info on

Prequal Rec'd; Vialight for email 10.5.08

Rec'vd