



Department of Public Works  
**City Engineering Division**

Robert F. Phillips, P.E.  
**City Engineer**

City-County Building, Room 115  
210 Martin Luther King, Jr. Boulevard  
Madison, Wisconsin 53703  
FAX 608 264 9275  
Textnet 866 704 2315  
www.cityofmadison.com

**608 266 4751**

**Assistant City Engineer**  
Michael R. Dailey, P.E.

**Principal Engineers**  
Christina M. Bachmann, P.E.  
John S. Fahrney, P.E.  
Gregory T. Fries, P.E.  
Christopher J. Petykowski, P.E.

**Facilities & Sustainability**  
Jeanne E. Hoffman, Manager  
James C. Whitney, A.I.A.

**Operations Supervisor**  
Kathleen M. Cryan

**GIS Manager**  
David A. Davis, R.L.S.

**Financial Officer**  
Steven B. Danner-Rivers

**Hydrogeologist**  
Brynn Bemis

**January 24, 2012**

**NOTICE OF ADDENDUM**

**ADDENDUM NO. 1**

**CONTRACT NO. 6793**

**NORTH ORCHARD STREET AND SPRING STREET  
RECONSTRUCTION ASSESSMENT DISTRICT - 2012**

Revise and amend the contract document(s) for the above project as stated in this addendum, otherwise, the original document shall remain in effect.

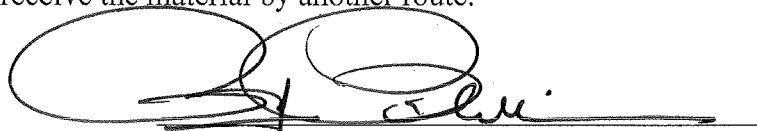
Remove Contract Pages: C-1 through C-8  
Insert Contract Pages: C-1 through C-10 (Rev Date 1-24-2012)

Please acknowledge this addendum on page E1 of the contract documents.

Electronic version of these documents can be found on the City of Madison web site at:

<http://www.cityofmadison.com/business/PW/contracts/openforBid.cfm>

If you are unable to download plan revisions associated with the addendum, please contact the Engineering office at 608-266-4751 receive the material by another route.



Robert F. Phillips, City Engineer

Cc: 7 copies of plans for Inspectors

## SECTION C: SBE

### Instructions to Bidders City of Madison SBE Program Information

#### 2 Small Business Enterprise (SBE) Program Information

##### 2.1 Policy and Goal

The City of Madison reaffirms its policy of nondiscrimination in the conduct of City business by maintaining a procurement process which remains open to all who have the potential and ability to sell goods and services to the City. It is the policy of the City of Madison to allow Small Business Enterprises (SBE) maximum feasible opportunity to participate in City of Madison contracting. The bidder acknowledges that its bid has been submitted in accordance with the SBE program and is for the public's protection and welfare.

Please refer to the "ADVERTISEMENT FOR BIDS" for the goal for the utilization of SBEs on this project. SBEs may participate as subcontractors, vendors and/or suppliers, which provide a commercially useful function. The dollar value for SBE suppliers or 'materials only' vendors shall not be discounted for purposes of meeting SBE goals.

A bidder which achieves or exceeds the SBE goal will be in compliance with the SBE requirements of this project. In the event that the bidder is unable to achieve the SBE goal, the bidder must demonstrate that a good faith effort to do so was made. Failure to either achieve the goal or demonstrate a good faith effort to do so will be grounds for the bidder being deemed a non-responsible contractor ineligible for award of this contract.

A bidder may count towards its attainment of the SBE goal only those expenditures to SBEs that perform a commercially useful function. For purposes of evaluating a bidder's responsiveness to the attainment of the SBE goal, the contract participation by an SBE is based on the percentage of the total base bid proposed by the Contractor. The total base bid price is inclusive of all addenda.

Work performed by an SBE firm in a particular transaction can be counted toward the goal only if it involves a commercially useful function. That is, in light of industry practices and other relevant considerations, does the SBE firm have a necessary and useful role in the transaction, of a kind for which there is a market outside the context of the SBE Program, or is the firm's role a superfluous step added in an attempt to obtain credit towards goals? If, in the Review Committee's judgment, the SBE firm will not perform a commercially useful function in the transaction, no credit towards goals will be awarded.

The question of whether a firm is performing a commercially useful function is completely separate from the question of whether the firm is an eligible SBE. A firm is eligible if it meets the definitional criteria and ownership and control requirements, as set forth in the City of Madison's SBE Program.

If the City of Madison determines that the firm is performing a commercially useful function, then the City of Madison must then decide what that function is. If the commercially useful function is that of a regular dealer, then the City of Madison will count 100% of the value of the product supplied toward SBE goals.

A regular dealer must be engaged in selling the product in question to the public. This is important in distinguishing a regular dealer, which has a regular trade with a variety of customers, from a firm which performs supplier-like functions on an ad hoc basis or for only one or two contractors with whom it has a special relationship.

A supplier of bulk goods may qualify as a regular dealer if it either maintains an inventory or owns or operates distribution equipment. With respect to the distribution equipment; e. g., a fleet of trucks, the term "operates" is intended to cover a situation in which the supplier leases the equipment on a regular basis for its entire business. It is not intended to cover a situation in which the firm simply provides drivers for trucks owned or leased by another party; e. g., a prime contractor, or leases such a party's trucks on an ad hoc basis for a specific job.

If the commercially useful function being performed is not that of a regular dealer, but rather that of delivery of products, obtaining bonding or insurance, procurement of personnel, acting as a broker or manufacturer's representative in the procurement of supplies, facilities, or materials, etc., only the fees or commissions will apply towards the goal.

For example, a business that simply transfers title of a product from manufacturer to ultimate purchaser; e. g., a sales representative who re-invoices a steel product from the steel company to the Contractor, or a firm that puts a product into a container for delivery would not be considered a regular dealer. The Contractor would not receive credit based on a percentage of the cost of the product for working with such firms.

Concerning the use of services that help the Contractor obtain needed supplies, personnel, materials or equipment to perform a contract: only the fee received by the service provider will be counted toward the goal. For example, use of a SBE sales representative or distributor for a steel company, if performing a commercially useful function at all, would entitle the Contractor receiving the steel to count only the fee paid to the representative or distributor toward the goal. This provision would also govern fees for professional and other services obtained expressly and solely to perform work relating to a specific contract.

Concerning transportation or delivery services: if an SBE trucking company picks up a product from a manufacturer or regular dealer and delivers the product to the Contractor, the commercially useful function it is performing is not that of a supplier, but simply that of a transporter of goods. Unless the trucking company is itself the manufacturer or a regular dealer in the product, credit cannot be given based on a percentage of the cost of the product. Rather, credit would be allowed for the cost of the transportation service.

The City is aware that the rule's language does not explicitly mention every kind of business that may contribute work on this project. In administering these programs, the City would, on a case-by-case basis, determine the appropriate counting formula to apply in a particular situation.

## **2.2 Contract Compliance**

Questions concerning the SBE Program shall be directed to the Contract Compliance Officer of the City of Madison Department of Civil Rights, Affirmative Action Division, 210 Martin Luther King, Jr. Blvd., Room 523, Madison, WI 53703; telephone (608) 266-4910.

## **2.3 Certification of SBE by City of Madison**

The Affirmative Action Division maintains a directory of SBEs which are currently certified as such by the City of Madison. Contact the Contract Compliance Officer as indicated in Section 2.2 to receive a copy of the SBE Directory or you may access the SBE Directory online at [www.cityofmadison.com/dcr/aaTBDir.cfm](http://www.cityofmadison.com/dcr/aaTBDir.cfm).

All contractors, subcontractors, vendors and suppliers seeking SBE status must complete and submit the **Targeted Business Certification Application** to the City of Madison Affirmative Action Division by the time and date established for receipt of bids. A copy of the Targeted Business Certification Application is available by contacting the Contract Compliance Officer at the address and telephone indicated in Section 2.2 or you may access the Targeted Business Certification Application online at [www.cityofmadison.com/dcr/aaTBDir.cfm](http://www.cityofmadison.com/dcr/aaTBDir.cfm). Submittal of the Targeted Business Certification Application by the time specified does not guarantee that the applicant will be certified as a SBE eligible to be utilized towards meeting the SBE goal for this project.

## **2.4 Small Business Enterprise Compliance Report**

### **2.4.1 Good Faith Efforts**

Bidders shall take all necessary affirmative steps to assure that SBEs are utilized when possible and that the established SBE goal for this project is achieved. A contractor who self performs a portion of the work, and is pre-qualified to perform that category of work, may subcontract that portion of the work, but shall not be required to do so. When a bidder is unable to achieve the established SBE goal, the bidder must demonstrate

that a good faith effort to do so was made. Such a good faith effort should include the following:

- 2.4.1.1 Attendance at the pre-bid meeting.
- 2.4.1.2 Using the City of Madison's directory of certified SBEs to identify SBEs from which to solicit bids.
- 2.4.1.3 Assuring that SBEs are solicited whenever they are potential sources.
- 2.4.1.4 Referring prospective SBEs to the City of Madison Affirmative Action Division for certification.
- 2.4.1.5 Dividing total project requirements into smaller tasks and/or quantities, where economically feasible, to permit maximum feasible SBE participation.
- 2.4.1.6 Establishing delivery schedules, where requirements permit, which will encourage participation by SBEs.
- 2.4.1.7 Providing SBEs with specific information regarding the work to be performed.
- 2.4.1.8 Contacting SBEs in advance of the deadline to allow such businesses sufficient time to prepare a bid.
- 2.4.1.9 Utilizing the bid of a qualified and competent SBE when the bid of such a business is deemed reasonable (i.e. 5% above the lowest bidder), although not necessarily low.
- 2.4.1.10 Contacting SBEs which submit a bid, to inquire about the details of the bid and confirm that the scope of the work was interpreted as intended.

#### 2.4.2 Reporting SBE Utilization and Good Faith Efforts

The Small Business Enterprise Compliance Report is to be submitted by the bidder in a separate sealed envelope marked: **"ENVELOPE 2 - SBE COMPLIANCE REPORT."** This report is due by the specified bid closing time and date. Bids submitted without a completed SBE Compliance Report as outlined below shall be deemed non-responsible and the bidder ineligible for award of this contract.

- 2.4.2.1 If the Bidder meets or exceeds the goal established for SBE utilization, the Small Business Enterprise Compliance Report shall consist of the following:
  - 2.4.2.1.1 **Cover Page**, Page C-7; and
  - 2.4.2.1.2 **Summary Sheet**, C-8.
- 2.4.2.2 If the bidder does not meet the goal established for SBE utilization, the Small Business Enterprise Compliance Report shall consist of the following:
  - 2.4.2.2.1 **Cover Page**, Page C-7;
  - 2.4.2.2.2 **Summary Sheet**, C-8; and
  - 2.4.2.2.3 **SBE Contact Report**, C-9 and C-10. (A separate Contact Report must be completed for each applicable SBE which is not utilized.)

## **2.5 Appeal Procedure**

A bidder which does not achieve the established goal and is deemed non-responsible for failure to demonstrate a good faith effort to achieve such goal and subsequently denied eligibility for award of contract may, within 72 hours of receiving such notification, appeal that decision to a special appeals committee composed of three (3) members of the Affirmative Action Commission, three (3) members of the Board of Public Works and a seventh member appointed by the Mayor. All appeals must be made in writing to the City Engineer and received within 72 hours of City of Madison's notice. Postmark not applicable.

## **2.6 SBE Requirements After Award of the Contract**

The successful bidder shall identify SBE subcontractors, suppliers and vendors on the subcontractor list in accordance with the specifications. The Contractor shall submit a detailed explanation of any variances between the listing of SBE subcontractors, vendors and/or suppliers on the subcontractor list and the Contractor's SBE Compliance Report for SBE participation.

No change in SBE subcontractors, vendors and/or suppliers from those SBEs indicated in the SBE Compliance Report will be allowed without prior approval from the Engineer and the Affirmative Action Division. The contractor shall submit in writing to the City of Madison Affirmative Action Division a request to change any SBE citing specific reasons which necessitate such a change. The Affirmative Action Division will use a general test of reasonableness in approving or rejecting the contractor's request for change. If the request is approved, the Contractor will make every effort to utilize another SBE if available.

The City will monitor the project to ensure that the actual percentage commitment to SBE firms is carried out.

## **2.7 SBE Definition and Eligibility Guidelines**

A Small Business Enterprise is a business concern awarded certification by the City of Madison. For the purposes of this program a Small Business Enterprise is defined as:

- A. An independent business operated under a single management. The business may not be a subsidiary of any other business and the stock or ownership may not be held by any individual or any business operating in the same or a similar field. In determining whether an entity qualifies as a SBE, the City shall consider all factors relevant to being an independent business including, but not limited to, the date the business was established, adequacy of its resources for the work in which it proposes to involve itself, the degree to which financial, equipment leasing and other relationships exist with other ineligible firms in the same or similar lines of work. SBE owner(s) shall enjoy the customary incidents of ownership and shall share in the risks and profits

commensurate with their enjoyment interests, as demonstrated by an examination of the substance rather than form or arrangements that may be reflected in its ownership documents.

- B. A business with annual gross receipts of less than \$750,000 when averaged over the past three year period;

Firm and/or individuals that submit fraudulent documents/testimony may be barred from doing business with the City and/or forfeit existing contracts.

SBE certification is valid for one (1) year unless revoked.

**NORTH ORCHARD STREET AND SPRING STREET RECONSTRUCTION  
ASSESSMENT DISTRICT – 2012  
CONTRACT NO. 6793**

**Small Business Enterprise Compliance Report**

**Cover Sheet**

**This information MUST be submitted in a separate sealed envelope marked  
“ENVELOPE NO. 2 - SBE COMPLIANCE REPORT.”**

Prime Bidder Information:

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Prime Bidder Certification:

I, \_\_\_\_\_, \_\_\_\_\_ of  
Name Title  
\_\_\_\_\_ certify that the information  
Company

contained in this SBE Compliance Report is true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Witness' Signature

\_\_\_\_\_  
Bidder's Signature

\_\_\_\_\_  
Date





**NORTH ORCHARD STREET AND SPRING STREET RECONSTRUCTION  
ASSESSMENT DISTRICT – 2012  
CONTRACT NO. 6793**

**Small Business Enterprise Compliance Report**

**SBE Contact Report**

**This information MUST be submitted in a separate sealed envelope marked  
“ENVELOPE NO. 2 - SBE COMPLIANCE REPORT.”**

Submit separate copy of this form for each SBE which you are not able to utilize towards meeting the SBE goal for this project. Attach separate sheets if necessary.

SBE Information:

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

1. Outline below all efforts to solicit a bid from the above SBE. Include date, means of contact, who from your company made this contact and the result.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Describe the information provided to the aforementioned SBE regarding the scope of work for which he/she was to provide a bid.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is this the same scope of work on which the subcontractor you intend to utilize based his/her bid?

Yes     No

3. Did this SBE submit a bid?     Yes     No

4. Is the General Contractor pre-qualified to self-perform this category of work?  
 Yes     No
5. If you responded "Yes" to Question 3, please check the items below which apply and provide the requested detail. If you responded "No" to Question 3, please skip ahead to item 6 below.

The SBE listed above is unavailable for work on this project for the following reasons. Provide specific detail for this conclusion.

The SBE listed above is unqualified for work on this project. Provide specific details for this conclusion.

The SBE listed above provided a price that was unreasonable (i.e. more than 5% above the lowest bidder). Provide specific detail for this conclusion including the SBE's price and the price of the subcontractor you intend to utilize.

A contract with the SBE listed above may constitute a breach of the bidder's collective bargaining agreements. Provide specific detail for this conclusion including, but not limited to, correspondence from the SBE indicating it will not sign a project labor agreement and/or correspondence from the applicable trade union indicating a project labor agreement will not be allowed at the time of project bidding.

Other; please specify reason(s) other than listed above which made it impossible for you to utilize this SBE on this project.

6. Describe any other good faith efforts: