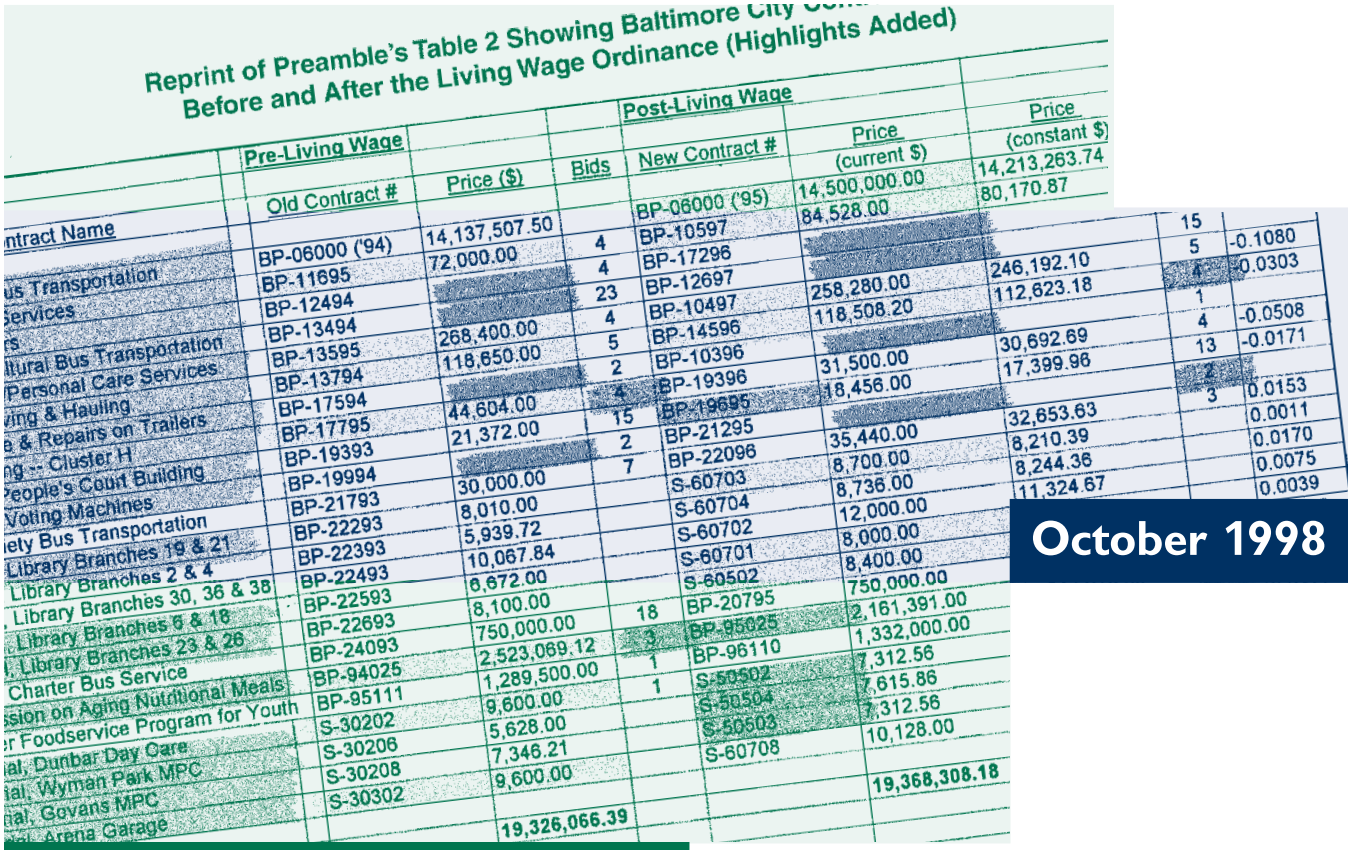
EMPLOYMENT POLICIES INSTITUTE

THE BALTIMORE LIVING WAGE STUDY:

OMISSIONS, FABRICATIONS AND FLAWS



Reprint of Preamble's Table 2 Showing Baltimore City Con...
Before and After the Living Wage Ordinance (Highlights Added)

	Pre-Living Wage			Post-Living Wage		
...ntract Name	Old Contract #	Price ($)	Bids	New Contract #	Price (current $)	Price (constant $)
...us Transportation	BP-06000 ('94)	14,137,507.50	4	BP-06000 ('95)	14,500,000.00	14,213,263.74
...Services	BP-11695	72,000.00	4	BP-10597	84,528.00	80,170.87
...rs	BP-12494	[redacted]	23	BP-17296	[redacted]	
...ltural Bus Transportation	BP-13494	[redacted]	4	BP-12697	[redacted]	
...Personal Care Services	BP-13595	268,400.00	5	BP-10497	258,280.00	246,192.10
...ving & Hauling	BP-13794	118,650.00	2	BP-14596	118,508.20	112,623.18
...e & Repairs on Trailers	BP-17594	[redacted]	4	BP-10396	[redacted]	
...ng -- Cluster H	BP-17795	44,604.00	15	BP-19396	31,500.00	30,692.69
...People's Court Building	BP-19393	21,372.00	2	BP-19695	18,456.00	17,399.96
...Voting Machines	BP-19994	[redacted]	7	BP-21295	[redacted]	
...ety Bus Transportation	BP-21793	30,000.00		BP-22096	35,440.00	32,653.63
...Library Branches 19 & 21	BP-22293	8,010.00		S-60703	8,700.00	8,210.39
...Library Branches 2 & 4	BP-22393	5,939.72		S-60704	8,736.00	8,244.36
...Library Branches 30, 36 & 38	BP-22493	10,067.84		S-60702	12,000.00	11,324.67
...Library Branches 6 & 18	BP-22593	6,672.00		S-60701	8,000.00	
...Library Branches 23 & 26	BP-22693	8,100.00		S-60502	8,400.00	
...Charter Bus Service	BP-24093	750,000.00	18	BP-20795	750,000.00	
...sion on Aging Nutritional Meals	BP-94025	2,523,069.12	3	BP-95025	2,161,391.00	
...r Foodservice Program for Youth	BP-95111	1,289,500.00	1	BP-96110	1,332,000.00	
...al, Dunbar Day Care	S-30202	9,600.00	1	S-50502	7,312.56	
...al, Wyman Park MPC	S-30206	5,628.00		S-50504	7,615.86	
...al, Govans MPC	S-30208	7,346.21		S-50503	7,312.56	
...al, Arena Garage	S-30302	9,600.00		S-60708	10,128.00	
		19,326,066.39			19,368,308.18	

15		
5	-0.1080	
4	-0.0303	
1		
4	-0.0508	
13	-0.0171	
2		
3	0.0153	
	0.0011	
	0.0170	
	0.0075	
	0.0039	

October 1998

An In-Depth Examination of "Baltimore's Living Wage Law: An Analysis of the Fiscal and Economic Costs of Baltimore City Ordinance 442"

Employment Policies Institute

The Employment Policies Institute is a nonprofit research organization dedicated to studying public policy issues surrounding employment growth. In particular, EPI research focuses on issues that affect entry-level employment. Among other issues, EPI research has quantified the impact of new labor costs on job creation, explored the connection between entry-level employment and welfare reform, and analyzed the demographic distribution of mandated benefits. EPI sponsors nonpartisan research which is conducted by independent economists at major universities around the country.

THE BALTIMORE LIVING WAGE STUDY:
OMISSIONS, FABRICATIONS AND FLAWS

Introduction

In December 1994, Baltimore Mayor Kurt Schmoke signed into law one of the nation's first "living wage" ordinances. It required businesses with city contracts to pay their workers a minimum of $7.70 per hour by 1999, approximately 50% above the current federal minimum wage. Since then, "living wage" campaigns have sprung up around the country.

A close examination reveals that the Preamble study is a sham. The study's authors fabricated data, omitted relevant data, included erroneous data, and performed statistical tests incorrectly.

In October 1996, the Preamble Center for Public Policy ("Preamble") published a study of Baltimore's mandated wage (*Baltimore's Living Wage Law: An Analysis of the Fiscal and Economic Costs of Baltimore City Ordinance 442*) in which they compared the costs of 23 matched pairs of city contracts before and after implementation of the living wage legislation. *In spite of the fact that labor input prices increased*, Preamble claimed to find that contract costs *declined* rather than increased following implementation of the "living wage" mandate. "The predicted negative effects of raising wages for workers employed on city contracts (higher costs, fewer jobs, and fewer bids on city contracts) have not materialized in Baltimore."[1] In spite of the fact that this study had not been peer-reviewed or vetted by anyone outside of Preamble, its findings were widely heralded by the media. Organized labor and some politicians offered the study as evidence that mandates for higher wages are cost-effective tools for fighting poverty. More than a dozen cities have since relied on Preamble's version of Baltimore's experience in setting wage rates.

Had the media looked at Preamble's study with an even slightly critical eye, they would have discovered major flaws. Had they looked more closely, they would have found outright deceptions. The Employment Policies Institute ("EPI") conducted a thorough examination of the Preamble Center's "living wage" study, including independent verification of each of the contract prices listed in the study. This examination reveals extremely sloppy research and an intention to lend false credence to these mandated wage hike campaigns. Among the findings:

- Preamble fabricated information about some contracts and, in one case, created out of whole cloth a ficticious multi-million-dollar contract.

- Preamble erroneously included in their analysis comparative contracts that were not affected by the living wage ordinance.

- Preamble included in their analysis erroneous price and bid information about covered contracts.

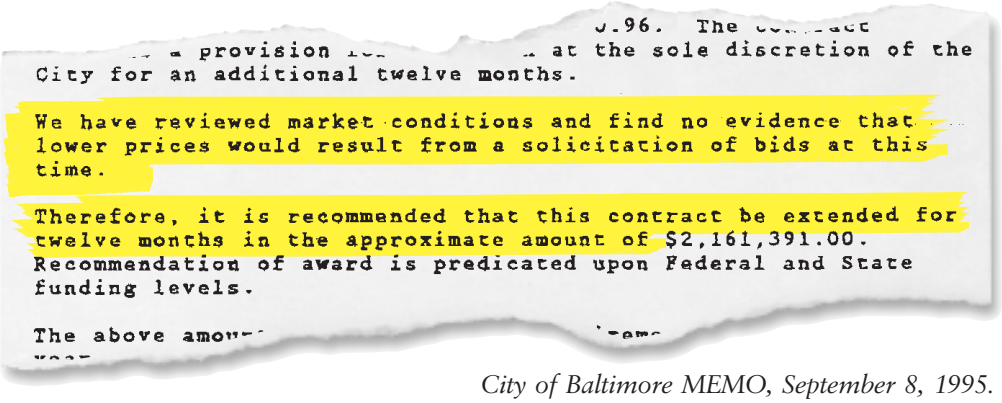
- Preamble excluded relevant contract information that would have refuted their reported results. Among the excluded information was a $193,000 increase in the post-living wage cost of the largest dollar value contract in Preamble's sample, and a $135,000 increase in the cost of a contract for which Preamble presented bid data but no price data.

Without this one contract, Preamble's conclusion is turned on its head: contract costs did, indeed, rise rather than fall after implementation of Baltimore's living wage legislation.

The primary conclusion of the Preamble Center's study – that the City of Baltimore's contract costs declined following implementation of the living wage legislation – hinges *entirely* upon the costs associated with one of the 23 before-and-after contract pairs analyzed by Preamble – the "Nutritional Meals Program Management" contract pairs. Without this one contract, Preamble's conclusion is turned on its head: contract costs did, indeed, rise rather than fall after implementation of Baltimore's living wage legislation. EPI's examination of the City of Baltimore's official contract award records reveals that Preamble *fabricated* information about this contract, presumably to justify its inclusion in the study.

Preamble Whips Up a Creative "Meals" Contract

On October 19, 1993, Baltimore City Purchasing Agent Ella H. Pierce asked the Baltimore City Board of Estimates to award the City's "Nutritional Meals Program Management" contract (henceforth known as the "Meals" contract) to Overlea Caterers, Inc., the sole firm bidding for the contract. On October 27, 1993, the Board of Estimates voted to award Overlea a 21-month contract in the amount of $4,415,370.96 for managing the "Meals" program, a program that provides elderly city residents with nutritionally sound meals. (See Exhibit 1.) That contract (#94025) began on January 1, 1994.


City for an additional twelve months.

We have reviewed market conditions and find no evidence that lower prices would result from a solicitation of bids at this time.

Therefore, it is recommended that this contract be extended for twelve months in the approximate amount of $2,161,391.00. Recommendation of award is predicated upon Federal and State funding levels.

City of Baltimore MEMO, September 8, 1995.

Twenty-one months after the contract had begun, Ms. Pierce asked the Board of Estimates to approve a 12-month extension of the contract, as provided for in the original agreement, because "We have

reviewed market conditions and find no evidence that lower prices would result from a solicitation of bids at this time." On September 27, 1995, the Board of Estimates approved a 12-month extension in the amount of $2,161,391.00. (See Exhibit 2.) On September 25, 1996, the City Council once again approved an extension of the "Meals" contract, this time on a month-to-month basis. (See Exhibit 3.)

Even though the first "meals" extension (which Preamble represented as the post-living wage "meals" contract) was passed after the July 1, 1995, effective date of the living wage ordinance, this contract was not affected because, as Preamble notes in its study:

employees and pay [illegible]. Any violator of the ordinance can be made ineligible for city contracts for a year. If a contractor is noncompliant on more than three contracts in a two-year period, it can be barred from bidding on contracts for three years.

There is, however, an exception in the ordinance that exempts those companies awarded contract *extensions* from the living wage requirement. Extension options typically range from one to four years and "grandfather" the wage requirement in force at the time the contract was awarded.

The adoption of the living wage ordinance was a response to the deepening impoverishment of low-wage earners in the city of Baltimore. Church leaders saw a sharp increase in the number of working people relying on social service [illegible] for food and housing [illegible] of these poor families [illegible]

In Preamble's own report (page 6), they acknowledge contract extensions are not affected by living wage laws.

Hence, the "Meals" contract was exempt from the living wage requirement. Its labor costs were not affected by the law. *It should not have been included in Preamble's analysis. Yet the conclusion of this contract drives the result of Preamble's study.*

Despite the "error" of including in the analysis a contract that was exempt from the law's wage requirement, Preamble went further to increase the effect of this contract on their conclusions. Without any supporting documentation, Preamble reports in Table 2 of its study that the amount of the original "Meals" contract (#94025) was $2,523,069.12 rather than $4,415,370.96. Apparently, Preamble prorated the contract for 12 months of its 21-month life (12/21 times $4,415,370.96 equals $2,523,069.12), *although there is no reference to this calculation in the study*. It is clear that Preamble was aware that the contract covered a 21-month period, but represented it as a phantom 12-month contract.[2] Had the contract been bid on a 12-month basis, there is no reason to assume that the per-month cost would have been the same. However, this straight-line cost apportionment is only a small part of Preamble's creative accounting.

Hence, the "Meals" contract was exempt from the living wage requirement. Its labor costs were not affected by the law. It should not have been included in Preamble's analysis.

Preamble needed a contract from the "post-living wage" period to pair with #94025. Because none existed, *Preamble "created" a comparison contract based upon the September 27, 1995, extension of*

	Pre-Living Wage			Post-Living Wage				Weighted
								% Diff.
Contract Name	Old Contract #	Price ($)	Bids	New Contract #	Price (current $)	Price (constant $)	Bids	
Public Pupil Bus Transportation	[illegible]	[illegible]		[illegible]	[illegible]			
[illegible]	BP-22395			[illegible]704	8,736.00	8,244.36		0.0170
Janitorial, Library Branches 30, 36 & 38	BP-22493	10,067.84		S-60702	12,000.00	11,324.67		0.0075
Janitorial, Library Branches 6 & 18	BP-22593	6,672.00		S-60701	8,000.00	7,341.63		0.0039
Janitorial, Library Branches 23 & 26	BP-22693	8,100.00		S-60502	8,400.00	7,363.66		-0.0035
General Charter Bus Service	BP-24093	750,000.00	18	BP-20795	750,000.00	709,916.65	17	-0.2012
Commission on Aging Nutritional Meals	BP-94025	2,523,069.12	3	BP-95025	2,161,391.00	2,047,918.39	2	-0.0449
Summer Foodservice Program for Youth	BP-95111	1,289,500.00	1	BP-96110	1,332,000.00	1,296,569.57	1	0.0377
Janitorial, Dunbar Day Care	S-30202	9,600.00	1	S-50502	7,312.56	6,873.52	2	-0.0104
Janitorial, Wyman Park MPC	S-30206	5,628.00		S-50504	7,615.86			
Janitorial, Goyans MPC								

Each circled data reference (found on page 8 of Preamble's report) is incorrect. Yet this contract pair drives Preamble's conclusion.

contract #94025. Preamble lists a contract #95025 in the amount of $2,161,391.00, a fictional contract number that exists only in Preamble's report. The amount of this fictional contract is exactly equal to the amount of the 1995 *extension* of contract #94025. (Again, see Exhibit 2.) Preamble cannot explain away the creation of phantom contract #95025 as a typographical error. Preamble even reports *two bids* for this fictional contract, in spite of the fact that *bids were not solicited* for this contract extension, as noted by Ms. Pierce in the city's documentation for the extension. A point of interest: Preamble also incorrectly reported the number of bids received for the contract BP-94025. As noted in the city documents, one bid was received, not three.

Why would Preamble go to such lengths to include this fabricated contract? Most likely because inclusion of this single contract changes the primary result of Preamble's overall living wage analysis...

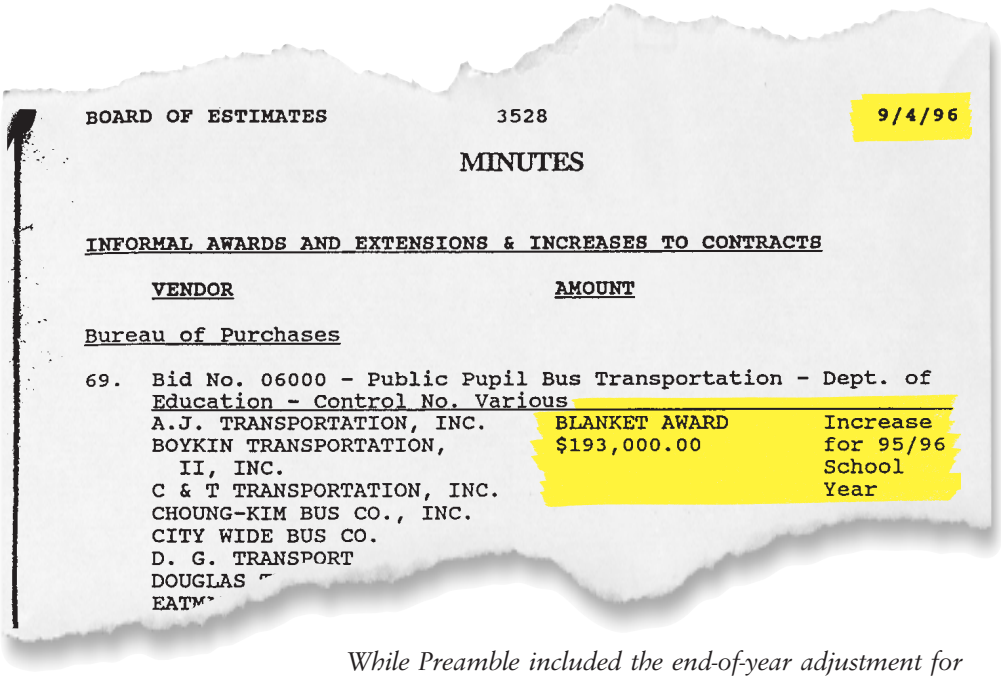
Why would Preamble go to such lengths to include this fabricated contract? Most likely because inclusion of this single contract changes the primary result of Preamble's overall living wage analysis from a cost increase of $9,000 to a "statistically significant" decline of $466,000. According to Preamble, the cost of the extension was $362,000 less than the cost of the original contract. Preamble then "adjusted" the contract extension price down to $2,047,918.39 to account for changes in the consumer price price index over the sample period, growing the cost differential to approximately $475,000. (Preamble's calculations imply a 5.5% inflation rate during 1995, whereas the actual rate for the CPI was 2.8% per year – the only rate applicable in dealing with a "12-month" contract.)

Preamble Misses the Bus on the "Public Pupil Bus Transportation" Contract

The "before-and-after" contracts for "Public Pupil Bus Transportation" account for most of the contract dollars analyzed in Preamble's study. In each period, this contract represents more than two-thirds ($14 million of the approximately $19 million) of the contract dollars analyzed by Preamble. Preamble reports the pre-living wage value of this contract as $14,137,507.50 for 1994 and the post-living wage value as $14,500,000 for 1995. And while the actual value of this contract rose by more than $360,000, Preamble

"inflation-adjusts" this increase down to only $76,000.

A closer look at this pair of "Bus" contracts shows that, once again, Preamble is misrepresenting the facts. City of Baltimore contract award records show that the amount of the bus contract awarded each year is adjusted at the end of each school year based upon the actual level of bus services provided. Typically, this adjustment takes the form of a supplemental increase to the original award. Preamble included this supplemental increase in the "before" contract cost, but *not* in the "after" contract cost despite the fact that the adjustment occurred a month *before* Preamble released their report. (See graphic, this page.) In so doing, Preamble understated the amount of the "after" contract by $193,000.00.[3] (Preamble was obviously aware of this end-of-year adjustment because they included it in the *pre*-living wage contract.)



BOARD OF ESTIMATES 3528 9/4/96

MINUTES

INFORMAL AWARDS AND EXTENSIONS & INCREASES TO CONTRACTS

VENDOR	AMOUNT	
Bureau of Purchases		
69. Bid No. 06000 - Public Pupil Bus Transportation - Dept. of Education - Control No. Various		
A.J. TRANSPORTATION, INC. BOYKIN TRANSPORTATION, II, INC. C & T TRANSPORTATION, INC. CHOUNG-KIM BUS CO., INC. CITY WIDE BUS CO. D. G. TRANSPORT DOUGLAS EATM	BLANKET AWARD $193,000.00	Increase for 95/96 School Year

While Preamble included the end-of-year adjustment for the 94/95 school year "Bus" contract in their pre-living wage calculations, they ignored the adjustment (the $193,000.00 increase shown here) for the post-living wage contract.

Other Problems with the Preamble Study

While the errors found in the "Meals" contracts and the "Bus" contracts are the most significant, they are just a few of many errors. Consider the following:

1. Preamble included in their post-living wage sample many contracts not affected by the living wage ordinance.

In addition to the "Meals" contract, which was not affected because it was a contract extension, Preamble studied contracts that were implemented before the living wage took effect on July 1, 1995, and which, therefore, were not subject to the mandated wage hike. *Twenty-two percent of the 23 contracts (including "Meals") listed as subject to the wage requirements were for fiscal year 1995 and, therefore, were unaffected by the living wage law.*

Twenty-two percent of the 23 contracts (including "Meals") listed as subject to the wage requirements were for fiscal year 1995 and, therefore, ***unaffected by the living wage law.***

2. Preamble reported erroneous contract prices.

Preamble reported inaccurate prices for contracts beyond the "Meals" and "Bus" contracts. Based upon a review of official

Based upon a review of official City of Baltimore contract records, EPI has documented that ***at least 14 contract prices as reported by Preamble were incorrect.*** *Most of these discrepancies are small, but one is off by more than $60,000.*

City of Baltimore contract records, EPI has documented that *at least 14 contract prices as reported by Preamble were incorrect*. Most of these discrepancies are small, but one is off by more than $60,000.

3. Preamble reported erroneous bid information.

One concern regarding the living wage was that it would discourage firms from bidding on city contracts, thereby reducing the competitiveness of the bidding process and increasing prices to the city. Preamble analyzed the change in bids received before and after implementation of the living wage legislation and found that the average number of bids did, indeed, decline. Preamble goes to great length to explain away this decline as "not statistically significant." EPI's review revealed that *Preamble overstated the number of bids on 5 of 46 contracts (10.8%)*.

4. Preamble suppressed available but unfavorable information.

Although Preamble analyzed 46 contracts, they included price information for only 38 of these contracts. However, they do provide information on the number of bids for those eight contracts that lack price data. This is significant because contract documentation typically provides information on both *the price* and *the number of bids* received. *EPI was able to document price information for each of the eight contract prices missing from Preamble's analysis*. Most conspicuous of these is a pair of contracts for "hauling voting machines," where the contract *price increased by 144 percent*, from $93,600 to $228,800!

5. Preamble compared apples and oranges.

Preamble's methodology implicitly assumes that the pre- and post-living wage contract pairs are *identical* except for the living wage requirement in the latter period. Consider the contract pair that Preamble labels "Grass Cutting–Cluster H." Reported contract costs *declined* from $44,604 to $31,500. But a closer review of the contracts revealed that the acreage to be cut declined from 177 acres to 95 acres. (The reduction resulted from an error in the original acreage estimate.)

6. Preamble failed Statistics 101.

Preamble claims that "The average contract price, weighted by its share in the total cost of the sample, declined by 1.92%" and that "This decline is statistically significant at the .001 level." This statement is also wrong, as Preamble incorrectly calculated the test statistic on which their claim is based. In fact, they made two errors. Instead of dividing the mean difference by its standard error, they divided the sum of the difference by the standard deviation of the mean. This produced a test statistic that is inflated by a factor of 4.39 (the square root of the sample

Reprint of Preamble's Table 2 Showing Baltimore City Contract Costs Before and After the Living Wage Ordinance (Highlights Added)

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								% Diff.
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Homemaker Services	BP-11695	72,000.00	4	BP-10597	84,528.00	80,170.87	5	0.0482
Carpet Repairs	BP-12494		4	BP-17296			2	
Athletic & Cultural Bus Transportation	BP-13494		23	BP-12697			15	
Homemaker/Personal Care Services	BP-13595	268,400.00	4	BP-10497	258,280.00	246,192.10	5	-0.1080
General Moving & Hauling	BP-13794	118,650.00	5	BP-14596	118,508.20	112,623.18	4	-0.0303
Maintenance & Repairs on Trailers	BP-17594		2	BP-10396			1	
Grass Cutting -- Cluster H	BP-17795	44,604.00	4	BP-19396	31,500.00	30,692.69	4	-0.0508
Janitorial, People's Court Building	BP-19393	21,372.00	15	BP-19695	18,456.00	17,399.96	13	-0.0171
Hauling of Voting Machines	BP-19994		2	BP-21295			2	
Camp Variety Bus Transportation	BP-21793	30,000.00	7	BP-22096	35,440.00	32,653.63	3	0.0153
Janitorial, Library Branches 19 & 21	BP-22293	8,010.00		S-60703	8,700.00	8,210.39		0.0011
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Janitorial, Library Branches 6 & 18	BP-22593	6,672.00		S-60701	8,000.00	7,341.63		0.0039
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Commission on Aging Nutritional Meals	BP-94025	2,523,069.12	3	BP-95025	2,161,391.00	2,047,918.39	2	-2.0449
Summer Foodservice Program for Youth	BP-95111	1,289,500.00	1	BP-96110	1,332,000.00	1,296,569.57	1	0.0377
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Janitorial, Wyman Park MPC	S-30206	5,628.00		S-50504	7,615.86	7,172.93		0.0104
Janitorial, Govans MPC	S-30208	7,346.21		S-50503	7,312.56	6,887.27		-0.0023
Janitorial, Arena Garage	S-30302	9,600.00		S-60708	10,128.00	9,510.41		-0.0005
Total Costs		**19,326,066.39**			**19,368,308.18**	**18,860,329.59**		
Mean % Difference								**-1.9240**
Standard Deviation								**0.4836**
Total Number of Bids			93				76	

Incorrect Bid Information

Missing Contract Amounts

Not Affected by Living Wage

Incorrect Contract Amounts

Contract Pairs Tainted by Incorrect or Incomplete Information

size). Hence, the true test statistic is -0.913 rather than -3.978. This statistic, which in any event is based on erroneous data, indicates that the difference in costs did *not* decline significantly, as reported by Preamble, *even if all the other built-in "errors" are ignored.*

Conclusion

The policy debate about legislating higher wages for workers is often emotional and short on facts. Yet legislators need facts upon which to base public policy. Proponents of wage mandates have widely cited Preamble's study of Baltimore's "living wage" ordinance as factual evidence that such legislation benefits low-wage workers at little or no cost.

A close examination, however, reveals that the Preamble study is a sham. The study's authors fabricated data, omitted relevant data, included erroneous data, and performed statistical tests incorrectly.

Certainly, this is not the sort of "research" upon which public policies should be formulated. Whether or not wage mandates impose significant costs is, indeed, an empirical question. However, Preamble's study provides us with no credible evidence on this issue.

ENDNOTES

[1] Mark Weisbrot and Michelle Sforza-Roderick, *Baltimore's Living Wage Law: An Analysis of the Fiscal and Economic Costs of Baltimore City Ordinance 442*, The Preamble Center for Public Policy, Washington, D.C., October 1996, p.14.

[2] Why would Preamble "create" these numbers? Probably because Preamble's methodology involves the comparison of supposedly identical contracts signed before and after implementation of the "living wage" legislation. The 21-month contract was non-standard, so Preamble forced it to fit, like a square peg in a round hole.

[3] On September 21, 1994, the City of Baltimore's Board of Estimates approved an informal "blanket" award for Contract #06000 in the amount of $12,162,082.50 to 26 transportation vendors for the 1994-95 school year. (See Exhibit 4.) This contract was awarded after the City decided not to extend a previous five-year contract (#18788) or put out a new contract for bid (#17793) but rather "to negotiate with the current contractors." (See Exhibit 5.)

On July 12, 1995, almost one year after Contract #06000 was awarded, the Board approved an increase to this informal contract in the amount of $1,975,425. (See Exhibit 6.) This increase represents the adjustment (typically an increase) that is made at the end of *every* school year.

On June 28, 1995, the Board made an informal blanket award for Contract #06000 in the amount of $14,500,000.00 to 25 transportation vendors for the 1995-96 school year. (See Exhibit 7.) On September 4, 1996, the Board, as expected, approved an increase in the award for Contract #06000 for the 1995-96 school year, in the amount of $193,000.00. This amount is not included in the $14.5 million reported by Preamble as the post-living wage cost for this contract. (See Exhibit 8.)

EXHIBITS

FROM	
NAME & TITLE	Ella H. Pierce, CPPO, C.P.M. City Purchasing Agent
AGENCY NAME & ADDRESS	Bureau of Purchases 111 N. Calvert St.
SUBJECT	BALTIMORE CITY COMMISSION ON AGING AND RETIREMENT EDUCATION'S NUTRITIONAL MEALS PROGRAM MANAGEMENT CONTRACT

CITY of BALTIMORE

MEMO

DATE: October 19, 1993

TO

Contract No.: BP-94025
Acct. No.: 4329-324-415-00-414

Honorable President and Members
of the Board of Estimates

Dear Madam President and Members:

ACTION REQUESTED OF B/E:

Approve an award to the sole bidder, OVERLEA CATERERS, INC., 6809 Belair Road, Baltimore, MD 21206.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

$4,415,370.96, Terms: 1%20 Days Net 30, F.O.B.: Delivered
Account No.: 4329-324-415-00-414 - Nutritional Program Management Contract for CARE

BACKGROUND/EXPLANATION:

BP-94025 - Baltimore City Commission on Aging and Retirement Education's Nutritional Meals Program Management Contract

Bids opened September 29, 1993. One bid received, Fifty-six solicited.

Although only one bid was received, the prices quoted are considered fair and reasonable.

Award recommendation is predicated upon Federal and State funding levels.

The above amount is our estimated requirement for a period of twenty-one months. However, the contract provides that the vendor shall supply the City its entire requirements, more or less. There is also an option to extend this contract for three additional one year periods at the sole discretion of the City.

MBE/WBE PARTICIPATION:

E.O.C.O. finds vendor in compliance. MBE - Global Express = 3.8%
The Forum Caterers = 19.3% WBE - Shalom Catering = 12.3%

EXHIBIT 1

APPROVED BY BOARD OF ESTIMATES

APPROVED FOR FUNDS
DEPT. OF FINANCE

OCT 27 1993

Clerk Date

EHP:JRD:ac
#0186

28-1418-5007 REV. 01/73

1400-10-5

0171

FROM	
NAME & TITLE	Ella H. Pierce, CPPO, C.P.M. City Purchasing Agent
AGENCY NAME & ADDRESS	Bureau of Purchases 111 N. Calvert St. (410-396-5700)
SUBJECT	BALTIMORE CITY COMMISSION ON AGING AND RETIREMENT EDUCATION'S NUTRITIONAL MEALS PROGRAM MANAGEMENT CONTRACT (EXTENSION)

CITY of BALTIMORE

MEMO

Contract No.: BP-94025 Control No.: R102923

Acct. No.: VARIOUS

DATE September 8, 1995

TO

Honorable President and Members
of the Board of Estimates

Dear Madam President and Members:

ACTION REQUESTED OF B/E:

Approve an extension of an award to OVERLEA CATERERS, INC., 6809 Belair Road, Baltimore, MD 21206.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

$2,161,391.00, Terms: 1%20 Days Net 30, F.O.B.: Delivered
Account No.: Various - Nutritional Program Management Contract for CARE

BACKGROUND/EXPLANATION:

BP-94025 - Baltimore City Commission on Aging and Retirement Education's Nutritional Meals Program Management Contract.

On October 27, 1993, your Honorable Board approved an award on the above requirements contract for a period of twenty-one months in the approximate amount of $4,415,370.96. The contract contains a provision for extension at the sole discretion of the City for an additional twelve months.

We have reviewed market conditions and find no evidence that lower prices would result from a solicitation of bids at this time.

Therefore, it is recommended that this contract be extended for twelve months in the approximate amount of $2,161,391.00. Recommendation of award is predicated upon Federal and State funding levels.

The above amount is our estimated requirement for a period of one year. However, the contract provides that the vendor shall supply the City its entire requirements, more or less.

EXHIBIT 2

MBE/WBE PARTICIPATION:

E.O.C.O. finds vendor in compliance. MBE - Global Express = 3.8%
The Forum Caterers = 19.3% WBE - Shalom Catering = 11.3%
E.O.C.O. approved request for extension.

APPROVED BY BOARD OF ESTIMATES

Clerk SEP 27 1995 Date

APPROVED FOR FUNDS
DEPT. OF FINANCE

EHP:JRD:alc
#0177

FROM	
NAME & TITLE	Ella H. Pierce, CPPO, C.P.M. City Purchasing Agent
AGENCY NAME & ADDRESS	Bureau of Purchases 111 N. Calvert St. (410-396-5700)
SUBJECT	BALTIMORE CITY COMMISSION ON AGING AND RETIREMENT EDUCATION'S NUTRITIONAL MEALS PROGRAM MANAGEMENT CONTRACT (EXTENSION) ~~Contract No.: BP-94025~~ ~~Control No.: R102923~~ Acct. No.: VARIOUS

CITY of BALTIMORE

MEMO

78

48

TO

DATE: SEPTEMBER 19, 1996

Honorable President and Members
of the Board of Estimates

Dear President and Members:

ACTION REQUESTED OF B/E:
Approve an extension of an award to OVERLEA CATERERS, INC., 6809 Belair Road, Baltimore, Md 21206.

AMOUNT OF MONEY AND SOURCE OF FUNDS:
$2,000,000.00 per year, Terms: 1%20 Days Net 30, F.O.B.: Delivered Account No.: Various - Nutritional Meals Program Management Contract.

BACKGROUND/EXPLANATION:
BP-94025 - Baltimore City Commission on Aging and Retirement Education's Nutritional Meals Program Management Contract.

On September 27, 1995, your Honorable Board approved an award on the above requirements contract for a period of one year in the approximate amount of $2,161,391.00.

A request has been received for the Commission on Aging and Retirement Education to extend these current contractual services provided by Overlea Caterers, inc. Permission is requested to extend this contract on a monthly basis until revised specifications can be developed. Bid proposals will be advertised thereafter. The requested extension will assure continuity of service to the elderly recipients.

Overlea Caterers, Inc., the current provider has agreed to continue service at the prices, terms and conditions stipulated in contract BP94025.

Therefore, it is recommend that this contract be extended on a monthly basis in the approximate annual amount of $2,000,000.00. Recommendation of award is predicated upon Federal and State Funding levels.

The above amount is our estimated requirement for a period of one year. However, the contract provides that the vendor shall supply the City its entire requirements, more or less.

MBE/WBE PARTICIPATION:
E.O.C.O. found vendor in compliance. MBE - The Forum Caters = 19.3% WBE - Shalom Catering = 11.3%.

EXHIBIT 3

APPROVED BY BOARD OF ESTIMATES SEP 25 1996

Bernice H. Taylor
Clerk Date

APPROVED FOR FUNDS
DEPT. OF FINANCE

EHP:JRD:tab #0861

28-1418-5007 REV. 01/73

1400-10-5

MINUTES

INFORMAL AWARD - Bureau of Purchases, Contract No. 06000, Public Pupil Bus Transportation

As a result of negotiation, the Board is requested to approve a blanket award in the total amount of $12,162,082.50 to the following 26 vendors:

A.J.Transport.	$ 179,688.60	Hofmann Bus Co.	$ 1,035,799.20
Boykin Transport. II, Inc.	338,503.50	M R Hopkins Transportation, Inc.	416,337.30
C & T Transport.	38,012.40	J & A Charter,Inc.	68,645.70
Choung-Kim	590,144.85	Johnson's Transport.	577,493.55
City Wide Bus Co.	2,135,834.55	Kang Transport.	456,111.16
Clark's Transport.	252,904.05	King's Transport.	433,453.05
D & G Transport.	728,730.94	R.J.R.Transport.	382,251.06
Douglas Transport.	267,870.87	A.Roberts Transport.	231,640.48
Eatman Bus Serv.	774,067.50	S & S Transport.	301,258.80
E.Z.Transport.	119,720.16	Shaw Bus Transport.	1,270,184.40
Gladney Transport.	752,592.10	W.D.Bus Service	201,780.00
George Harold	121,856.96	Whitaker Transport.	96,227.55
Hill Transport.	172,800.00	Y & L Transport.	218,173.77
		TOTAL	$12,162,082.50

UPON MOTION duly made and seconded, the Board approved a blanket award for public pupil bus transporation to the 26 vendors.

EXHIBIT 4

MINUTES

INFORMAL AWARDS AND INCREASES & EXTENSIONS TO CONTRACTS

VENDOR	AMOUNT
Bureau of Purchases	
4. AWARDS as a result of negotiation, BP-18788, Public Pupil Bus Transportation	
VARIOUS AS FOLLOWS:	
BOYKINS	351,397.80
C & T	47,506.50
C. KIM	522,841.95
CITYWIDE	2,044,299.60
CLARK	275,538.60
D & G	753,596.50
DOUGLASS	255,628.80
EATMAN	755,586.81
EZ	95,160.60
FRANKLIN	164,064.60
GLADNEY	737,952.30
HAROLD	104,087.25
HILL	216,000.00
HOFMANN	1,340,824.50
HOPKINS	383,374.35
J & A	68,303.34
JOHNSON	610,857.00
KANG	400,276.86
KING	429,226.20
PECKOO	400,062.96
ROBERTS	276,777.09
S & S	293,408.10
WD	213,397.71
SHAW	1,081,225.35
Y & L	284,187.15
WHITAKER	108,148.95
TOTAL	12,213,730.87

On 2/17/93, the Board approved a request from the Bureau of Purchases to not open BP-17793 and to not extend BP-18788, but to allow the Bureau to negotiate with the current contractors. The negotiations were completed as of June 4, 1993. All contractors have submitted their agreement forms and route information has been sent to all parties.

UPON MOTION duly made and seconded, the Board approved the foregoing informal awards, increases and extensions as requested.

EXHIBIT 5

MINUTES

BUREAU OF PURCHASES - INCREASE TO INFORMAL AND AWARD OF CONTRACT

1. Increase to Contract for Bid No. 06000:

Bid No. 06000 - Public Pupil Bus Transportation - Dept of Education - Control No.: Various

Various Vendors	$1,975,425.00	Increase

2. Recommendation for Contract Award, BP 20795:

20795, General Charter Bus	A. J. Transportation, Inc.	$ 750,000.00
	C & T Transportation	**BLANKET AWARD**
	City Wide Bus Co., Inc.	
	Coastline Tours, Inc.	
	Eatman Bus Service, Inc.	
	Ferguson Charter Bus, Inc.	
	Gladney Transportation	
	Hill Transportation, Inc.	
	Hofmann Bus Co., Inc.	
	M. R. Hopkins Transptn. Ser.	
	Johnson's Transptn. Co., Inc.	
	Nat'l. Bus Sch. Bus. Ser., Inc.	
	RJR Transportation	
	A. Roberts Transptn. Co., Inc.	
	Sivels Transportation	
	Woodlawn Motor Coach, Inc.	
	Yellow Bus Service, Inc.	

ON JUNE 3, 1992, EOCO GRANTED A WAIVER OF ORDINANCE 610.

In connection with the above submissions from the Bureau of Purchases, the following comments were made:

President: "These are bus contracts. Anybody interested in Contract 06000, Public Pupil Bus Transportation and in General Charter Bus, BP-20795 now is your hour, and I don't mean hour. Okay! You are here about the prevailing wage and its relocation, so why don't we cut to the chafe of that."

Ms. Ella Pierce, Purchasing Agent: "Good morning! There are, to

EXHIBIT 6

MINUTES

INFORMAL AWARDS AND INCREASES & EXTENSIONS TO CONTRACTS

VENDOR	AMOUNT
Bureau of Purchases	
Bid No. 06000 - Public Pupil Transportation for the Department of Education for School Year 1995-96 AS LISTED BELOW	$14,500,000.00 Blanket Award

A. J. Trans., Inc.
Boykin Trans. II, Inc.
C & T Trans., Inc.
Choung-Kim Bus Co., Inc.
City Wide Bus Co.
D. G. Transport
Douglas Trans.
Eatman Bus Serv., Inc.
E. Z. Trans.
Gladney Trans.
Harold Trans.
Hill Trans., Inc.
Hofmann Bus Co., Inc.
M R. Hopkins Trans. Serv., Inc
J & A Charter
Johnson's Trans., Inc.
Kang's Trans., Inc.
King's Trans..
Nat'l. Bus Serv., Inc.
R.J.R. Trans.
A Roberts Trans. Co.
S & S Trans., Inc.
W. D. Bus Service
Whitaker Trans., Inc.
Y & L Trans. Co., Inc.

In connection with the aforementioned, the following comments were made:

President: "Ms. Pierce, we have 25 bus vendors being proposed for contract award. We have Solidarity and BUILD with some concerns which we talked about to some extent at our earlier meeting with regard to -- they can express for themselves -- prevailing wage; its applicability; and also its incorporation in terms of the annual increases anticipated in that Ordinance. I would, for the record, like to request at the offset that this

EXHIBIT 7

MINUTES

INFORMAL AWARDS AND EXTENSIONS & INCREASES TO CONTRACTS

VENDOR	AMOUNT	
Bureau of Purchases		
69. Bid No. 06000 - Public Pupil Bus Transportation - Dept. of Education - Control No. Various		
A.J. TRANSPORTATION, INC.	BLANKET AWARD $193,000.00	Increase for 95/96 School Year
BOYKIN TRANSPORTATION, II, INC.		
C & T TRANSPORTATION, INC.		
CHOUNG-KIM BUS CO., INC.		
CITY WIDE BUS CO.		
D. G. TRANSPORT		
DOUGLAS TRANSPORTATION		
EATMAN BUS SERVICE, INC.		
E. Z. TRANSPORTATION		
GLADNEY TRANSPORTATION		
HAROLD TRANSPORTATION		
HILL TRANSPORTATION, INC.		
HOFMAN BUS CO., INC.		
M. R. HOPKINS TRANSPORTATION SERVICES, INC.		
J & A CHARTER		
JOHNSON'S TRANSPORTATION, INC.		
KANG TRANSPORTATION, INC.		
KING'S TRANSPORTATION		
NATIONAL BUS SERVICE, INC.		
R.J.R. TRANSPORTATION		
A ROBERTS TRANSPORTATION CO.		
S & S TRANSPORTATION, INC.		
W. D. BUS SERVICE		
WHITAKER TRANSPORTATION, INC.		
Y & L TRANSPORTATION CO., INC.		

EXHIBIT 8