

Team City Hall

Milwaukee Historic City Hall
Restoration Project Participation Performance

December 31, 2005

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Introduction

On July 28, 2005, a Partnering Session was held to foster a cohesive and enthusiastic working relationship among all of the parties involved in the renovation and restoration of Milwaukee's Historic City Hall. At the session, the following City Hall Restoration Project Mission Statement was adopted:

Our mission is to restore this National Historic Landmark in a manner that preserves its original design while securing its civic prominence for future generations. This will be accomplished by a collaborative and diverse team of restoration professionals who are passionate about their work and its efficient and timely completion.

Among the specific Project Goals adopted at the Partnering Session were the following:

- World-class quality and historic restoration.
- Meet or exceed City's diversity goals.
- Maintain a great level of open [and] respectful communication and team work.
- Determine and meet all expectations of the stakeholders involved.
- Maintain good public relations.

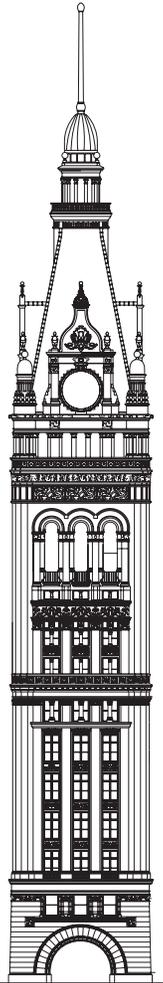
This Report, prepared by Project Monitor Prism Technical, addresses General Contractor (GC) J.P. Cullen & Sons, Inc.'s performance with respect to the Project's contractually imposed diversity requirements. The Project's Participation Requirements are as follows:

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CHR.PP2.060112.1120

At least 18% of the Project's payments must go to businesses certified as Emerging Business Enterprises (EBEs) by the City of Milwaukee's Emerging Business Enterprise Program.



At least 25% of the hours worked on the Project by onsite personnel must be by individuals certified under the City's Residents Preference Program (RPP).

At least six apprentices working a total of not less than 10,000 hours must be employed on the Project, and must come from the following trades: Bricklayers, Glaziers and Roofers¹.

Reporting

J.P. Cullen is required to submit monthly EBE payment reports and quarterly RPP participation reports. The company's first quarterly report to the City of Milwaukee Department of Public Works (DPW) encompassed the first three months that labor was deployed on the project – August, September and October 2005. Prism Technical analyzes documents and information provided by J.P. Cullen, as well as additional available sources, to track project participation performance.

Despite a Project requirement to submit RPP participation performance documents once per quarter (and EBE payment reports monthly), J.P. Cullen has agreed henceforth to, on a monthly basis, collect, measure and share with the Project Monitor the Project's RPP performance. Performing such activities monthly will help maintain tight control of jobsite performance and reporting, allowing potential pitfalls to be rapidly ameliorated, or avoided altogether.

EBE Participation

The Project, currently projected to cost \$59,927,218, has an EBE requirement of 18%, or \$10,786,899.

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¹ In addition to meeting the Project's EBE, RPP and Apprentice Utilization requirements, J.P. Cullen has committed -- though not contractually bound -- to use its best efforts to also deploy a significant minority workforce on the Project. Prism Technical has agreed to help them in this endeavor where practical.

At least nine EBE subcontractors are slated to work on the project, with finalized contracts in hand totaling \$15,288,129. Of that total, \$14,580,289 of the dollars pledged to EBE firms may be counted toward the Project's EBE participation (see Table 1). The currently projected EBE Participation represents an increase over the \$13,889,427 projected at bid award, and yields an EBE Participation Rate of 24.3%, which is 35% greater than the Project's 18% requirement.

EBE subcontractors on the project can be found in the table below.

Table 1 - EBE Subcontractors

Name of Firm	Scope of Work	Amount of Contract
Artega Construction	HVAC, Masonry, Brick	\$2,726,181
Roberts Roofing	Roofing	3,806,848
Thomas A. Mason Co.	Painting, Masonry Cleaning	5,733,229
B&D Contractors	Scaffold Labor	358,849
J.F. Cook Co.	Windows	1,932,000
Ojibwa Ready Mix	Concrete Supplier	17,622
P.L. Freeman Co.	HVAC	4,600
Affirmative Supply Co. ²	Mechanical Equipment Supplier	4,800
Penebaker Enterprises ³	Roofing	704,000

Project Payments

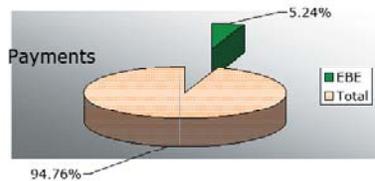
As expected, actual EBE payments lag behind total project payments. This is caused by the timing of serv-

² Per the Participation Provisions of the Project, Affirmative Supply is classified as a broker; accordingly, 20% (\$960) of its contract value can be counted toward EBE participation.

³ Penebaker is a subcontractor to Roberts; its contract value is therefore included in Roberts' contract value for the purpose of calculating total EBE participation.

ices provided by EBE subcontractors in relation to the total project schedule and not caused by underutilization of the EBE firms under contract with the GC (or lower tiered contractors).

Chart 1: Total Payments



Through the end of the First Project Quarter (August – October, 2005), J.P. Cullen completed work totaling \$7,237,425.35. Of that amount, the contractor requested payment of \$6,875,554.08, with the remaining 5% kept for retainage. Two hundred fifty-eight thousand, five hundred thirty-one dollars (\$258,531) has been paid to EBE contractors through the end of the first quarter, or 5.2% of the \$4,932,739.48 that has been paid to J.P. Cullen thus far.

Of the \$258,531 paid to EBE subcontractors, \$40,086 went to Artega and the remaining \$218,445 was paid to Thomas A. Mason Co.

RPP Participation & Apprentice Utilization

All parties involved in setting and achieving the City Hall Restoration Project's 25% RPP requirement are aware that reaching such a level could be very challenging on a project with such steep height, pitch and historical accuracy requirements.

Notwithstanding the challenges, J.P. Cullen, DPW and Prism Technical are all committed to meeting or exceeding the Project's 25% RPP requirement. With total onsite hours projected at 424,188, achievement of 25% participation translates to more than 106,000 man-hours -- the City Hall Restoration Project could therefore create 70 man-years of work for RPP workers⁴.

⁴ As a "full time" construction worker might expect to be cyclically or seasonally laid off, the City Hall Project could produce the equivalent of 70 man-years for RPP participants.

The Project, which stretches over four years, will have varying RPP percentages over its life. The total RPP percentage is projected at 25.2%, and was projected to be 22% through the end of the first project quarter. This performance level was based on an additional projection – that 21,315 total Project hours would be worked through the end of the quarter. As of the end of October, 16,925.5 total Project hours – just under 80% of the number projected -- had been completed, with 2,626 of those hours worked by RPP certified workers, yielding an RPP percentage of 15.52%.

Monthly, the Project's cumulative RPP% stood as follows: through August – 7.95%, through September – 12.81%, and through October – 15.52% (2.45% below projected).

RPP Enforcement Efforts

While recognizing that more total hours would likely have yielded a higher RPP percentage, J.P. Cullen quickly addressed the shortfall with the Project's subcontractors, and expects to "right the ship" promptly. The GC sent letters to Safway Services (initially expected to be at 80% RPP through October, later revised to 24.8%, but actually at 16.71%) and J.P. Cullen's own Project Superintendent (expected to be at 22.4%, but only achieved 12.58%).

Every 4-6 weeks, J.P. Cullen owners and executives visit the jobsites of all major projects undertaken by the company; these visits, of course, include the Restoration of City Hall.

During these visits to the City Hall jobsite, the J.P. Cullen team requests information about where the Project stands in relation to all Project requirements – including EBE, RPP and Apprentice participation. Having these corporate leaders onsite underscores the significance of achieving the requirements.

J.P. Cullen will be tracking each subcontractor's total hours and RPP hours monthly. If any subcontractor's RPP percentage does not match

that which was listed on the Implementation Plan - see Chart 3 - (and included in contractual Addenda), the company will receive a letter from the General Contractor requesting submission of an action plan regarding how the company plans to get back on track. If J.P. Cullen does not receive the action plan within three business days, the company's payment from the GC will be withheld until the action plan is received. All correspondence regarding such action plans will be shared with the Project Monitor.

Table 2 - Subcontractor RPP Requirements

Subcontractor	Trade	RPP	Expected RPP Hours
Arteaga Construction	HVAC; Masonry	30.0%	9,111
Safway Services	Scaffolding	30.0%	9,996
Eugene Matthews	Selective Removals; Terra Cotta	21.0%	9,000
Grunau Mechanical	Mechanical Plumbing	30.0%	128
Jahn & Sons	Drywall	0.0%	0
J.F. Cook	Windows	30.0%	4,064
Lee Manufacturing	Clock Tower	13.2%	108
Peerless Electric	Electrical	0.0%	0
RC Masonry	Masonry Pointing	15.0%	690
Roberts Roofing	Window Restoration; Glass; Glazing	48.0%	23,627
Thomas A. Mason	Masonry Cleaning; Ceramic Tile; Painting	30.0%	19,098
Western Waterproofing	Clay Book Tile	30.0%	3,785

As of October 31, 2005, there were 17 confirmed RPP workers on the CHR Project.

Chart 2: Residence location of CHR RPP Workers



Outreach

J.P. Cullen is working closely with WRTP / BIG STEP to ensure that there are sufficient qualified RPP certified workers available to the project. BIG STEP has conferred (and will continue to do so) with the Project's subcontractors regarding the represented trades, the required workers per trade, and the demographic makeup of each subcontractor's current workforce. The number of additional needed workers will be determined, and BIG STEP, through recruiting, training coordination, and discussions with the trade unions, will make every effort to help meet those needs.

Local demand for RPP workers is expected to be strong because of other significant local projects already underway or taking shape, such as WisDOT's Marquette Interchange Project and WE Energies' Oak Creek Power Plant. It will therefore be imperative to gauge and prime the pipeline of available workers, as well as to ensure that the GC and subcontractors are following appropriate and proactive RPP procedures.

As the Project goes forward and the introduction of new trades to the jobsite looms, BIG STEP personnel will (1) discuss each subcontractors' worker/trade needs, (2) obtain information from the representative trade unions to determine the current number of available RPP (or certifiable) workers, and (3) make sure that the Project's needs are met. Additionally, each subcontractor's Project Manager will be contacted by the General Contractor's Senior Project Manager to discuss expectations and concerns.

As with the RPP requirements, J.P. Cullen states that it has also placed apprentice utilization requirements in contractual addenda with a sufficient number of subcontractors to meet the Project's utilization requirements.

Community Workforce Advisory Committee

The Project Monitor has suggested, and J.P. Cullen has embraced, the concept of a City Hall Community Workforce Advisory Committee (CH-CWAC). The CH-CWAC will be composed of grassroots community leaders who will (1) help with recruitment of a small portion of the necessary workers; and (2) in the face of any misinformation, be armed with truth about the efforts made by the City, J.P. Cullen, BIG STEP and the Monitor to achieve the Project's requirements. The CH-CWAC will likely meet quarterly (though more frequently during the Project's early stages). Several individuals have already joined the committee, and met with J.P. Cullen personnel at the jobsite on Thursday, December 15th, to learn about and discuss the project. WRTP and BIG STEP will be in attendance at the next meeting, scheduled for mid-January 2006.



Photo by Prism FX

The photograph above shows the extent of the scaffolding on the South Tower during the restoration of City Hall as of December 2005.

This newsletter was prepared by PrismFX, a division of Prism Technical Management & Marketing Services, LLC
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Chart 3 - RPP Implementation Plan⁵

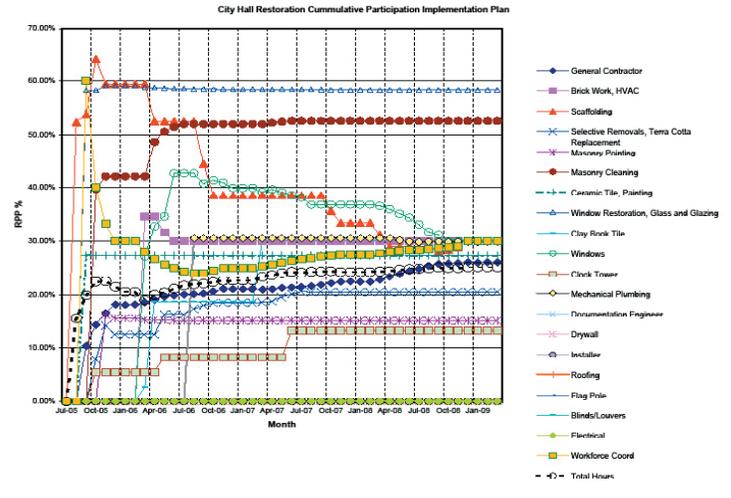


Chart 4 - RPP Breakout by Trade

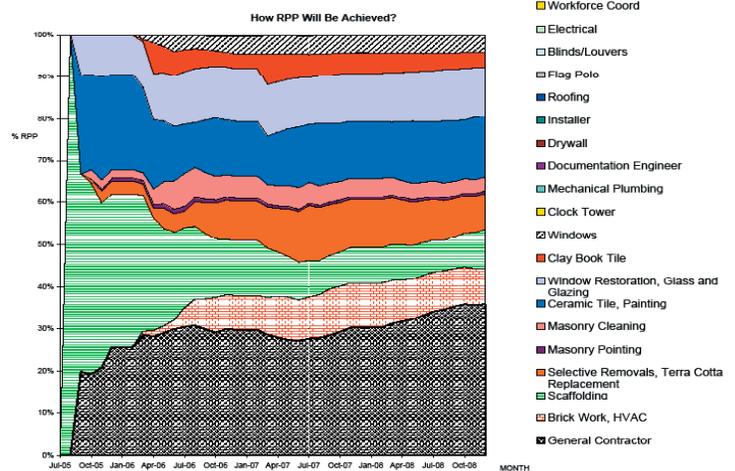
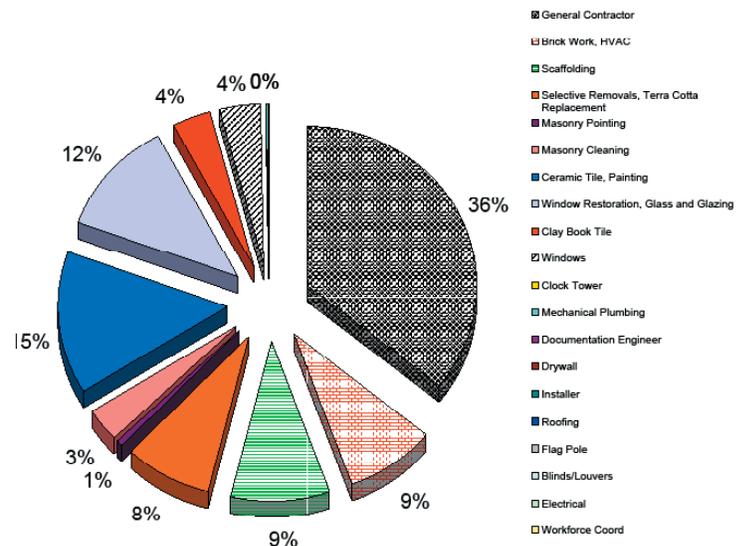


Chart 5 - RPP Percentages by Trade



⁵ J.P. Cullen is finalizing a revised Implementation Plan to reflect the project's slow start.