

Team City Hall

June 2006

Milwaukee Historic City Hall Restoration Project Participation Performance

This Quarterly Report summarizes and illustrates construction participation performance on the Milwaukee City Hall Historic Building Restoration Project for the period from February 1, 2006 through April 30, 2006. The work continues under General Contractor J.P. Cullen & Sons, Inc., with Project Monitoring provided by Prism Technical.

EBE Participation

The Project, projected at inception to cost \$59,927,218, has an Emerging Business Enterprise (EBE) requirement of 18%, or \$10,786,899.

REQUIREMENTS

The City of Milwaukee Department of Public Works (DPW) has placed participation requirements on the City Hall Restoration (CHR) Project that oblige the General Contractor to ensure that, by Project conclusion in November 2008:

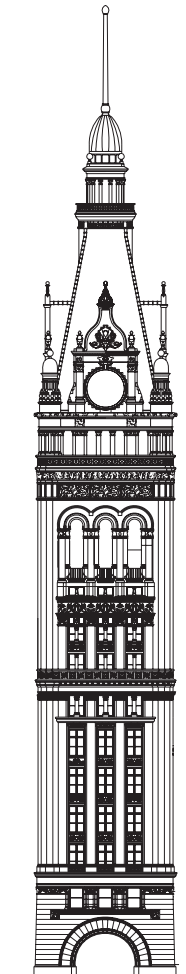
(1) At least 18% of the amount paid to the General Contractor must be subcontracted to businesses certified as Emerging Business Enterprises (EBEs) by the City of Milwaukee's Emerging Business Enterprise Program;

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

(3) 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 Roofers.

REPORTING

J.P. Cullen is required to submit monthly EBE payment reports and quarterly RPP participation reports. Beyond these requirements, the company has agreed to collect, measure, and share the Project's RPP performance with the Project Monitor on a monthly basis. Performing such activities monthly has helped maintain secure control of jobsite performance and reporting, and allowed expedient resolution of any concerns.



EBE Projections

Through April 30, 2006, nine EBE subcontractors had 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, and notes thereto). The currently projected EBE Participation, therefore, yields an EBE Participation Rate of 24.3%, well over the Project's 18% requirement.

EBE subcontractors on the project can be found in Table 1.

Table 1 - EBE Subcontractors

EBE Vendor	Scope of Services	Contract Amount
Affirmative Supply*	Mechanical Equipment Supplier	\$ 4,800
Arteaga Construction	HVAC; Masonry; Brick	2,726,181
B&D Contractors	Scaffold Labor	358,849
J F Cook	Windows	1,932,000
Ojibwa Ready Mix	Concrete Supplier	17,622
P L Freeman Co	Plumbing	4,600
Roberts Roofing	Roofing	3,806,848
The Pennebaker Enterprises, LLC**	Roofing	704,000
Thomas A Mason	Painting, Masonry, Cleaning	5,733,229

* 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.

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

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EBE Payment Performance

Through the end of the Third Project Quarter (February 2006 through April 2006), J.P. Cullen received \$10,951,998.83 for work completed on the City Hall Restoration Project. Of the amount received by the GC, \$751,558.68, or 6.9% was paid to EBE contractors for work performed during the Quarter.

Table 2 (below), when viewed in conjunction with the Scope of Services (Table 1), on the previous page, provides a quantitative view of why EBE payments have not exceeded the 18% project requirement. All EBE firms (except for B&D Constructors - which assisted with the Scaffold erection) are engaged in project activities that have yet to get significantly underway. Total amounts received by first tier EBE subcontractors through the end of the Quarter are as follows:

Table 2 - EBE Payments

EBE Vendor	Payment	Percent of EBE Firm Contract
Arteaga	\$ 49,086.00	1.8%
B&D	\$ 130,065.61	36.2%
J F Cook	\$ 13,041.00	0.7%
Thomas A Mason	\$ 460,366.07	8.0%
Roberts Roofing	\$ 99,000.00	2.6%
Total EBE Payments	\$ 751,558.68	5.2%

While EBE contractors have been paid only 5.2% of their total contracts, EBE firms have received 6.9% of all project payments (Chart 2).

Chart 1 - EBE Subcontracts (Contracts)

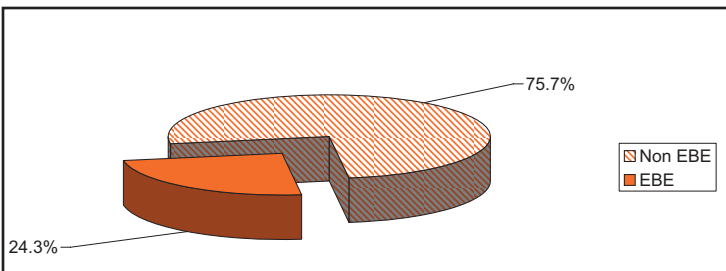
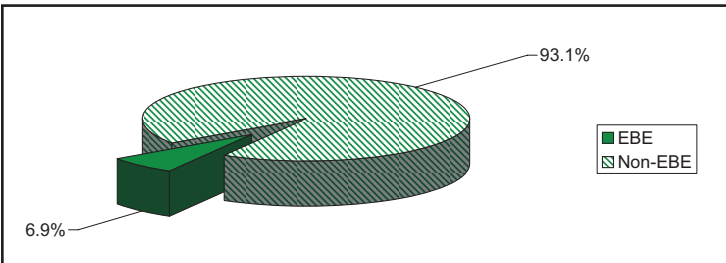


Chart 2 - EBE Subcontractors (Payments)



RPP Participation

The RPP Implementation Plan™

As with the deployment of Emerging Businesses, the CHR Project, which extends for nearly four years, will have varying Residents Preference Program percentages over time. While the Contractor is not required to show 25% RPP levels at every quarterly reporting

period, it was required to provide a written plan detailing workforce participation by month throughout the life of the project. Projections and performance, provided by the General Contractor (GC), are tracked in the Prism Technical produced RPP Implementation Plan™. Per the GC's contract with the Department of Public Works, J.P. Cullen must meet the Implementation Plan thresholds on a quarterly basis; if it does not, a process begins which could lead to the withholding of payments to the Contractor until it achieves the appropriate participation performance levels.

RPP is treated differently from EBE for three reasons: (1) EBE firms are issued legally binding contracts; RPP workers are not; (2) because of the time necessary to train some workers before they are proficient at certain project tasks, if the GC or any of its many subcontractors fail to remain diligent in the area of workforce preparation, and get behind schedule with respect to RPP participation, it may become impossible to recover before the end of the project; and (3) designing and implementing workforce participation that considers more than the necessary skill sets is not a conventional industry practice; therefore, this process compels all contractors not to neglect this important community benefit.

RPP Performance

Per the RPP Implementation Plan™, the Project's RPP percentage was projected to be 17.4% through the end of the Third Project Quarter. Actual RPP% through April 2006 stood at 25.6%.

Table 3: Subcontractor RPP Requirements

Subcontractor	Trade	RPP C*	Expected RPP Hours
Arteaga	HVAC; Masonry	30.0%	9,111
Eugene Matthews	Selective Removals; Terra Cotta	21.0%	9,000
Grunau	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	Roofing	48.0%	23,627
Safway Services	Scaffolding	30.0%	9,996
Thomas A. Mason	Masonry Cleaning; Ceramic Tile; Painting	30.0%	19,098
Western Waterproofing	Clay Book Tile	30.0%	3,785

*RPP Commitment



Community Workforce Advisory Committee

Embracing a suggestion by the Project Monitor, J.P. Cullen is working with a CHR Community Workforce Advisory Committee (CHR-CWAC). The CHR-CWAC is composed of grass roots community leaders who (1) meet separately and with J.P. Cullen personnel at least once per Quarter to learn the challenges that the General Contractor has in trying to meet the workforce requirements; (2) help with recruitment of necessary workers; and (3) in the face of any misinformation, are armed with facts about the efforts made by the City, J.P. Cullen, BIG STEP and the Monitor to achieve the Project's requirements.

Minority Workforce

J.P. Cullen is not only strongly committed to reaching the Project's contractually imposed requirements, but has also voluntarily agreed to strive toward reaching another goal: 25% minority workforce. Though it will neither be financially compensated if it achieves this goal, nor penalized if it does not, J.P. Cullen's leadership believes it to be a worthy goal and is taking steps to achieve it (such as the Advisory Committee, discussed above).

Through April 30, 2006, minorities worked 15,942 hours, or nearly 30% of the total onsite construction hours.

Photo 1: Rhandi Berth, Executive Director of Wisconsin Regional Training Partnership at the Wisconsin Citizen Action (WCA) office in Milwaukee.

Photo 2: Teresa Thomas-Boyd (WCA) and Marilyn Miller at Cross Lutheran Church. Both presentations sponsored by the City Hall Community Advisory Committee (CAC), were designed to inform men and women from Milwaukee's Central City about how to access employment and training in the construction industry.

Photo 3: The CAC and the project Prime and Subcontractors meet inside the J P Cullen site trailer to discuss project schedules and areas of opportunity to work with community workers.



Photo 1



Photo 2



Photo 3

Table 4: RPP and Minority Percentage by Contractor

Contractor	Total Hours	RPP Percentage	Minority Percentage
J.P. Cullen & Sons	18,098.50	27.21%	19.87%
Arteaga Construction	1,078.50	32.68%	20.86%
B&D Contractors	2,734.00	45.28%	70.94%
F. J. A. Christiansen Roofing	621.00	0.00%	0.89%
J.F. Cook Co.	23.75	0.00%	0.00%
Doral Corporation	884.50	10.40%	25.16%
Lee Mfg. Co.	441.00	20.63%	0.00%
T. A. Mason Co.	5,284.00	35.11%	34.67%
National Construction Rentals	130.25	0.00%	37.81%
Peerless Electric	2,316.50	0.00%	0.00%
Roberts Roofing	532.50	0.66%	1.03%
Safway Services, Inc.	19,029.00	22.88%	38.02%
Union Contracting Inc.	2,000.50	36.17%	41.64%
PROJECT TOTAL	53,174.00	25.64%	29.98%

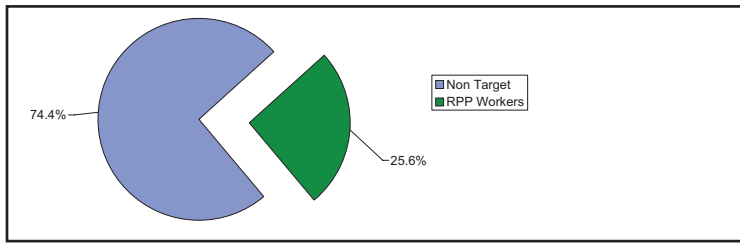
Site/Photo 4. Elements removed from City Hall await shipment from site.



Photo 4



Chart 3: RPP Participation



Apprentice Utilization

Through April 30, 2006, five apprentices among the three specified trades (bricklayers, glaziers and roofers) had worked 399.5 hours on the project. The vast majority of the work done by these trades is yet to come. As of the end of the Third Project Quarter, several workers were undergoing apprenticeship training. On the project as a whole, apprentices had worked 4,176 hours, or, 7.84% of all onsite construction hours through the end of the Quarter.

Summary

The City Hall Restoration Project continues to progress on track toward meeting its participation requirements and goals. Through the end of the Third Project Quarter – April 30, 2006 -- the Residents Preference Program participation percentage was 25.64%, well over the projection. Emerging Business Enterprises have contracts for 24.3% of the total project construction dollars, well over the requirement. Apprentices are being trained, and outreach is occurring to bring more to the table. Furthermore, the voluntary commitment to have a 25% minority workforce is in great shape, with the percentage at 29.98% through the end of the Quarter.

Chart 4: Minority Workforce Participation (Voluntary effort)

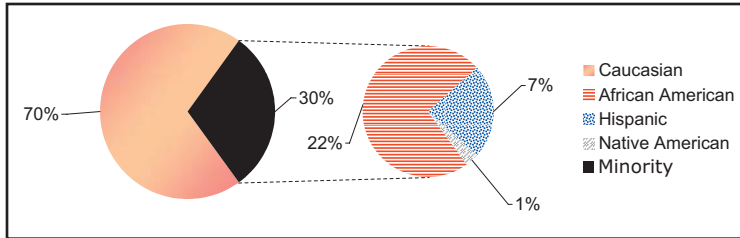
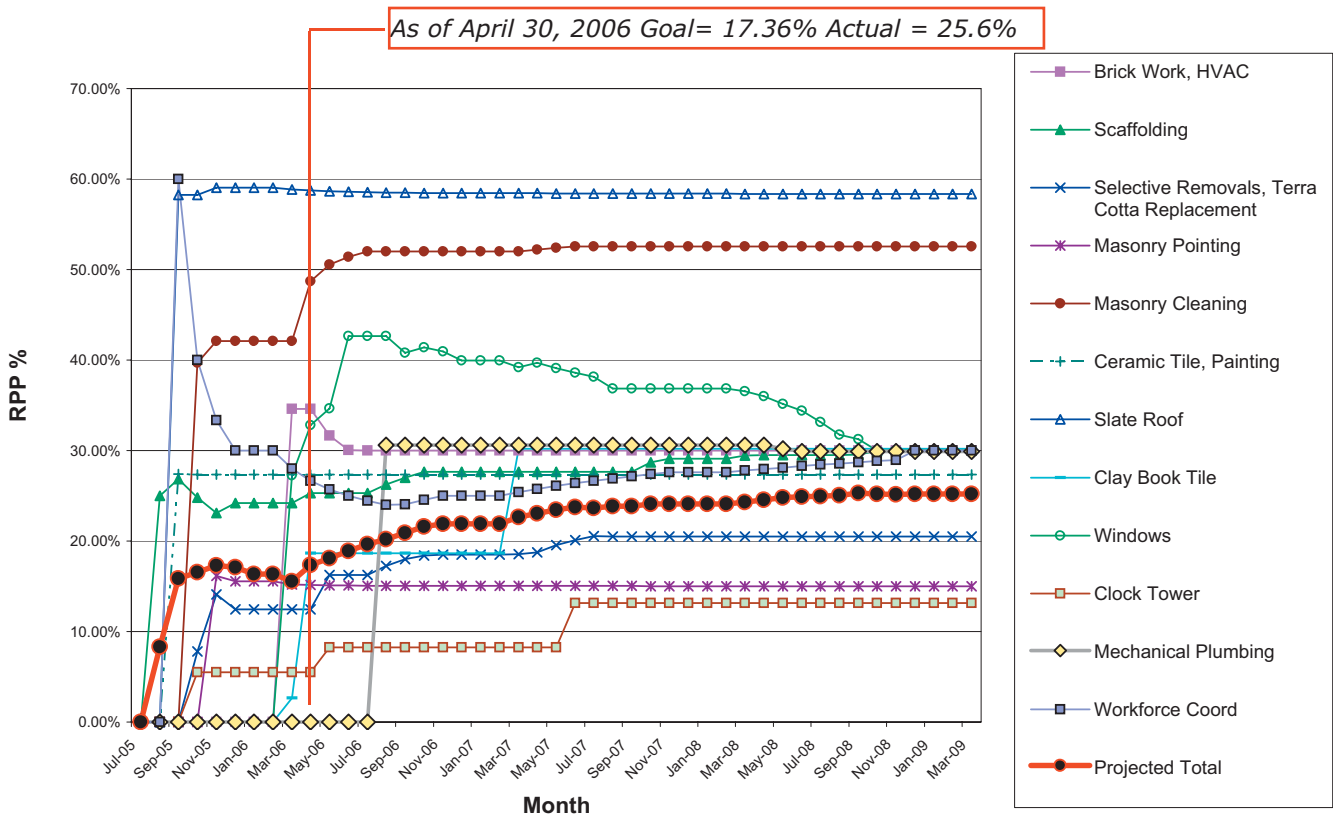


Chart 5: RPP Implementation Plan™



Workforce and payment data monitored and reviewed by:
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