

Team City Hall

January 2007

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 July 31, 2006 through October 31, 2006. The work continues under General Contractor J.P. Cullen & Sons, Inc., with Project Monitoring provided by Prism Technical.

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 the Project's expected conclusion in November 2008:

- (1) At least 18% of the contractual and change order dollars paid to the General Contractor must be subcontracted and paid 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.

City Hall Restoration / ISSUE NUMBER 6

EBE Projections	1
EBE Payment Performance	2
RPP Participation Performance	2
Community Workforce Committee	2
Minorities in the workforce	2
Apprentice Utilization	3
Worker Profile: Patrick Blair	3
Workforce Graphs, photo	4

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. Change Orders totaling 1,546,763 have raised the total value to \$61,473,981.

EBE Projections

Through October 31, 2006, at least nine EBE sub-contractors had finalized contracts in hand, totaling \$15,288,129 (This total includes one known instance of EBE to EBE second tier subcontracting). 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). Accounting for change orders, the currently projected EBE Participation yields an EBE Participation Rate of 23.7%, well over the Project's 18% requirement.

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

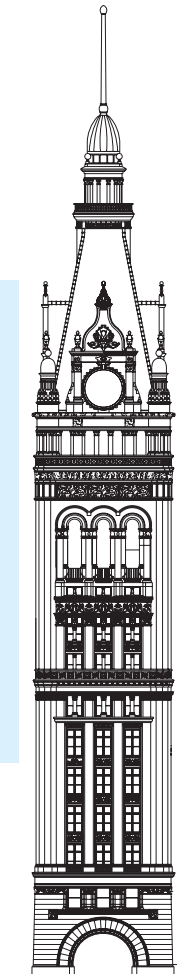
Table 1 - EBE Subcontractors

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.

Continued on page 2



EBE Payment Performance

As of October 31, 2006, J.P. Cullen had received \$20,222,712 for work completed on the City Hall Restoration Project. Of the amount received by the GC, \$2,337,402, or 11.6%, has been paid to EBE contractors.

Total verified amounts received by EBE subcontractors (not including EBE to EBE subcontracting) through the end of the Fifth Project Quarter are as follows:

Table 2 - EBE Payments

EBE Vendor	Payment	Percent of EBE Firm Contract
Arteaga	\$ 307,772.44	11.29%
B&D	\$ 180,815.79	50.39%
J F Cook	\$ 40,495.00	2.10%
Thomas A Mason	\$ 1,605,818.86	28.10%
Roberts Roofing	\$ 202,500.00	5.32%
Total EBE Payments	\$ 2,337,402.09	16.03%

To date EBE firms have been paid...

**11.6% of all Project Payments and
16.0% of EBE Total Contract Values**

Chart 1: EBE Subcontracts - Contracts

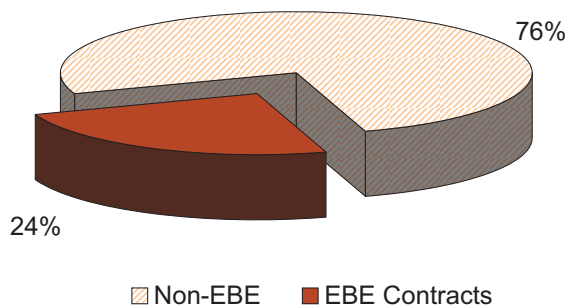
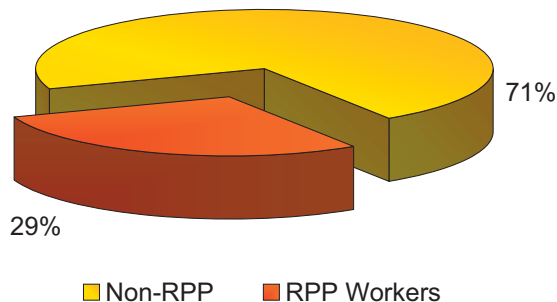


Chart 2: Workforce Participation



RPP PARTICIPATION

The RPP Implementation Plan™

Projections and tracking of CHR workers certified under the City's Residents Preference Program are facilitated by the RPP Implementation Plan™, a project tracking

tool developed by project monitor Prism Technical. 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 Performance

Per the RPP Implementation Plan™, the Project's RPP percentage was projected to be 21.6% through the end of the Fifth Project Quarter. The verified RPP% through October 2006 is 28.7%. Achieving higher RPP levels than necessary at this stage of the Project will become even more significant if any of the project's contractors should have difficulty meeting their targeted RPP goals at latter stages. In the case of such difficulties, it is hoped that overall compliance will still be achieved.

RPP Participation at 28.7%

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 grassroots 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) 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

Those involved with the Project are not only strongly committed to reaching the Project's contractually imposed requirements, but also committed to ensuring meaningful participation on the project by racial minorities. To that end, the contractor agreed to Prism's suggestion that it voluntarily strive to deploy a 25% minority workforce. Though the contractor 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 October 31, 2006, minorities worked 34,639 of 104,623 total project hours. Therefore, minorities have worked 33% -- or 1/3 -- of the total project construction hours. One third minority workforce through 15 months of work on a project of this magnitude and historical significance is a testament to the vision, strength and commitment of all who are involved.

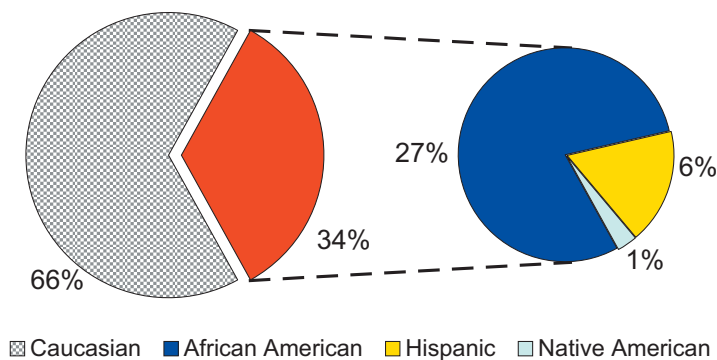
Minority Workforce at 33.0 %



Table 3: Minority Percentage by Contractor

Contractor	RPP Percentage	Minority Percentage
J.P. Cullen & Sons	27.28%	29.08%
Arteaga Construction	37.76%	31.01%
B&D Contractors	48.79%	69.31%
F. J. A. Christiansen Roofing	4.51%	6.83%
J.F. Cook Co.	13.91%	0.00%
Davis Structural	0.00%	0.00%
Doral Corporation	10.40%	25.16%
Grunau Corp	0.00%	0.00%
Hess Swietzer, Inc.	9.94%	10.32%
Lee Mfg. Co.	20.63%	0.00%
Thomas. A. Mason Co.	34.78%	34.03%
National Construction Rentals	0.00%	37.81%
Peerless Electric	0.00%	0.00%
The Pennebaker Enterprises	52.03%	64.49%
Roberts Roofing	7.32%	13.71%
Safway Services, Inc.	23.23%	37.77%
Union Contracting Inc. / Eugene Matthews	n/a	55.74%
Western Waterproofing	n/a	49.16%
PROJECT TOTAL		33.22%

Chart 3: Workforce by Race



Apprentice Utilization

Through October 31, 2006, apprentices had worked 7,822 hours, or 7.5% of all onsite construction hours. Among the three specified key trades (bricklayers/masons, glaziers and roofers), apprentices had worked 3,366 hours on the project.



Worker

PROFILE:

Patrick Dominique Blair

At 27 years old, Patrick Blair found himself working in shipping and receiving at one of the largest food processing plants in Wisconsin. For the average guy who started at \$7.50 per hour cleaning meat processing machines, the change in responsibilities and a salary of \$12.80 per hour would be enough to make him satisfied.

But Patrick, an African-American from Milwaukee's central city, is not average. When he got the call to enter a 12 week unpaid training program with the International Masonry Institute (IMI), he jumped at the chance. Maintaining his independence, however, meant keeping his day job until he landed a paying gig.

Patrick worked in the processing plant from 5 pm until 3:30 am and reported to the IMI facility in New Berlin, WI for classroom and field experience from 7:00 am to 3:30 pm. That's 19 hours out of each day when Patrick was working or learning.

In the final week of his IMI training, Patrick got the call he had been hoping for – like a college All-Star, he was drafted to the big leagues -- JP Cullen asked him to join them on City Hall as a masonry apprentice.

Now 28, having worked steady since May 2006 on the City Hall Restoration project, Patrick is back at IMI for five weeks of first year apprenticeship school – but this time, he's being paid. In fact, he earns \$18.45 per hour while in the field. At the conclusion of his three year apprenticeship, he is projected to earn \$30.75 per hour, or \$43.93 per hour including benefits.

When asked why he put himself through 12 grueling weeks, leaving virtually all of his sleep to the weekends, Patrick replied, "In order to get somewhere... it's been my experience in life... you always have to sacrifice something, to get something better." Words to live by, for the average and the extraordinary among us.

(Photos on page 4)

Summary

The City Hall Restoration Project continues to progress on track toward meeting its participation requirements and goals. Through the end of the Fifth Project Quarter – October 31, 2006 -- the Residents Preference Program participation percentage was nearly 29% and Emerging Business Enterprises have contracts for 23.7% of the total project construction dollars, both well over the requirements. Apprentices are being trained, and outreach is occurring to bring more to the table. Thus far, 7.5% of the hours have been worked by apprentices, the vast majority of whom are minorities, and over 3,300 are in the key areas specified in the contract. Furthermore, the voluntary commitment to have a 25% minority workforce is in great shape, with the percentage at 33% through the end of the Quarter.

Continued on page 4

Team City Hall - Geographic Data

Map 1: Reported residence of all onsite apprentices



Map 2: Reported Residence of all RPP workers



Photo 1 - Above

Patrick and class members are actively engaged in hands on training, individually building masonry structures from a variety of block styles at the International Masonry Institute (IMI) training facility.



Photo 2- Left

After the interview, Patrick posed for a photo in the hall way of the training center, before returning to his project.

Special thanks to: Patrick Blair and IMI for granting the interview.



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