

# Team City Hall

July 2007

## Milwaukee Historic City Hall Restoration Project Participation Performance

This Quarterly Report provides an update on construction participation performance on the Milwaukee City Hall Historic Building Restoration Project through the Seventh Project Quarter: February 1, 2007 through April 30, 2007. 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 consideration and/or resolution of any concerns.

### City Hall Restoration / ISSUE NUMBER 8

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### 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 \$3,679,934 have raised the total construction value to \$63,607,152.

#### EBE Projections

Through April 30, 2007, at least nine EBE subcontractors 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. Accounting for change orders, the currently projected EBE Participation, therefore, yields an EBE Participation Rate of 22.9%, well over the Project's 18% requirement.

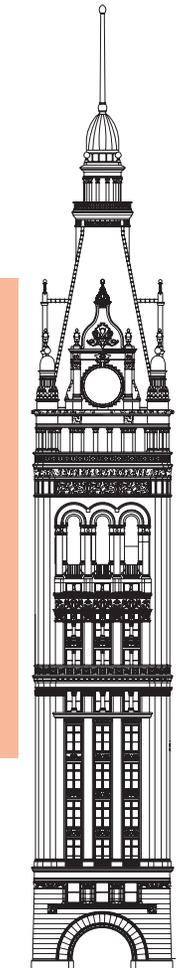
#### EBE Payment Performance

Per the Department of Public Works, as of April 30, 2007, J.P. Cullen had received \$27,868,910 for work completed on the City Hall Restoration Project. Of the amount received by the GC, \$4,368,013, or 15.7%, has been paid to EBE contractors.

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

Table 1 - EBE Payments

EBE Vendor	Payment	Percent of EBE Firm Contract
Arteaga	\$ 867,421	31.8%
B&D	\$ 180,816	50.4%
J F Cook	\$ 56,485	2.9%
Thomas A Mason	\$ 1,785,040	31.1%
Roberts Roofing	\$ 1,478,251	38.8%
Total Payments	\$ 4,368,013	30.0%



**To date, EBE firms have been paid...  
15.7% of all Project Payments &  
30.0% of EBE Total Contract Values**

#### EBE Payment Commentary

The Historic restoration of City Hall, like all construction projects, requires a well planned project management schedule to efficiently manage the timing of each subcontractor's work. The scheduled work of the EBE firms under contract

takes place at various periods throughout the life of the construction project. Other than B&D Contractors and the Thomas A. Mason Company (which, respectively, hold contracts to install/dismantle scaffolding and to power wash and clean existing masonry elements of the building), most EBE firms are engaged in the latter half of the project. This is most notable in Chart 3 (See page 3), which shows that EBE firms have been paid 6.9% of the total construction project value, and in Chart 4, which shows EBE firms have received 15.7% of all project payments. At the conclusion of the project, final numbers should indicate that EBE firms have performed 22.9% of all restoration. (Change Orders could affect final percentages, but should not do so significantly).

## RPP PARTICIPATION

### The RPP Implementation Plan™

Projections and tracking of CHR workers certified under the City's Residents Preference Program are facilitated by Prism's 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 Performance

Using Prism's RPP Implementation Plan™, the GC projected RPP performance to be 23.1% through the end of the Seventh Project Quarter. Verified RPP% through April 30, 2007 stood at 26.8%. It is always advisable for contractors to seek higher levels of RPP participation than required during early project stages in order to avoid insurmountable obstacles when the project nears conclusion. While RPP performance is trending slightly downward from its earlier heights over the last few months, it is not expected to dip below 25%. Prism will continue to monitor this closely and provide assistance where practical.

### Minority Workforce

Through April 30, 2007, racial minorities worked 46,553 of 148,513 total project hours. Therefore, minorities have worked 31.3% of the total project construction hours.

**RPP Participation - 26.8%**  
**Minority Workforce - 31.3%**  
**Minority Apprentice hours - 77%**

**Table 2: Workforce by Contractor**

Contractor	RPP Percentage	Minority Percentage
J.P. Cullen & Sons	23.8%	27.5%
Arteaga Construction	40.2%	34.1%
B&D Contractors	48.8%	69.3%
F. J. A. Christiansen Roofing	4.4%	6.7%
J.F. Cook Co.	5.6%	0.0%
Davis Structural	0.0%	0.0%
Doral Corporation	10.4%	25.2%
Grunau Corp	0.0%	18.1%
Hess Swietzer, Inc.	9.9%	10.3%
Lee Mfg. Co.	20.6%	0.0%
Thomas A. Mason Co.	34.9%	33.2%
National Construction Rentals	0.0%	37.8%
Peerless Electric	0.0%	0.0%
The Penebaker Enterprises	38.3%	55.1%
Roberts Roofing	12.9%	20.2%
Safway Services, Inc.	22.1%	36.0%
Union Contracting Inc. / Eugene Matthews	53.8%	58.5%
Western Waterproofing	36.9%	38.5%
<b>PROJECT TOTAL</b>		<b>31.3%</b>

## Apprentice Utilization

Through April 30, 2007, apprentices had worked 10,873 hours, or 7.3% of all onsite construction hours. Among the three specified key trades (bricklayers/masons, glaziers and roofers), apprentices had worked 4,188 hours on the project. Minorities represented 77% of all apprentice hours.

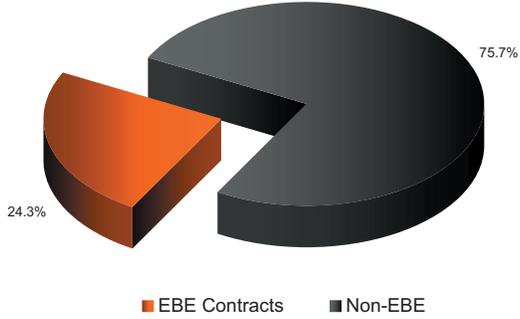
## Summary

The City Hall Restoration Project continues to progress on track toward meeting its participation requirements and goals. Through the end of the Seventh Project Quarter – April 30, 2007 -- the Residents Preference Program participation percentage was nearly 27% and Emerging Business Enterprises have contracts for nearly 23% of the total project construction dollars, both well over the requirements. Apprentices continue to be trained, and outreach is occurring to bring more to the table. Thus far, 7.3% of the hours have been worked by apprentices, the vast majority of whom are minorities, and 4,188 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 over 31% through the end of the Quarter.

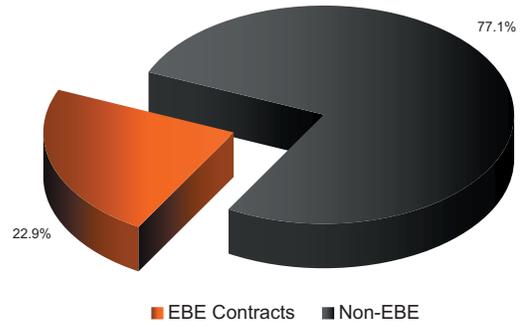


# City Hall - Performance at a Glance

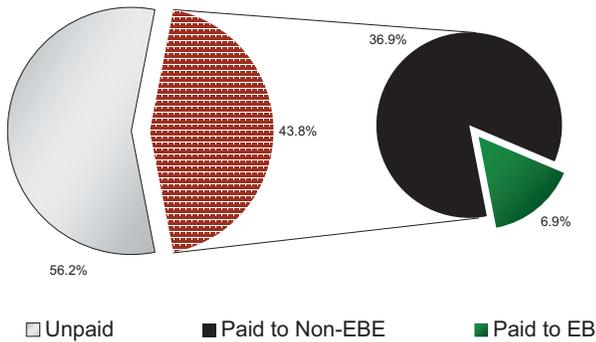
**Chart 1**  
Original Contracting Plan



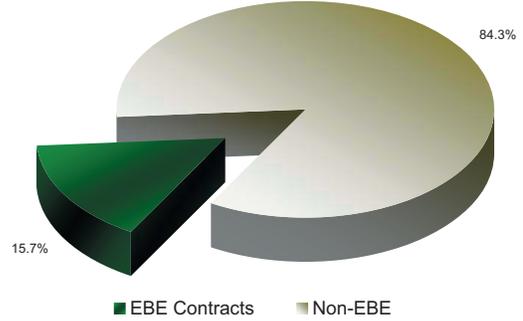
**Chart 2**  
Current Subcontracting Plan with Change Orders



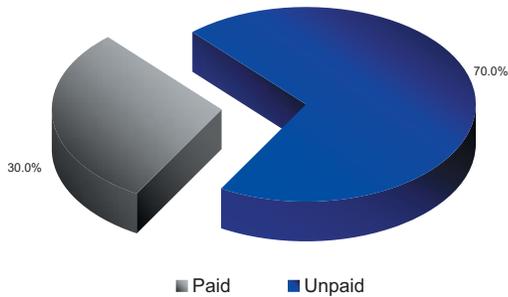
**Chart 3**  
Project Completion and Payment Distribution



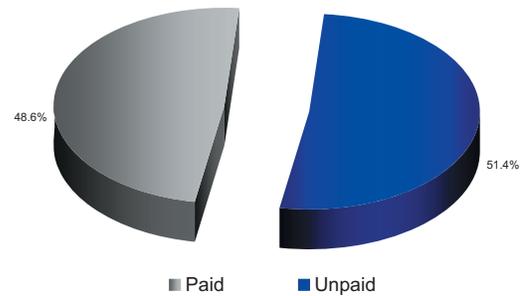
**Chart 4**  
Project Payments



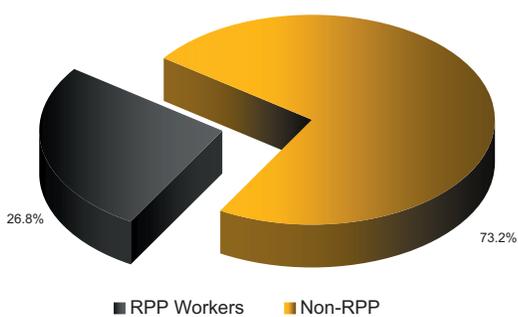
**Chart 5**  
EBE Payments as a Percent of EBE Contracts



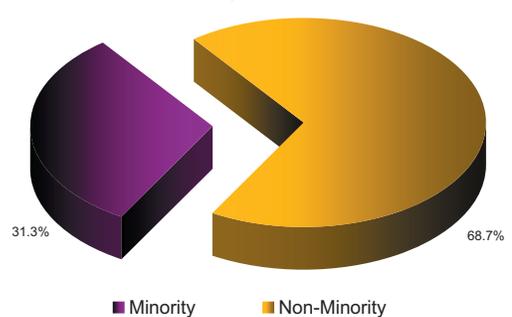
**Chart 6**  
Non-EBE Payments as a Percent of Non-EBE Contracts



**Chart 7**  
RPP Workforce



**Chart 8**  
Minority Workforce



Workforce and payment data monitored and reviewed by:  
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