

Team City Hall

October 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 May 1, 2006 through July 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 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.

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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.

EBE Projections

Through July 31, 2006, 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 (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
Artega 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 Penabaker 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.

** Penabaker 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

Through July 31, 2006, or, one full year into the project, the City of Milwaukee had paid J. P. Cullen \$14,523,629.16 for work completed on the City Hall Restoration Project. Of the amount received by the GC, \$1,455,246.29, or 10.1%, was paid to EBE contractors.

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

Table 2 - EBE Payments

EBE Vendor	Payment	Percent of EBE Firm Contract
Arteaga	\$ 130,855.00	4.8%
B&D	\$ 180,815.79	50.4%
J F Cook	\$ 22,002.00	1.1%
Thomas A Mason	\$ 972,083.50	8.0%
Roberts Roofing	\$ 148,500.00	3.9%
Total EBE Payments	\$ 1,455,246.29	10.0%

To date EBE firms have been paid...

**10.1% of all Project Payments and
10.0% of EBE Total Contract Values**

Chart 1 - EBE Subcontracts (Contracts)

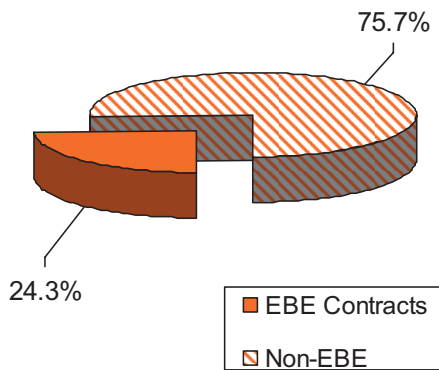
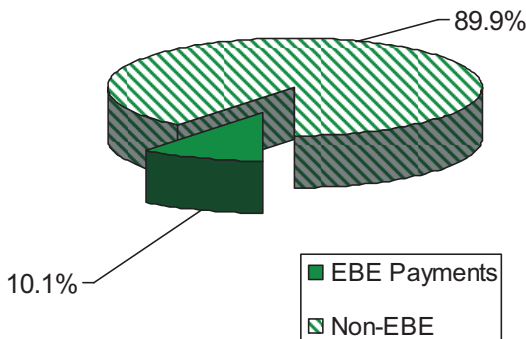


Chart 2 - EBE Subcontractors (Payments)



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 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 19.67% through the end of the Fourth Project Quarter. Actual RPP% through July 2006 stood at 28.80%. The RPP percentage through the end of July was therefore 46% higher than necessary to achieve the 25% requirement by project completion. While the final RPP numbers are not necessarily expected to follow this trend, achieving such success early can help to ease any concerns, in case performance in later quarters does not follow suit.

RPP Participation at 28.8%

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) 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.

During this quarter, the CHR-CWAC has met with the GC to discuss, among other topics, how to best tackle the project's apprenticeship 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).

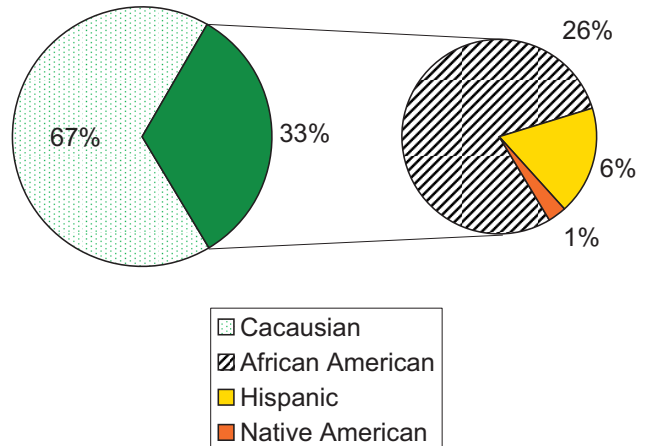
Through July 31, 2006, minorities worked 26,941.25 of 81,111.25 total project hours. Therefore, minorities have worked 33% -- or 1/3 -- of the total project construction hours. As others look at this project, it should be noted that achievement of such results does not happen by accident. It occurs when a project monitor has the vision to suggest such results and the general contractor has the strength and commitment to make it happen.

Minority Workforce at 33.0 %

Table 3: Minority Percentage by Contractor

Contractor	Minority Percentage
J.P. Cullen & Sons	26.47%
Arteaga Construction	32.63%
B&D Contractors	69.31%
F. J. A. Christiansen Roofing	3.67%
J.F. Cook Co.	0.00%
Davis Structural	0.00%
Doral Corporation	25.16%
Hess Swietzer, Inc.	14.24%
Lee Mfg. Co.	0.00%
Thomas. A. Mason Co.	34.13%
National Construction Rentals	37.81%
Peerless Electric	0.00%
Roberts Roofing	0.79%
Safway Services, Inc.	37.83%
Union Contracting Inc. / Eugene Matthews	55.74%
Western Waterproofing	49.16%
PROJECT TOTAL	33.22%

Chart 3 - Workforce by Race



Apprentice Utilization

Through July 31, 2006, apprentices had worked 5,535.25 hours, or 6.8% of all onsite construction hours. Among the three specified key trades (bricklayers/masons, glaziers and roofers), seven (7) apprentices had worked 861 hours on the project. The vast majority of the work done by these trades is yet to come, and, as of the end of the Fourth Project Quarter, several workers were undergoing apprenticeship training.

Summary

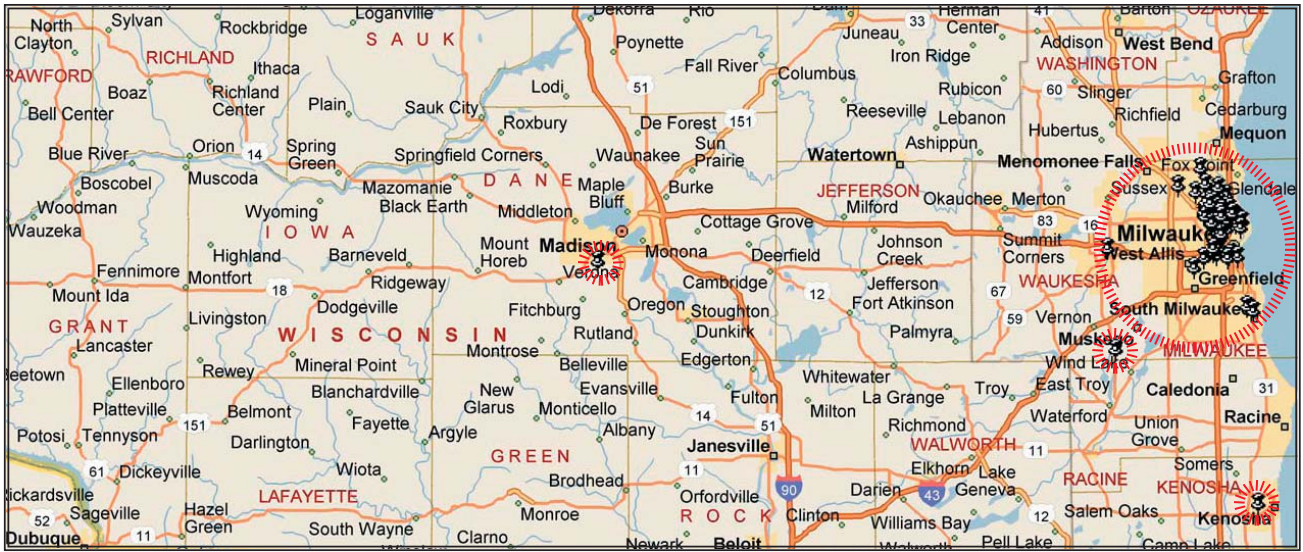
The City Hall Restoration Project continues to progress on track toward meeting its participation requirements and goals. Through the end of the Fourth Project Quarter – July 31, 2006 -- the Residents Preference Program participation percentage was 28.8%, well over the projection. Emerging Business Enterprises 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 33.2% through the end of the Quarter.



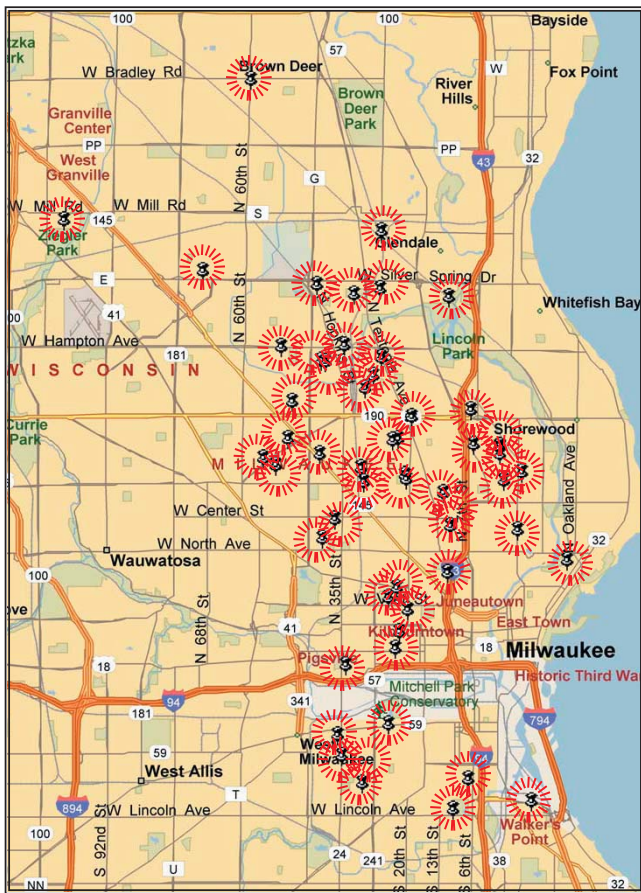
Photo: Clock tower scaffolding



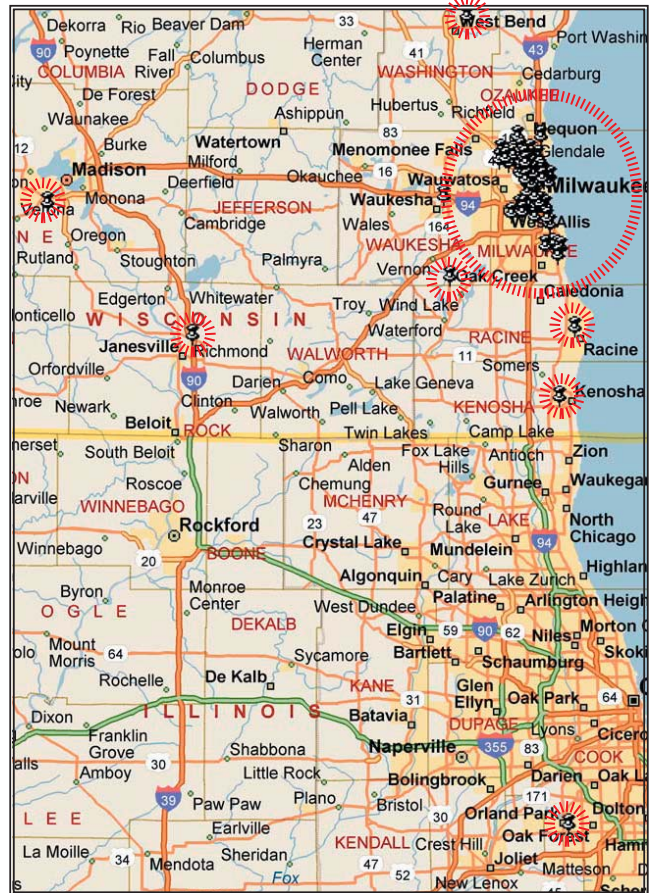
Team City Hall - Geographic Data



Map 1: Reported residence of all onsite apprentices



Map 2: Reported Residence of all RPP workers



Map 3: Reported Residence of minorities in the workforce



Workforce and payment data monitored and reviewed by:
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