

Team City Hall

April 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 Sixth Project Quarter: November 30, 2006 through January 31, 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.

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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 \$2,122,614 have raised the total construction value to \$62,049,832.

EBE Projections

Through January 31, 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 23.5%, well over the Project's 18% requirement.

EBE Payment Performance

As of January 31, 2007, J.P. Cullen had received \$23,927,842.60 for work completed on the City Hall Restoration Project. Of the amount received by the GC, \$2,643,785, or 11%, was paid to EBE contractors.

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

Table 1 - EBE Payments

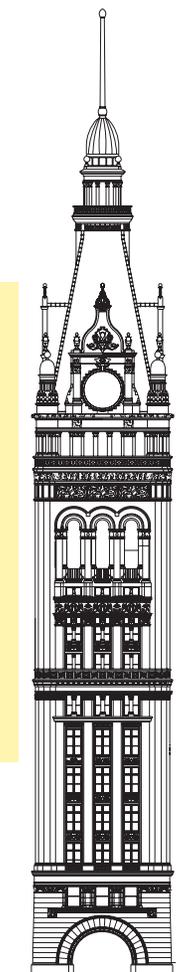
EBE Vendor	Payment	Percent of EBE Firm Contract
Arteaga	\$ 369,179	13.5%
B&D	\$ 180,816	50.4%
J F Cook	\$ 46,581	2.4%
Thomas A Mason	\$ 1,785,040	31.1%
Roberts Roofing	\$ 262,170	6.9%
Total Payments	\$ 2,643,785	18.1%

To date, EBE firms have been paid...

11.0% of all Project Payments & 18.1% 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 4.3% of the total construction project value, and in Chart 4, which shows EBE firms have received 11% of all project payments. At the conclusion of the project, final numbers should indicate that EBE firms have performed 23.5% of all restoration.

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 21.9% through the end of the Sixth Project Quarter. Verified RPP% through January 31, 2007 stood at 28.2%. 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.

RPP Participation at 28.2%

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 of any challenges that the General Contractor may have 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

Through January 31, 2007, racial minorities worked 42,345 of 129,238 total project hours. Therefore, minorities have worked 32.8%, or nearly 1/3, of the total project construction hours. Achieving such success on this historic project is a testament to the commitment of the GC, the Project Monitor, the City, and the voluntary workforce advisory committee, all of whom wish to see the entire community benefit from this project.



Minority Workforce at 33.0 %

Table 2: Workforce by Contractor

Contractor	RPP Percentage	Minority Percentage
J.P. Cullen & Sons	26.0%	28.7%
Arteaga Construction	41.1%	37.4%
B&D Contractors	48.8%	69.3%
F. J. A. Christiansen Roofing	4.5%	6.8%
J.F. Cook Co.	9.7%	0.0%
Davis Structural	0.00%	0.0%
Doral Corporation	10.4%	25.2%
Grunau Corp	0.0%	0.0%
Hess Swietzer, Inc.	9.9%	10.3%
Lee Mfg. Co.	20.6%	0.0%
Thomas. A. Mason Co.	35.0%	33.3%
National Construction Rentals	0.0%	37.8%
Peerless Electric	0.0%	0.0%
The Penebaker Enterprises	43.3%	55.4%
Roberts Roofing	12.4%	23.6%
Safway Services, Inc.	22.7%	37.0%
Union Contracting Inc. / Eugene Matthews	53.4%	57.7%
Western Waterproofing	41.0%	42.8%
PROJECT TOTAL		32.8%

Apprentice Utilization

Through January 31, 2007, apprentices had worked 9,963 hours, or 7.7% of all onsite construction hours. Among the three specified key trades (bricklayers/masons, glaziers and roofers), apprentices had worked 3,900 hours on the project.

Summary

The City Hall Restoration Project continues to progress on track toward meeting its participation requirements and goals. Through the end of the Sixth Project Quarter – January 31, 2007 -- the Residents Preference Program participation percentage was over 28% and Emerging Business Enterprises have contracts for nearly 24% 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, 7.7% of the hours have been worked by apprentices, the vast majority of whom are minorities, and 3,900 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 nearly 33% through the end of the Quarter.

City Hall - Performance at a Glance

Chart 1
Original Contracting Plan

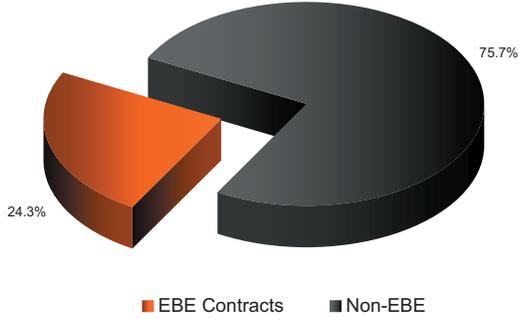


Chart 2
Current Subcontracting Plan with Change Orders

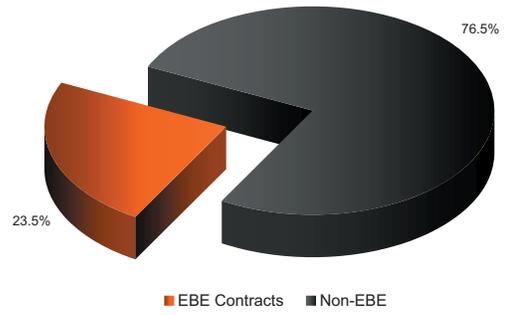


Chart 3
Project Completion and Payment Distribution

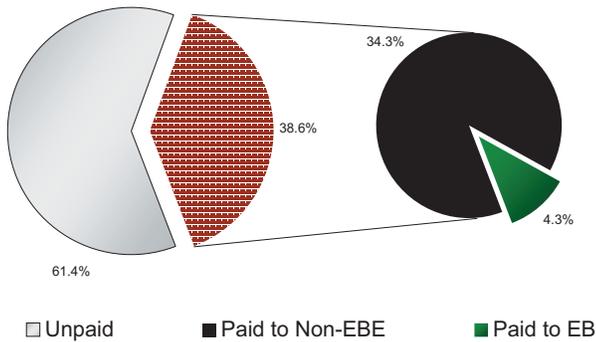


Chart 4
Project Payments

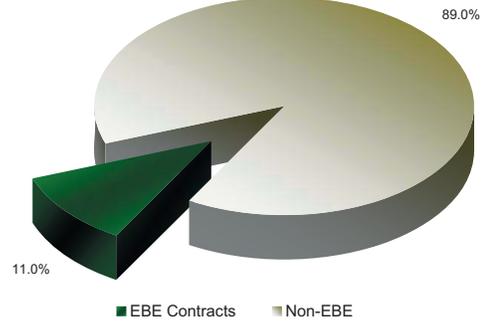


Chart 5
EBE Payments as a Percent of EBE Contracts

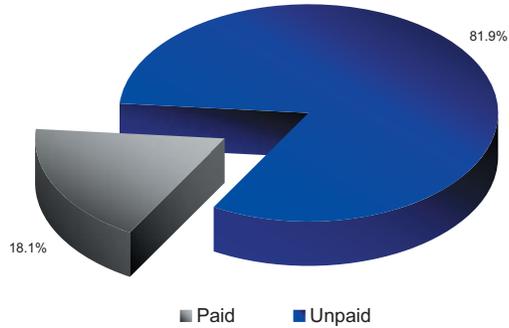


Chart 6
Non-EBE Payments as a Percent of Non-EBE Contracts

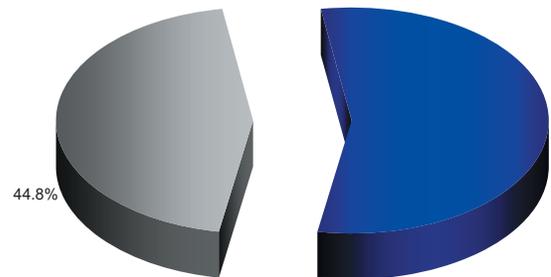


Chart 7
RPP Workforce

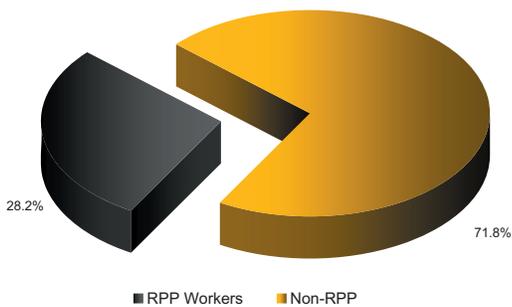
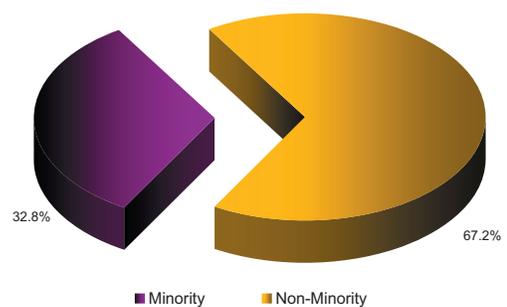


Chart 8
Minority Workforce



Workforce and payment data monitored and reviewed by:
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