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PRISM TECHNICAL MANAGEMENT

DATE: January 20, 2025

TO: Ms. Mary Reed, OEI Contract Compliance Officer

REFERENCE: Five- Points Project

SUBJECT: Response to. City of Milwaukee OEI Letter dated Dec 09, 2024

FROM: Project DEI Coordinator/ Randy Crump CEO Prism Technical

COPY: MLK EDC / Nicole Robins Executive Director

Our client. the MLK EDC, LLC.in partnership with KG Development (the Developers) and their General Contractor – Catalyst Construction (Catalyst) have made extraordinary efforts to exceed 100% of the City of Milwaukee inclusion requirements found in the executed Human Resource Agreement (HRA).

The Developers discovered that a proposal received from its originally selected general contractor - a certified SBE firm, if awarded the contract, had an opportunity to far exceed the required 25% SBE and the 40% RPP requirements. However, the firm's cost estimate was fatally flawed. After a detailed scope review, it was discovered that the firm failed to include a sizeable portion of the project's square footage in its cost proposal. Correcting this error created a \$1 million financial gap in the overall project costs - threatening the viability of the project.

Eventually, the Developers moved on and chose Catalyst to lead the project and together while circling back to the original GC firm, asking it to submit a proposal focused solely on performing the site Concrete scope. If successful, the contract would get the project closer to the 25% SBE requirement and had a realistic chance to boost the project's overall workforce RPP achievement because of the firm's local ties and trade experience. Unfortunately, the firm's cost was significantly beyond that of other bidders, again putting the entire Five points development in jeopardy. Once again, the project had to make other plans, so the search for more competitive bids was widened.

The development team was forced to move on without this SBE contractor as the delays were jeopardizing the project schedule and the site control agreement with the City as well as an agreement with WHEDA related to its completion date . Catalyst reached out to SBE contractors directly via email and placed several newspaper advertisements seeking SBE bidders.

Recognizing that the relatively short project (projected to span only 13 months) was challenged to meet its RPP requirements, ultimately three Job fairs were conducted.

Prism and MLK EDC hosted the first of three job fairs on June 11, 2024, with the city's first source employment agency -Employ Milwaukee Inc.(EMI), less than 250 feet south of the project at 3295 N MLK Drive.

A second Job Fair occurred October 3, 2024, with EMI – onsite, hosted by KG Development and Catalyst, targeting labor for Roofing, Window treatments, Drywall, Painting, HVAC, and Electrical installation.

Catalyst participated in a third and final Job Fair at the EMI Offices -2342 N 27th Street on November 21, 2024, again, seeking candidates for Roofing, Window Treatments, Drywall, Painting, HVAC, and Electrical.

Job Fair Observations

A review of the employer feedback from the first Job fair indicated that a majority of the job seekers attended based on community and social media postings rather than being referred by local training agencies with confirmed training credentials. When employers who were significantly non-union contractors made inquiries, they perceived a lack of enthusiasm from the only training agency onsite.

Recognizing the increased engagement of mixed construction sites (with both union and nonunion contractors) in the Affordable Housing Apartment construction area, Prism had been cultivating a stronger relationship with the Social Development Commission for the past few years because of the organization's training program – "Absolute Advantage" working extensively in partnership with the Associated Builders and Contractors (ABC) - a non-union contractor affiliated agency. Unfortunately, SDC abruptly shut down on April 26, 2024.

Results

- Catalyst hired a field Laborer, who began working 40 hours per week.
- It was notable that Blair Fire Protection and Edge Electric hired RPP trade workers for trades that are typically the most void of RPP labor.
- Additionally, site security officer services were deployed working 32 hours per week starting in October with 80% RPP labor.
- An out of work drywaller was hired as a foreman and will begin work this month.

SBE Challenges Impacting RPP

The loss of the original large SBE contractor not only made achieving the SBE requirements more difficult, but it also stretched the project schedule.

While many other SBE firms were invited to bid through newspaper advertisements and direct contact, the net was cast across SE Wisconsin. Several winning bidders were as far away as 35-99 miles or more from the City of Milwaukee and unfamiliar with the RPP program. As an example, the winning concrete contractor was from Oostburg, just South of Sheboygan, WI. The firm has not been able to achieve any RPP Participation after having completed approximately 700 man-hours of onsite trade hours. A Carpentry contractor based in Wales Wisconsin had booked 6,000 hours on site with no RPP hours.

RESPONSE TO DECEMBER 9, 2024, LETTER

I. Quarterly Reports

Prism completed multiple Draft Quarterly reports from the project's inception. These were initially withheld from finalization, as the development team pursued various solutions to resolve the unacceptably low project RPP performance and projections. Unfortunately, it eventually became clear that the large deficit in RPP and SBE inclusion could not be resolved in the time remaining in the construction schedule, as the selected subcontractors brought on to save the project from failing financially had committed to workforce numbers, they knew they could achieve.

Quarterly report production paused after notification from the OEI in the summer of 2024 and took longer to resume, while efforts to find and recruit RPP workers continued. Unfortunately, while a November 2024 report was created, efforts to update it through December 2024 started after the Holidays once the letter of non-compliance was received. All efforts turned to creating a more current/accurate report through Dec 31, 2024. The project report through December 2024 will be submitted on January 24, 2025.

II. Residents Preference Inclusion

While the December 9th letter indicates the RPP achievement at 14.9 %, there was a mild uptick to 16.4% - still far below the 40% requirement as of December 31, 2024. MLK EDC recognizes this is not an acceptable achievement and plans to make up this project's RPP deficit on an upcoming planned development. See the last segment of this communication.

III. Apprentice RPP Inclusion

As a Community Development agency, MLK EDC is disappointed that its project has achieved only 24.9% RPP SIA apprentice participation, through December 2024 when the requirement has been established at 40% of RPP apprentice hours. However, while it represents just two individuals, we are pleased to report that the project has achieved 100% RPP Apprentice hours (per "verified apprentices" in LCR), exceeding the requirement of 25%.

IV. Professional Services Budget Categories of Work

For the record, in the past, the Budget (AKA Schedule B2) was required before access to the tracking Software was granted. This process is helpful to Prism -as an inclusion coordinator to drive home the importance of getting all of the OEI forms prepared and executed with SBE signatures before the project groundbreaking.

The SBE professional services will be transmitted with the December 31, 2024, quarterly report.

V. Request for Meeting Regarding Potential Exemptions

- a. SBE Participation
- b. RPP Participation

As a result of the issues experienced and shared above, we are requesting an Exemption for much of the SBE construction spend deficit given the extraordinary efforts demonstrated by the Development team attempting to achieve the SBE construction requirement and its impact on resident inclusion.

NON-COMPLIANCE RESOLUTION

The project team would like to discuss a partial exemption from the SBE spend and workforce inclusion requirements because of the extensive efforts undertaken to achieve these requirements. Prism, MLK EDC and Catalyst, are committed to maximizing both SBE and RPP on all of its projects. With sufficient planning time and partnering with community partners we are confident we can achieve extraordinary results to make up our deficits on an upcoming project.

The Bronzeville Advisory Committee selected the Five Points Development team to develop an \$18.3 million mixed-use 657-unit affordable apartment building at the intersection of N Martin Luther King Drive and W Burleigh Street. The project includes three commercial stalls with pre-selected tenants, including a small grocery store.

- A. For this development, the workforce preparation and contractor vetting process will be both meticulous and extensive to maximize both SBE and RPP Participation at every level with the goal of exceeding City of Milwaukee requirements and to make up the projected shortfall in both on the Five Points project.
Workforce training will be specific and intentional –targeting trades with the opportunity to absorb newer workers on a “just in time” basis, to avoid losing recently trained workers because of poor timing. The project team will follow the model developed by Prism Technical during the construction of the Northwestern Mutual Tower and Commons project after being proven to be effective on the exterior restoration of Milwaukee’s Historic City Hall. The process requires all Contractors bidding for work to submit workforce hours with their bids and submit their RPP Projections spread out over the time they are to be on site. The Project Inclusion Coordinator will closely Monitor each contractor’s performance against their contracted performance. Any contractor failing to achieve their contracted RPP participation will be required to create a remedial plan to get back on track or face payments being withheld equal to the lost wages not earned by a mid-level trade apprentice. This tracking process was used not only on the restoration of City Hall but with the sanction process on nearly 40 different MPS school sites during the 2001-2006 MPS Neighborhood Schools initiative (NSI). There was only one instance of sanctioning applied, as afterward contractors realized the school board was serious about implementing the process.
- B. We will work with Employ Milwaukee and multiple community training agencies to find workers in the trades where workers are needed and have committed to during the bidding process. Workers will be trained so that they are ready to go to work when needed.
- C. See the Final City of Milwaukee “Team City Hall report” with tracking graph on page three.

Team City Hall

September 2009

Milwaukee Historic City Hall

Restoration Project Participation Performance

Issue 14/Final

Prior to the first labor being deployed on the City Hall Restoration Project in August 2005, the Department of Public Works (DPW) developed procedures and guidelines to achieve the City's standard goals for Residents Preference Program (RPP) and Emerging Business Enterprise (EBE) Program participation while introducing a minimum level for Apprentice Utilization compliance. Prism Technical had been engaged in the design and planning phase of the project under Engberg Anderson Design Partnership (the project architect), to analyze the capability and availability of existing EBE firms and RPP workforce and determine the feasibility of achieving the goals on such a historic and demanding project. During construction, Prism was hired by DPW to assist and monitor the RPP, EBE and Apprentice participation performance of J.P. Cullen, the selected general contractor.

Following the City's decision to award the Project to J.P. Cullen, the lowest responsive and responsible bidder, the participation planning process gained steam at a Partnering Session kicked off by Mayor Tom Barrett to build a cohesive working relationship among DPW, Engberg Anderson, J.P. Cullen, subcontractors, Prism Technical, unions, the Wisconsin Regional

Training Partnership (WRTP) and BIG STEP – an authorized RPP certification agency.

At the initial partnering session, the parties developed a Mission Statement to guide their actions from project launch through its completion:

Our mission is to restore this National Historic Landmark in a manner that preserves its original design while securing its civic prominence for future generations. This will be accomplished by a collaborative and diverse team of restoration professionals who are passionate about their work and its efficient and timely completion.

In addition to the Mission Statement, several project goals were agreed to by all:

1. Have a safe project with zero lost time accidents.
2. World-class quality and historic restoration.
3. Complete project on time and under budget in a manner that is profitable for all.
4. **Meet or exceed City's diversity goals.**
5. Maintain a great level of open respectful communication and team work.
6. Determine and meet all expectations of the stakeholders involved.
7. Maintain good public relations.

Goal# 4 is the subject of this report.

PARTICIPATION REQUIREMENTS

Per contractual documents, J.P. Cullen was required to submit monthly EBE payment reports and quarterly reports documenting RPP compliance.



Image 1: Community leaders meet with a WRTP representative to learn how to connect citizens with job opportunities.

City Hall Restoration / ISSUE NUMBER 14

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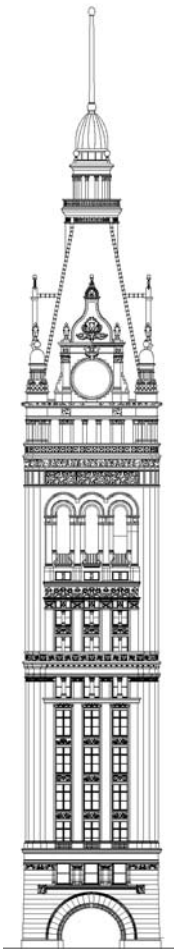


Image 2: Community members gathered on February 21, 2006 to learn about potential job opportunities on the City Hall project.

The Project's Participation Requirements were as follows:

At least 18% of the Project's value must go to businesses certified by the City of Milwaukee's Emerging Business Enterprise Program.

At least 25% of the hours worked on the Project by onsite non-supervisory personnel must be by individuals certified under the City's Residents Preference Program.

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, Carpenters, and Roofers.

In addition to meeting the EBE, RPP and Apprentice Utilization requirements, J.P. Cullen committed to use its best efforts to also deploy a significant minority workforce on the Project. Prism Technical agreed to assist them in this endeavor where practicable, in part by convening a Community Workforce Advisory Committee.

REPORTING

The Restoration Project began smoothly, with a spirit of cooperation and excitement. Despite a Project requirement to submit RPP participation performance documents once per quarter (and EBE payment reports monthly), following the first quarterly submission, J.P. Cullen agreed to collect and measure RPP performance monthly, thereby maintaining tight control of jobsite performance. In a further demonstration of cooperation, the firm also agreed to share this data with Project Monitor Prism Technical.

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"...the City Hall Project produced 63 man-years of full time construction work for RPP participants."
.....

- Prism Technical

CONTRACT EXPENDITURES

EBE Participation

The Project, with a projected cost \$65,735,539 as of the substantial completion date of March 31, 2009, (including Change Orders totalling \$5,808,311) had an EBE requirement of 18%, or \$11,832,395.

At least nine EBE subcontractors were initially slated to work on the project, with finalized contracts in hand totalling \$15,287,929. Of that total, \$14,580,289 of the dollars pledged to EBE firms could be counted to-

ward the Project's EBE participation, due to rules related to use of EBE suppliers.

EBE Payments

Per the Department of Public Works, as of March 31, 2009, J.P. Cullen had received \$65,662,029 for work completed on the Project. Of the amount received by the GC, \$15,201,085.09, or 23.2%, was paid to EBE contractors.

RPP Participation & Apprentice Utilization

All parties involved were aware that achieving the RPP requirements on a historic building of this height could be very challenging. Nonetheless, as the project approached completion, RPP performance was always expected to be at or above the 25% Project requirement.

J.P. Cullen worked closely with W RTP / BIG STEP to ensure that there were sufficient qualified RPP certified workers available to the project. BIG STEP conferred with the Project's subcontractors regarding the represented trades, the required workers per trade, and the demographic makeup of each subcontractor's current workforce. The number of needed workers was determined, and BIG STEP, through recruiting, training coordination, discussions with the trade unions and community groups, made every effort to help meet those needs.

Local demand for RPP workers was expected to be strong because of other significant local projects that began over the life of the City Hall project, such as Wisconsin Department of Transportation's Marquette Interchange Project and WE Energies' Oak Creek Power Plant. It was therefore particularly important



Image 3: Worker cleaning exterior brick. Image courtesy of UWM School of Architecture/ Historic Preservation Department

to gauge and prime the pipeline of available workers.

RPP PARTICIPATION

RPP Performance

Using Implementation Plan™ format, (See Graph 1 below) the GC projected RPP performance to be approximately 25% by the end of the project. Actual numbers showed RPP at 25.0%. Of the 378,991 hours worked on the project, 94,692 were worked by RPP workers.

Based on full time construction equivalence, the City Hall Project produced 63 man-years of full time construction work for RPP participants.

Community Workforce Advisory Committee

Prism’s creation of a Community Workforce Advisory Committee was also instrumental in ensuring achievement of the RPP, apprentice and minority goals on the project.

Bringing together community leaders helped introduce new workers to the opportunities available at City Hall, gave the community an independent view of the inner workings of a large construction project and created a neutral sounding board for any potential disputes during the project.

Workforce Diversity

Through January 31, 2009, people of color worked 106,581 of 378,991 total project hours, for a minority workforce percentage of 28.1%.

This significant result on such a historic and challenging project is an achievement for all involved with the Restoration of City Hall.

Apprentice Utilization

Through January 31, 2009, apprentices worked 27,624 hours, or 7.3% of all onsite construction hours. Among the three specified trades (bricklayers, roofers and carpenters), 39 apprentices worked 16,731 hours on the project. People of color represented 65.6% of all apprentice hours.

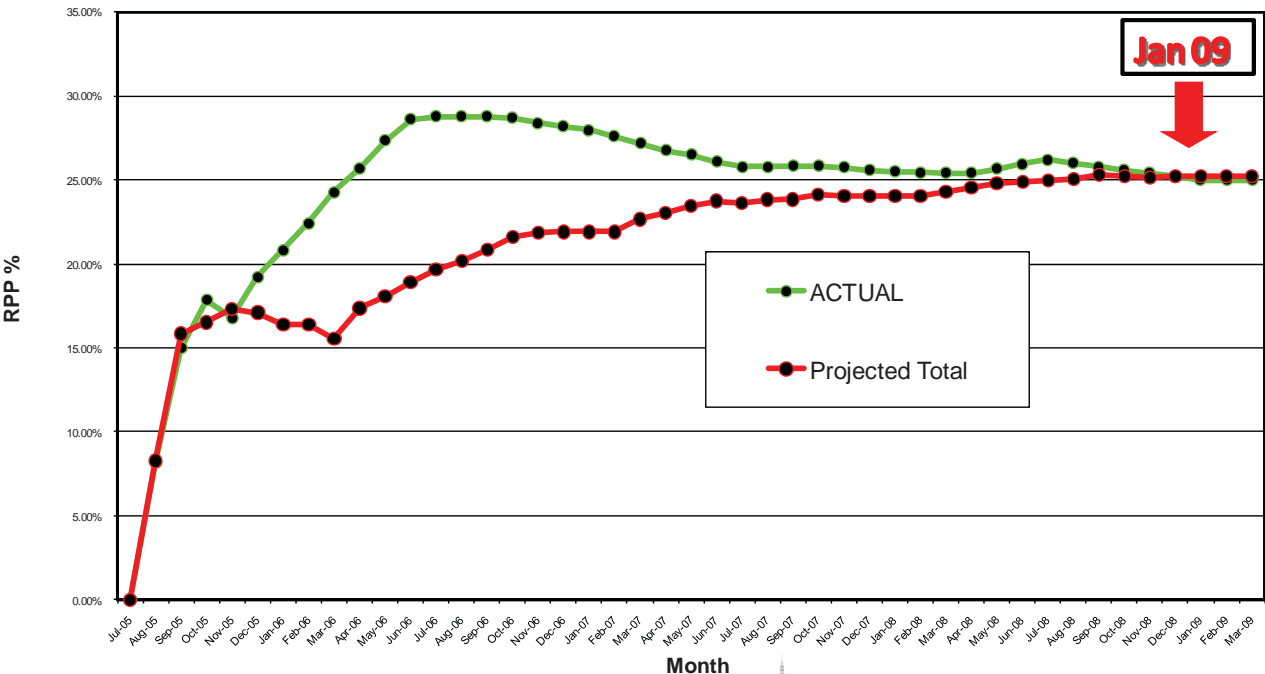
PROJECT REQUIREMENTS
V.S. ACTUAL PERFORMANCE

Table 1: Performance

Category	Requirement	Plan	Achieved
EBE Spend	18.0%	22.4%	23.2%
RPP	25.0%	25.0%	25.0%
Apprentices	10,000 hrs	10,000 hrs	14,558 hrs
Minorities	n/a	25.0%	28.1%

“...people of color worked 106,581 hours ... for a minority workforce percentage of 28.1%.”

- Prism Technical



Graph 1
Workforce Participation Assurance

The Prism Technical Implementation Plan™ graph on the left is the product of a data intensive spreadsheet. At the start of the project, monthly workforce projections were required of every onsite trade contractor. The projections included the contractor’s (and subcontractor’s) plan for deploying RPP workers at the job site. Each month actual performance was measured against original projections. Failure to keep the aggregate actuals above projections for one quarter would have resulted in sanctions. None were necessary.

Table 2: Workforce by Contractor

Contractor	Percent RPP	Percent Minority
J.P. Cullen & Sons	25.3%	31.2%
Al's Window Cleaning	0.0%	0.0%
Arteaga Construction	42.5%	32.3%
B&D Contractors	58.8%	59.8%
Bohman & Vick	0.0%	0.0%
F. J. A. Christiansen Roofing	0.8%	7.0%
Continental Enterprise	0.0%	0.0%
J.F. Cook Co.	30.7%	12.1%
Custom Metals	0.0%	0.0%
Davis Structural	0.0%	0.0%
Dawes Riggings Crane Rental	0.0%	48.4%
Doral Corporation	5.6%	17.6%
DST, Inc.	0.0%	7.6%
Duwe Metals	0.0%	0.0%
Grunau Corp	3.1%	12.6%
Hess Swietzer, Inc.	9.9%	10.3%
Jahn & Sons	0.0%	0.0%
Krause Konstruction	0.0%	0.0%
Lee Mfg. Co.	11.7%	0.0%
Thomas A. Mason Co.	36.7%	39.3%
Masonry Restoration	7.3%	8.0%
National Construction Rentals	0.0%	37.8%
Peerless Electric	0.0%	0.0%
The Penebaker Enterprises	33.5%	29.5%
Reynolds Transfer & Storage	0.0%	0.0%
Roberts Roofing	9.1%	10.4%
Safway Services	23.9%	36.2%
Spectrum Contracting Corp.	0.0%	0.0%
Sweda & Sons	0.0%	0.0%
Union Contracting /Eugene Matthews	34.7%	37.5%
Western Waterproofing	34.5%	41.2%
Wil-Surge Electric	0.3%	1.0%
PROJECT TOTAL	25.0%	28.1%

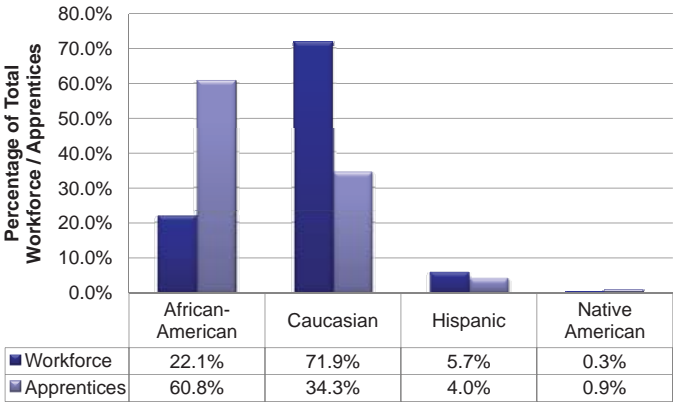


“People of color represented 65.6% of all apprentice hours.”

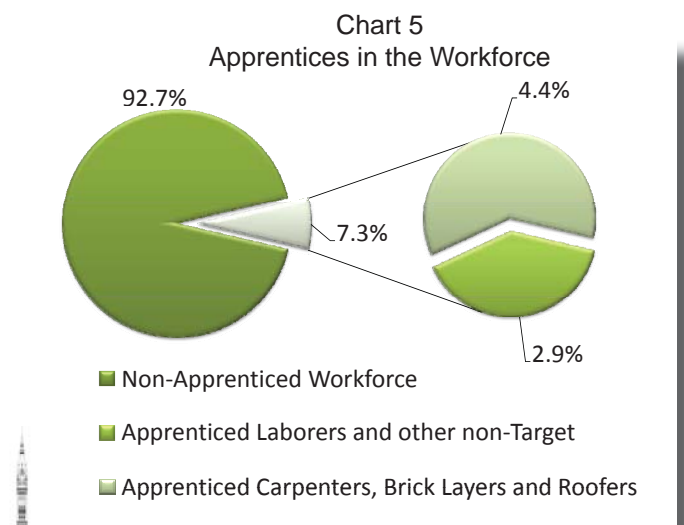
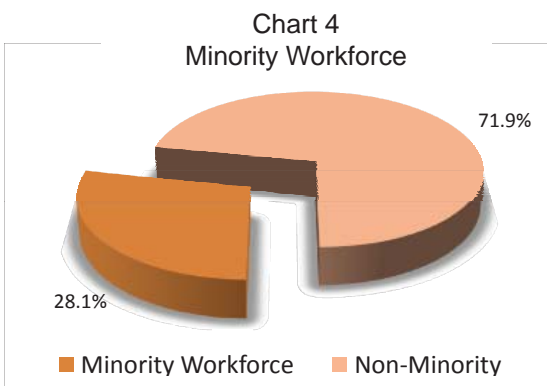
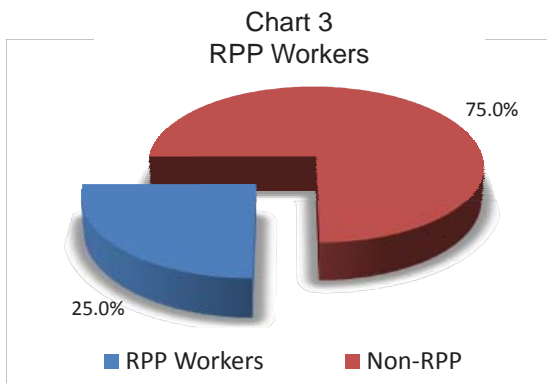
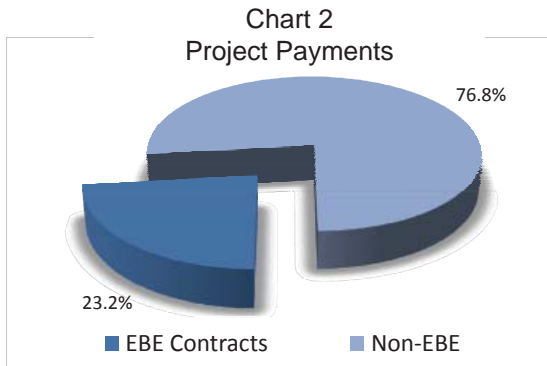
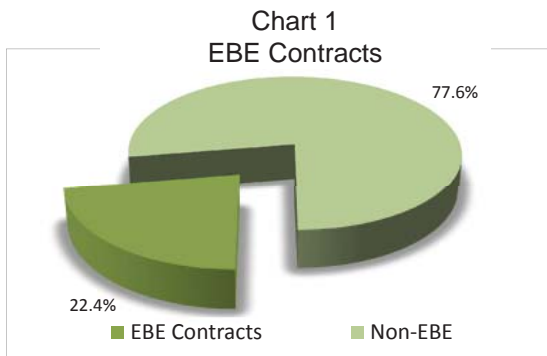
- Prism Technical

MILWAUKEE CITY HALL HISTORIC BUILDING RESTORATION PROJECT

Workforce and Apprentice Percentages by Race through January 31, 2009



Graph 2



SUMMARY

All of the participation requirements and goals have been met or surpassed. Through substantial completion, the Residents Preference Program participation percentage was 25% and Emerging Business Enterprises were paid over 23% of the total project construction dollars; both figures are at or above the requirements. Specified trade apprentices worked nearly 17,000 hours, well surpassing the project goal, and two-thirds of apprentices were minorities. Further, 28% of all onsite construction hours were worked by people of color, including construction novices and experienced workers.



Image 8/9
Architectural detail

Goal
Meet or exceed City diversity goals.
Mission Accomplished

Workforce and payment data monitored and reviewed by:

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