



Accountants and Advisors

**ROCHESTER SCHOOL MODERNIZATION PROGRAM
MARCH SUBMISSION REPORT**





Baker Tilly Virchow Krause, LLP
One Penn Plaza, Suite 3000
New York, NY 10119
(T) 212 697 6900
(F) 212 490 1412
bakertilly.com

April 27, 2017

To Whom It May Concern:

This is the thirty-ninth Monitor's Report (the "Report") under the January 13, 2014 Consulting Services Agreement between the Rochester Joint Schools Construction Board ("RJSCB") and Baker Tilly Virchow Krause, LLP ("BT") by which BT is retained as the Independent Compliance Officer ("ICO") for the Rochester School Modernization Program ("RSMP") Phase 1B and 1C. This report is also the third report to present Phase 2 compliance data. This report is authored by Brian Sanvidge and others at BT and is based on information obtained by BT. In this thirty-ninth report, we set forth various procedures performed and the findings as a result of those procedures.

BT's Role as ICO

At the commencement of the BT ICO engagement, BT established an office in the RSMP headquarters to promote communication with the Project Manager ("PM") and provide efficient responses to issues raised by the PM or the RSMP workforce. BT continues to maintain a daily presence at the RSMP headquarters.

BT has also automated the contractor document submission process for a more accurate and efficient reporting system. Our digital online document submission system, referred to as the GoFileRoom Portal, provides each Prime Contractor (“PC”) with access to upload a copy of their monthly diversity documents, and to view an archive of their submissions. These monthly diversity documents to be submitted to BT for review include: DDP-3A, DDP-3, certified payroll transcripts, the monthly report and a copy of a check to the Rochester Careers in Construction Fund, and copies of checks written by the PC to eligible business entities (“EBE”) sub-contractors together with the matching invoice. BT has included these items in a “Document Submission Checklist,” which has been provided to all PCs, in an effort to assist them in following monthly compliance procedures. During April 2014, all PCs were forwarded electronic templates of the required forms and were encouraged to complete the documentation electronically. These templates have been further refined and are updated periodically to ensure optimal accuracy and efficiency in our data analysis.

BT’s GoFileRoom Portal serves as a digital inventory of all diversity paperwork and backup to the Monthly Compliance Report. Each document is itemized and details the PC, project name, sub-contractor, document name and date received. BT can, at the request of the RJSCB, produce a physical or digital inventory binder, organized by month, project or any other category. This system is designed so that the full inventory of archived diversity documents can be accessed electronically by the PM, the RJSCB, or any other party with approved access. As new contractors are hired, BT continues to provide them with GoFileRoom accounts.

When uploaded, these documents are automatically electronically stamped with the date of receipt. Upon upload of the documents, BT is notified, prompting our analysts to review the documents and capture the data in a database used for our monthly reports to the RJSCB, as well as any Construction Manager. Such data includes:

- Reported contract and change order values incurred by the PC
- Reported contract and change order values incurred by and paid to each sub-contractor
- Reported percentage of contract value allocated to EBE contractors
- PCs’ and sub-contractors’ reported hours worked by employees

- A database of construction work hours performed, ensuring a proper calculation for the contractor's contribution to the Rochester Careers in Construction ("RCIC") Fund.
- A database of employee addresses, ensuring accurate depiction of Rochester resident participation in the RSMP construction workforce.
- Reported data from the approved DP-1 (EBE Utilization Plan) and the DDP-3A (Monthly EBE Utilization Report). This data collection facilitates the comparative analysis used to confirm the reported EBE status of each PC or sub-contractor.
- A chart tracking the status of all required documentation from each contractor for each project. This tracking system reports what documentation has been received and approved, documentation not yet received, and documents containing errors or omissions. In addition, BT captures responses from the PCs as to whether "no work" was performed by the sub-contractor.
- Response status to e-mails and other forms of correspondence BT issues to contractors relative to the procurement of documentation not received or documentation that contains errors or missing support.

BT maintains open lines of communication with the PCs. Staff in Manhattan and Rochester address any compliance questions or concerns regularly. We continue to provide new contractors with instructions regarding the monthly compliance submissions and assistance with completing the required reports. New contractors are also provided access to GoFileRoom accounts.

BT's Action Plan

BT has and will continue to examine and monitor the implementation of the RSMP Diversity Plan. Through the online portal and various internal databases, we have recorded, reviewed and tracked contractor submissions for each of the Phase 1B school projects to include all submitted Forms DP-1, DP-2 (EBE Letter of Intent to Perform), DDP-3A, DDP-3 (Monthly Employment Utilization), certified payroll transcript, RCIC Fund Report and check and copies of checks paid to EBE sub-contractors with the matching invoice. Contractors who have not provided a timely

response to document requests issued by BT are notified regarding their delinquent submissions. BT continues to work with the contractors to foster timely compliance with all required submissions.

To accomplish our objectives, we have incorporated the use of digital systems, analytical procedures, controls and processes, designed to ensure that compliance to the diversity goals are adhered to by the contractors who have been, or are in the process of being awarded contracts by the RJSCB. In view of the foregoing, BT has employed the following procedures:

1. Prior to contract award, BT provides the RJSCB with a written approval report, including all supporting documents. Further, BT collects from the PC and submits complete DP-2 packets for each PC on each project to the Executive Director within 45 days of award.
2. In the event of a new contract award, BT provides a written approval report, including all supporting documents, showing that the EBE Certification is in compliance with requirements.
3. Furthermore, BT is taking measures to ensure that the current EBE sub-contractors are certified in the areas that they are engaged to perform with their PC.
4. BT will continue efforts to examine each DP-1 to verify it is within the scope of services identified in the Empire State database and will show the results of this examination in the written approval report. This report will include a listing of all EBE firms that are non-compliant with certification submissions. This information will be the basis for recommendations to the RJSCB for potential penalty assessment.
5. BT will continue efforts to evaluate the DP-1s and DP-2s for changes. Any changes will be presented by the ICO at the RJSCB MWBE Services and Procurement meeting.

6. BT will continue to collect and keep track of all DDP-3A forms which represent all change orders between PCs and sub-contractors. BT will also continue to collect copies of all sub-contracts from each PC as well as proof of payment.
7. BT collected and reviewed monthly data used to create a monthly analysis to determine if diversity workforce goals have been met. This analysis addresses specific issues on a case-by-case basis with the RJSCB and the contractors.
8. Upon completion of the review and analysis, BT will sign all of the correct or corrected diversity forms. BT has and will continue to communicate with the contractors and make attempts to rectify any compliance issues, such as outstanding documentation. BT will provide the RJSCB and the PM with the list of contractors that are not in compliance.
9. Further, we have been tasked with collecting and uploading to GoFileRoom, the executed sub-contracts between each PC and their sub-contractors. To date, we have collected 99 percent of the sub-contracts for the current Phase 1B projects.

BT is committed to monitor and investigate actions, conduct, operations or omissions of the contractors or any of their key people, employees, sub-contractors, consultants, suppliers, vendors, affiliated businesses, or other entities as they relate to the PC's responsibilities. As such, BT has established a twenty-four (24) hour "Hot-Line" telephone number to facilitate the reporting by the companies' key people and employees of any suspected or actual improper or illegal conduct.

BT understands that the current responsibilities include both promoting and monitoring Phase 1 compliance. We are aware that the combination of these roles was the result of legislation and that future legislation could separate these responsibilities. We will continue our combined role, unless any changes in legislation direct otherwise.

Monitoring Team Staffing

The work done under the monitoring engagement is performed primarily by BT. Our work includes document review, performing analyses, conducting interviews of company personnel and monitoring calls to the 24-hour “Hot Line”.

BT’s team is led by Brian Sanvidge, CIG, CFE and Joel Podgor, CPA, CFE, whose biographies were previously provided to the RJSCB. Their role is principally to oversee the execution of the monitoring engagement, conduct investigative interviews and design and supervise the implementation of data reporting procedures. The following individuals from BT have significant involvement in this project. Their respective curriculum vitae have also been previously provided:

- Amy Slevinski, MFS, CFE is a Manager in the Forensic Litigation and Valuation Services (“FLVS”) group of Baker Tilly.
- Greg Hagarty, CPA, CFF, MST is a Manager in the FLVS group of Baker Tilly
- Matthew O’Leary, CPA/CFF/CITP, CFE, Senior Consultant in the FLVS group of Baker Tilly
- Jeffrey Wild, Senior Consultant in the FLVS group of Baker Tilly
- Julie Fox, Staff Consultant in the FLVS group of Baker Tilly
- Frank Risler, CFE, CPP, EnCE, Computer Specialist, is a retained consultant in the firm’s FLVS group, specializing in computer forensics, data transfer and recovery and e-discovery.

March 2017 Phase 1 Compliance Report

All of the figures presented in this report relate to submissions by contractors and sub-contractors for Phase 1 of the Rochester School Modernization Program. All submissions received by April 27, 2017 have been included.

Analysis of Workforce for March 2017 Submission – Phase 1

Process and Procedures:

Each of the contractors and sub-contractors are required to submit form DDP-3 and corresponding certified payroll transcripts. DDP-3 summarizes the workforce breakdown in terms of race and gender. The aforementioned documents were uploaded to a web-based filing system, GoFileRoom (“GFR”) Solution. The system is a web-based portal which safely and securely retains documents; essentially, a digital file room for uploading and downloading documents. Contractor file folders are created for each PC involved in the RSMP. All documentation received via the web portal is reviewed, approved and uploaded to the respective contractor file. This system allows the PCs to electronically submit the required documents in a manner that makes the document submission, review and publishing an efficient process. Each PC has access to their respective documents as well as those of their sub-contractors. The PM and the RJSCB have universal access to all document submissions from all contractors.

Our analysis includes a verification of the figures presented on form DDP-3 to the certified payroll transcript submitted, and a calculation of women and minority involvement in both work hours and workforce numbers. The analysis below is based on cumulative information received. As of April 27, 2017, we have received approximately 87.50 percent of the requested document submissions for the March 2017 reporting period. As part of a forensic analysis of Landon & Rian’s ICO data, BT collected and reviewed compliance documentation from the start of the program through December 2013. Approximately 98.03 percent of all data requested since the commencement of the project, (the period of April 2011 through March 2017) has been received and approved. A breakdown of monthly compliance percentages can be seen in **Exhibit 1**.

As many of the school projects move toward completion, we have seen a significant reduction in work hours performed and a reduction in document submissions. BT has reached out to the sub-contractors as a reminder of their obligation to provide BT notice of “*No Work Performed*,” if not on site during the current reporting period. BT continues efforts to aid contractors in meeting their compliance requirements.

Participation in Work Hours

A detailed diversity report summarizing the workforce participation of each contractor through the current reporting period has been included as **Exhibit 2**. The data presented below represents work hours completed in the month of March 2017 exclusively; work hour data received prior to the date of this report for work completed in prior months is presented in a separate table. (See page 10, “Analysis of Workforce to Date”). A complete breakdown of the findings summarized below can be found in **Exhibit 3**.

WORKFORCE PARTICIPATION IN MARCH 2017 WORK HOURS		
Total Work Hours Performed by Women	316.25	11.59%
Total Work Hours Performed by Men	2,411.35	88.41%
Total Work Hours for all Workers	2,727.60	100.00%
MINORITY PARTICIPATION IN MARCH 2017 WORK HOURS		
Number of Work Hours Performed by Minority Women	186.75	6.85%
Number of Work Hours Performed by Minority Men	483.00	16.06%
Total Minority Work Hours	624.75	22.90%
Caucasian Women Work Hours	129.50	4.75%

*Minority women includes women in sub-categories “Black”, “Hispanic”, “Asian or Pacific Islander”, and “American Indian or Alaskan Native”.

Workforce Participation

The data presented below summarizes the work force count during the month of March 2017. A complete breakdown of the findings summarized below can be found in **Exhibit 4**.

WORKFORCE PARTICIPATION IN MARCH 2017 WORKFORCE COUNT		
Total Number of Female Workers	5	11.90%
Total Number of Male Workers	37	88.10%
Total Number of Workers	42	100.00%

MINORITY PARTICIPATION IN MARCH 2017 WORKFORCE COUNT		
Number Minority Female Workers	2	4.76%
Number of Minority Male Workers	5	11.90%
Total Number of Minorities in the Workforce	7	16.67%
Caucasian Women in the Workforce	3	7.14%

Comparison to Goals:

COMPARISON TO GOALS MARCH 2017			
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)	WORKFORCE PARTICIPATION REALIZED (COUNT)
Minorities (Male and Female)	20.00%	22.90%	16.67%
Women (Non-Minority Only)	6.90%	4.75%	7.14%

Analysis: In March 2017, the minority category has met the participation goals for workforce participation in work hours, but has not met the participation goals in workforce count. The non-minority female participation has met the goal for workforce count, but has not met the goal for workforce hours.

Analysis of Workforce to Date – Phase 1

We have expanded our scope to include work hours performed on projects under Phase 1A and Phase 1C of RSMP. As such, the chart listed below, “Comparison to Goals”, reflects overall work hours inclusive of work hours completed on Phase 1A, Phase 1B and Phase 1C projects through the current reporting period, March 2017. These calculations are predicated on the forensic analysis of the RSMP work performed prior to January 2014, during which time Landon & Rian served as the ICO of RSMP.

CATEGORY	WORK HOURS THROUGH DECEMBER 2013	WORK HOURS JANUARY 2014 – FEBRUARY 2017	PRIOR PERIOD SUBMISSIONS	MARCH 2017 WORKHOURS	TOTAL WORK HOURS
Minority Work Hours	239,122.13	212,957.78	16.00	624.75	452,729.66
Non-Minority Women	84,019.35	59,477.83	15.00	129.50	143,641.68
Non-Minority Male	704,356.12	681,051.54	30.00	1,973.35	1,387,411.01
Total Work Hours	1,027,497.60	953,487.15	61.00	2,727.60	1,983,773.35

*Minority includes sub-categories “Black”, “Hispanic”, “Asian or Pacific Islander”, and “American Indian or Alaskan Native”.

Comparison to Goals:

COMPARISON TO GOALS OVERALL WORK HOURS		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male and Female)	20.00%	22.82%
Women (Non-Minority Only)	6.90%	7.24%

*Note: The participation totals rely on the accuracy of prior period reporting which have not been verified.

*Note: Minority Women are included in the minority category only.

Analysis: Non-Minority Women and Minority participation in total work hours have met the participation goals in overall work hours.

Business Participation Utilization – Phase 1

Policies and Procedures:

Each of the PCs are required to submit Form DDP-3A which lists their current contract amount as well as the current contract amount of all sub-contractors that qualify as a Minority Business Enterprise (“MBE”), Women Owned Business Enterprise (“WBE”), Small Business Enterprise (“SBE”) and Disadvantaged Business Enterprise (“DBE”). Our analysis includes calculation of the percentages of MBE, WBE, SBE and DBE contract amounts relative to the total contract amounts of all PCs for all projects. A complete breakdown of the findings summarized below can be found in **Exhibit 5**.

Goals:

The Rochester School Modernization Program participation goals for Minority, Women, Disadvantaged and Small Business Enterprises are apportioned as follows:

- 15% Minority Business Enterprises
- 5% Women Business Enterprises
- 5% Small Business Enterprises
- 2% Disadvantaged Business Enterprises

CERTIFICATION	RSMP PHASE 1 TOTAL CONTRACT VALUE	EBE TOTAL CONTRACT VALUE	PERCENTAGE	GOAL
MBE	289,094,956	45,430,110	15.71%	15%
WBE	289,094,956	21,403,796	7.40%	5%
SBE	289,094,956	10,828,844	3.75%	5%
DBE	289,094,956	6,723,374	2.33%	2%

Business participation in MBE, WBE, and DBE has met the participation goals for the current reporting period. Participation in SBE has not met the participation goals.

Pursuant to a request issued during the July 8, 2014 RJSCB meeting, BT has provided a breakdown of the payments which will reflect the progress towards the EBE compliance goal for each contractor. We have included as **Exhibit 6**, an EBE participation report which presents the current contract allocation to EBE sub-contractors and the payment progress for each sub-contract. We will continue to track the contractor compliance to EBE goals through verification

of the total amounts paid to EBE sub-contractors and analyze the reasonableness of reaching the EBE goal percentages with the time left to complete the project.

As part of our analysis, we also require PCs to submit proof of payments to their sub-contractors. This part of the confirmation process helps to ensure PC compliance with the EBE goals and furthermore, that the sub-contractor has been paid for certified services performed.

In addition, we periodically perform a comparative analysis of the reported original contracts and change orders listed on each contractor's DDP-3A with the RSMP's records of approved contracts, to confirm that the most accurate contract value is reported. Also, we made adjustments to our Eligible Business Entity Participation Report (**Exhibit 6**) to reflect a 50 percent reduction to the credit granted to a PC when the EBE sub-contractor's role is that of a certified supplier. As such, any sub-contractor listed in this report as "Supplier – EBE Certified" will have this reduction applied to their contract in the totals section of **Exhibit 6** for each EBE summary category. In cases where we determined that the sub-contractor's role is that of a supplier, but they are not certified as a supplier, they are listed in **Exhibit 6** as "Broker (Not EBE Certified as a Supplier)". In these cases, the PC will only receive a 25 percent credit of the actual contract/purchase order amount from that sub-contract.

Participation of Rochester Residents in Workforce – Phase 1

Currently, 13 Rochester residents are active in the Rochester School Modernization Project, which reflects 30.95 percent of the 42 members of the March 2017 workforce. Furthermore, in our review of recently received compliance reports covering prior reporting periods, we have identified additional Rochester residents active on projects which were not previously included in prior reports. Totals were calculated from the address provided on certified payroll transcripts submitted by the contractors. This data has been included in **Exhibit 7**.

As part of a forensic analysis of Landon & Rian's ICO data, BT collected and reviewed compliance documentation from the start of the program through December 2013. Using this data, we expanded our analysis on the percentage of Rochester residents to include the full

project history. We have included below a chart outlining the Rochester resident headcount as a percentage of the overall headcount for each month.

Reporting Period	Rochester Resident Headcount	Overall Monthly Headcount	Percentage of Rochester Residents
April 2011	0	12	0.00%
May 2011	0	26	0.00%
June 2011	0	20	0.00%
July 2011	0	33	0.00%
August 2011	0	56	0.00%
September 2011	0	97	0.00%
October 2011	0	90	0.00%
November 2011	0	111	0.00%
December 2011	0	124	0.00%
January 2012	0	150	0.00%
February 2012	0	119	0.00%
March 2012	0	143	0.00%
April 2012	0	221	0.00%
May 2012	0	204	0.00%
June 2012	6	172	3.49%
July 2012	46	365	12.60%
August 2012	107	557	19.21%
September 2012	134	620	21.61%
October 2012	165	634	26.03%
November 2012	156	602	25.91%
December 2012	198	679	29.16%
January 2013	200	719	27.82%
February 2013	187	735	25.44%
March 2013	204	784	26.02%
April 2013	288	911	31.61%
May 2013	342	1087	31.46%
June 2013	345	1149	30.03%
July 2013	394	1340	29.40%
August 2013	442	1637	27.00%
September 2013	310	1126	27.53%
October 2013	253	916	27.62%
November 2013	210	765	27.45%
December 2013	212	786	26.97%
January 2014	237	706	33.57%

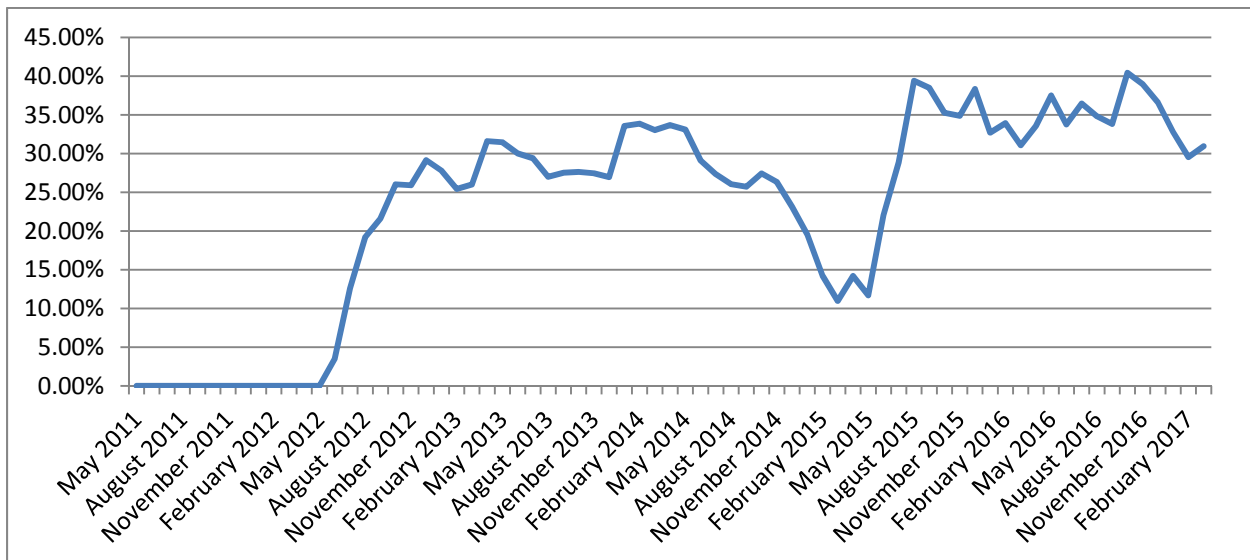
Reporting Period	Rochester Resident Headcount	Overall Monthly Headcount	Percentage of Rochester Residents
February 2014	233	688	33.87%
March 2014	267	808	33.04%
April 2014	298	885	33.67%
May 2014	283	855	33.10%
June 2014	302	1037	29.12%
July 2014	307	1123	27.34%
August 2014	290	1113	26.06%
September 2014	168	653	25.73%
October 2014	141	514	27.43%
November 2014	108	410	26.34%
December 2014	86	372	23.12%
January 2015	69	353	19.55%
February 2015	37	260	14.23%
March 2015	17	155	10.97%
April 2015	23	162	14.20%
May 2015	22	188	11.70%
June 2015	43	195	22.05%
July 2015	84	291	28.87%
August 2015	134	340	39.41%
September 2015	122	317	38.49%
October 2015	115	326	35.28%
November 2015	113	324	34.88%
December 2015	135	352	38.35%
January 2016	103	315	32.70%
February 2016	115	339	33.92%
March 2016	115	370	31.08%
April 2016	143	426	33.57%
May 2016	132	352	37.50%
June 2016	134	397	33.75%
July 2016	101	277	36.46%
August 2016	78	224	34.82%
September 2016	68	201	33.83%
October 2016	57	141	40.43%
November 2016	30	77	38.96%
December 2016	26	71	36.62%
January 2017	20	61	32.79%
February 2017	13	44	29.55%
March 2017	13	42	30.95%

Reporting Period	Rochester Resident Headcount	Overall Monthly Headcount	Percentage of Rochester Residents
------------------	------------------------------	---------------------------	-----------------------------------

Average	125	455	27.47%
---------	-----	-----	--------

We note that Rochester residents represent an historical average of 27.47 percent of the overall worker headcount. The March 2017 reporting period percentage of workers who are Rochester residents is 30.95 percent, which exceeds the historical average.

In addition, we have included below a line graph reflecting the historical trend of Rochester residents as a percentage of the monthly worker headcount.



March 2017 Phase 2 Compliance Report

As indicated in the introduction, this report is the third to present Phase 2 compliance data. Our data starts in January 2016, and predominantly reflects the involvement of professional service firms during the planning of Phase 2 and the Business Opportunity Program (“BOP”).

All of the figures presented in this report relate to submissions by contractors and sub-contractors for Phase 2 of the Rochester School Modernization Program. All submissions received by April 27, 2017 have been included.

Analysis of Workforce for March 2017 Submission – Phase 2

Process and Procedures:

Each of the contractors and sub-contractors are required to submit form DP-3¹ and corresponding certified payroll transcripts. DP-3 summarizes the workforce breakdown in terms of race and gender. The aforementioned documents were uploaded to a web-based filing system, Huddle Workspace. The system is a web-based portal which safely and securely retains documents; essentially, a digital file room for uploading and downloading documents. Contractor file folders are created for each PC involved in the RSMP. All documentation received via the web portal is reviewed, approved and uploaded to the respective contractor file. This system allows the PCs to electronically submit the required documents in a manner that makes the document submission, review and publishing an efficient process. Each PC has access to their respective documents as well as those of their sub-contractors. The PM and the RJSCB have universal access to all document submissions from all contractors.

Our analysis includes a verification of the figures presented on form DP-3 to the certified payroll transcript submitted, and a calculation of women and minority involvement in both work hours and workforce numbers. The analysis below is based on cumulative information received.

¹ The Phase 2 diversity guidelines of the Rochester Schools Modernization Program refer to the workforce report as “DP-3,” whereas this has been called “DDP-3” during Phase 1.

As of April 27, 2017, we have received approximately 89.83 percent of the requested document submissions through March 2017 reporting period. A breakdown of monthly compliance percentages can be seen in **Exhibit 8**.

Participation in Work Hours

A detailed diversity report summarizing the workforce participation of each contractor through the current reporting period has been included as **Exhibit 9**. The data presented below represents work hours completed in the month of March 2017. A complete breakdown of the findings summarized below can be found in **Exhibit 10**.

WORKFORCE PARTICIPATION – WORK HOURS		
Total Work Hours Performed by Women	2,258.82	11.80%
Total Work Hours Performed by Men	16,889.77	88.20%
Total Work Hours for all Workers	19,148.59	100.00%
MINORITY PARTICIPATION – WORK HOURS		
Number of Work Hours Performed by Minority Women	1,298.57	6.78%
Number of Work Hours Performed by Minority Men	9,554.25	49.90%
Total Minority Work Hours	10,852.82	56.68%
Caucasian Women Work Hours	960.25	5.01%

*Minority women includes women in sub-categories “Black”, “Hispanic”, “Asian or Pacific Islander”, and “American Indian or Alaskan Native”.

Workforce Participation

The data on the following page summarizes the work force count in the month of March 2017. A complete breakdown of the findings summarized below can be found in **Exhibit 11**.

WORKFORCE PARTICIPATION – WORKFORCE COUNT		
Total Number of Female Workers	45	20.93%
Total Number of Male Workers	170	79.07%
Total Number of Workers	215	100.00%
MINORITY PARTICIPATION – WORKFORCE COUNT		
Number Minority Female Workers	16	7.44%
Number of Minority Male Workers	82	38.14%
Total Number of Minorities in the Workforce	98	45.58%
Caucasian Women in the Workforce	29	13.49%

Comparison to Goals:

COMPARISON TO GOALS			
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)	WORKFORCE PARTICIPATION REALIZED (AVERAGE COUNT)
Minorities (Male and Female)	22.00%	56.68%	45.58%
Women (Non-Minority Only)	8.00%	5.01%	13.49%

*Note: Minority Women are included in the minority category only.

Analysis: For the time period of March 2017, the minority category has met the participation goals for workforce participation in work hours and workforce count. The non-minority female participation has not met the goal for workforce hours but has met the goal for the workforce count.

Analysis of Workforce to Date – Phase 2

The chart listed below, “Comparison to Goals”, reflects overall work hours inclusive of work hours completed on Phase 2A projects through the current reporting period, March 2017.

CATEGORY	WORK HOURS THROUGH FEBRUARY 2017	PRIOR PERIOD SUBMISSIONS	MARCH 2017 WORKHOURS	TOTAL WORK HOURS
Minority Work Hours	15,709.65	1,955.50	10,852.82	28,517.47
Non-Minority Women	4,627.13	40.00	960.25	5,627.38
Non-Minority Male	20,529.25	1,686.50	7,335.52	29,551.27
Total Work Hours	40,866.03	3,681.50	19,148.59	63,696.12

*Minority includes sub-categories “Black”, “Hispanic”, “Asian or Pacific Islander”, and “American Indian or Alaskan Native”.

Comparison to Goals:

COMPARISON TO GOALS OVERALL WORK HOURS		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male and Female)	22.00%	44.77%
Women (Non-Minority Only)	8.00%	8.83%

*Note: The participation totals rely on the accuracy of prior period reporting which have not been verified.

*Note: Minority Women are included in the minority category only.

Analysis: Non-Minority Women and Minority participation in total work hours have met the participation goals in overall work hours.

Business Participation Utilization – Phase 2

Policies and Procedures:

Each of the PCs are required to submit Form DP-3A² which lists their current contract amount as well as the current contract amount of all sub-contractors that qualify as a Minority Business Enterprise (“MBE”), Women Owned Business Enterprise (“WBE”), Small Business Enterprise (“SBE”) and Disadvantaged Business Enterprise (“DBE”). Our analysis includes calculation of the percentages of MBE, WBE, SBE and DBE contract amounts relative to the total contract amounts of all PCs for all projects. A complete breakdown of the findings summarized below can be found in **Exhibit 12**.

Goals:

The Rochester School Modernization Program participation goals for Minority, Women, Disadvantaged and Small Business Enterprises are apportioned as follows:

- 17% Minority Business Enterprises
- 10% Women Business Enterprises
- 3% Small Business Enterprises
- 3% Disadvantaged Business Enterprises

² The Phase 2 diversity guidelines of the Rochester Schools Modernization Program refer to the workforce report as “DP-3A,” whereas this has been called “DDP-3A” during Phase 1.

CERTIFICATION	RSMP PHASE 2 TOTAL CONTRACT VALUE	EBE TOTAL CONTRACT VALUE	PERCENTAGE	GOAL
MBE	56,529,437	23,258,760	41.14%	17%
WBE	56,529,437	9,094,541	16.09%	10%
SBE	56,529,437	652,561	1.15%	3%
DBE	56,529,437	596,211	1.05%	3%

Business participation in MBE and WBE has met the participation goals for the current reporting period. Participation in SBE and DBE has not yet met the participation goals.

We have included as **Exhibit 13**, an EBE participation report which presents the current contract allocation to EBE sub-contractors and the payment progress for each sub-contract. We will continue to track the contractor compliance to EBE goals through verification of the total amounts paid to EBE sub-contractors and analyze the reasonableness of reaching the EBE goal percentages with the time left to complete the project.

As part of our analysis, we also require PCs to submit proof of payments to their sub-contractors. This part of the confirmation process helps to ensure PC compliance with the EBE goals and furthermore, that the sub-contractor has been paid for certified services performed.

In addition, we periodically perform a comparative analysis of the reported original contracts and change orders listed on each contractor’s DP-3A with the RSMP’s records of approved contracts, to confirm that the most accurate contract value is reported. Also, we made adjustments to our Eligible Business Entity Participation Report (**Exhibit 13**) to reflect a 50 percent reduction to the credit granted to a PC when the EBE sub-contractor’s role is that of a certified supplier. As such, any sub-contractor listed in this report as “Supplier – EBE Certified” will have this reduction applied to their contract in the totals section of **Exhibit 13** for each EBE summary category.

Participation of Rochester Residents in Workforce – Phase 2

Currently, 66 Rochester residents are active in the Rochester School Modernization Project, which reflects 30.70 percent of the 215 members of the March 2017 workforce. Furthermore, in our review of recently received compliance reports covering prior reporting periods, we have identified additional Rochester residents active on projects which were not previously included in prior reports. Totals were calculated from the address provided on certified payroll transcripts submitted by the contractors. This data has been included in **Exhibit 14**.

Additional Matters

During the month of March 2017, Baker Tilly accompanied members of the RJSCB and RSMP in interviews for Construction Management contract awards. This meeting allowed Baker Tilly to develop a better understanding of the bidding contractor's compliance plans and provided the opportunity to explain the compliance requirements and expectations. Additionally, Baker Tilly worked with prime contractors to develop a compliance plan to meet the expectations outlined for a demolition/asbestos contract in Phase 2.

Baker Tilly also met with an environmental monitor prime consultant to discuss compliance shortfalls and potential change orders. Upon award of additional change orders, Baker Tilly worked with the prime consultant to develop a compliance plan that was adjusted to meet the program's requirements.

As always, we remain available to discuss any aspect of this report or any additional areas in which you may have questions. Please do not hesitate to contact us.

Respectfully submitted,



Brian P. Sanvidge, CIG, CFE

EXHIBIT LIST

1. Submission Compliance Report (Phase 1)
2. Diversity Participation Report - Detail by Contractor and Project (Phase 1)
3. Participation in Work Hours Report (Phase 1)
4. Participation in Workforce Report (Phase 1)
5. Business Participation Utilization (Phase 1)
6. Eligible Business Entity Participation Report - Detail by Contractor and Project (Phase 1)
7. Rochester Resident Report - Detail by Project (Phase 1)
8. Submission Compliance Report (Phase 2)
9. Diversity Participation Report - Detail by Contractor and Project (Phase 2)
10. Participation in Work Hours Report (Phase 2)
11. Participation in Workforce Report (Phase 2)
12. Business Participation Utilization (Phase 2)
13. Eligible Business Entity Participation Report - Detail by Contractor and Project (Phase 2)
14. Rochester Resident Report - Detail by Project (Phase 2)