

# Community Inclusion Update 3

Nov. 26, 2007

## Introduction:

The Bond Accountability Commission, assigned to monitor and report on the Cleveland Municipal School District's construction/rehabilitation program and the spending of Issue 14 funds, has again reviewed the District Administration's compliance with the Board of Education's directives regarding community inclusion in contracting and hiring.

Those directives are contained in the board's Resolution 2001-159(B), approved April 23, 2001, which is regarded as containing promises to the voting public before approval of the program-funding Issue 14 on the May 2001 ballot.

Information for the BAC's previous reports on this subject has been obtained primarily from School District documents as well as interviews and correspondence with District administrators. However, the District Administration has not responded to requests for such information for this report, with one exception. Therefore, this report will consist of a recap of our findings issued Aug. 13, 2007, and a list of the requested information, which we hope to obtain for our next update.

## Summary of previous findings

- The Administration reports meeting its goals for workforce participation by minorities but not by CMSD residents or women.
- The District's monthly reports on contracting with minority- and female-owned businesses (Diversity Business Enterprises, or DBEs), while indicating commitments from prime contractors, do not necessarily reflect the amount of work actually done by DBE contractors and subcontractors.

In order to provide trustworthy reports on this topic, the Administration must overhaul its reporting methodology.

- The Administration reports that it has not been receiving quarterly statements of income from its contractors and sub-contractors, including DBEs, as directed by the District's Community Inclusion Program Statement, and therefore has not been reviewing them to compare contractor performance against pledges.
- The Administration has not appointed a Diversity Officer to monitor contractor compliance with pledges on workforce participation and subcontracting, as outlined by its Community Inclusion Program Statement. The Administration says it is in the process of defining responsibilities of an individual or individuals who would review contractor reports and pursue any needed corrective action and would conduct work-site inspections.
- The District and the project Construction Manager have divided some work into smaller contracts, such as for landscaping and sidewalks, to encourage bidding by minority- or female-owned contractors and firms that employ higher numbers of minority members, females, and CMSD residents. However, this does not preclude a contractor from submitting a bid combining work on a number of contracts, potentially eliminating any advantage for DBE firms.
- The District has not established a formal pre-contract written certification from successful bidders that they meet or will attempt to meet the CMSD workforce participation goals for minorities, women and District residents, as called for by its Community Inclusion Program Statement.
- The Administration reports that it is working on a procedure to improve its assessment of contractor performance in meeting workforce participation goals, in part by achieving better timeliness of contractor reporting and implementing a system that allows possible computerized tracking.
- The Administration reports efforts to improve its pre-apprenticeship programs, which have struggled to place more than a handful of students in apprentice programs, but so far it has provided no details. Issues for the program included union reluctance to participate on grounds of District refusal to relieve the unions from financial responsibility for student injury, lack of transportation for students for field trips and on-the-job training, inadequate math skills, and lack of adequate student workforce preparedness.

## Workforce participation

The Cleveland Metropolitan School District's goals for workforce participation in the Issue 14-funded School Facilities Project, as outlined in board Resolution 159(b) and the District's Community Inclusion Program Statement are:

**Minorities:** 20%  
**Females:** 5 %  
**CMSD residents:** 20%

The total-project percentages reported by the Administration as based on certified payroll reports are as follows:

As of	6/30/04	12/30/05	4/5/06	1/26/07	6/29/07	11/01/07
Minorities	17.3%	21.9%	22.0%	20.2%	22.8%	20.3%
Females	5.1%	4.2%	4.3%	4.2%	4.2%	4.3%
CMSD	19.7%	20.7%	21.0%	19.4%	19.2%	19.4%

The figures for 11/01/07 represent the extent of new information supplied by the Administration for this report.

## Outstanding information requests

### Submitted Oct. 29:

1. We request the latest available report entitled "Issue 14 Encumbrances and Expenditures" dealing with Majority, MBE, and FBE contractors and subcontractors. .... Please advise as to whether this report still lists prime contractor pledges for DBE sub-contacting ... or whether the reporting methodology has been revised.
2. We would like a progress update on efforts to revise reporting on the subject of DBE contracting and subcontracting to reflect actual dollars paid to subcontractors, rather than amounts stated by primes at the time of contract award. Is anything being done to comply with the Community Inclusion Program Statement provision calling for a Diversity Officer to review the contractor's DBE involvement, especially by requiring and analyzing the "contractor's and the DBE's quarterly statements of income from the District, which shall document the portion of said income paid to DBE"?
3. We would like an update on CMSD Administration efforts to realign duties in its Purchasing and other departments regarding monitoring of workforce participation and DBE contracting/subcontracting in Issue 14-

- funded projects. Is anyone conducting site visits to check whether contractor reports of who is working are legitimate?
4. We also request an update on CMSD efforts to ensure accuracy in DBE certification matters.
  5. What is the status of your previously reported effort, launched last spring, to develop a process that ensures timely filing of contractor submissions of certified payroll records to assess workforce-participation performance? Have the filings been made a condition of payment? Have you established a standardized electronic format by which the Administration could more easily identify contractors that do poorly in regard to the workforce goals? If so, who is monitoring the reports for failure to meet goals?
  6. Can you update us on the Construction Manager's summer building trades internship program and on Segment 4 architect agreements to provide unpaid internship opportunities for CMSD students?
  7. What are you doing to increase workforce participation by CMSD residents and women, both categories in which the District did not meet its goals as of the end of June?
  8. For Segment 4 (and beyond), will you require formal pre-contract written certification from successful bidders that they meet or will attempt to meet the CMSD workforce participation goals for minorities, women and District residents, as directed by CMSD Community Inclusion Program Statement?
  9. What are the ramifications for the CMSD of the Ohio School Facilities Commission's revision of model responsible bidder requirements? Especially regarding OSHA certification requirements, prevailing wage, and project labor agreements. Is the CMSD adopting these?
  10. Now that new school year has begun, what changes have been made to the Max Hayes school-to-apprenticeship program?
    - Specifically, has the Administration adopted some form of insurance that would acceptably indemnify trade unions from liability for pre-apprenticeship students engaging in job site visits and on-the-job training?
    - Has the District arrived at any definitive agreement with the Union Construction Industry Partnership-Apprenticeship Skills Achievement Program (UCIP-ASAP) for enhanced participation by Max Hayes graduates?
    - Are there any moves afoot to secure financial aid for students who might otherwise not be able to afford to go 8 weeks without pay during the UCIP-ASAP training?
    - What, if any, transportation provisions have been made to enhance the ability of Max Hayes pre-apprentice graduates to

- participate in motivational field visits and worker shadowing, as well as the required junior-senior on-the-job training?
- What changes, if any, have been made in the Instruction to Bidders to ease the apparent exclusion of Max Hayes students from on-the-job training in the provision requiring a bidder's certification that it will use only skilled trade workers with at least three years of experience who were trained in a state or federally approved apprenticeship program or workers who are enrolled in such a program? How can successful bidders employ Max Hayes pre-apprentice students while making such a certification?
  - Has the Administration reconvened the appropriate UCIP and District representatives to review and establish amenable language necessary to formalize School to Apprenticeship training agreements?
  - Has the Administration been able to expand the school-to-apprenticeship initiative beyond the existing three locals with a formal affiliation?
  - What has the Administration done to improve monitoring of student academic performance and strengthen the delivery of student employability skills instruction, in order to better ensure student workforce preparedness?
  - What has the Administration done to improve collaboration with the UCIP membership in the areas outlined in the Memorandum of Understanding, in order to more directly expose students to the construction industry requirements from the perspective of "industry experts"?

The Bond Accountability Commission recognizes that in the period since our last Community Inclusion Update on Aug. 13, 2007, the aftermath of the tragic shooting at SuccessTech demanded much of the Administration's attention and thus might explain why information was not provided. In addition, the Administration was busy last summer completing its important proposal for a Master Plan revision for the construction/renovation program. However, the BAC raised most of these questions in June and July and formally restated them in September and October. We maintain hope that the Administration will show the same cooperation that it has in providing information on other topics for our next Community Inclusion Update.

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