

Community Inclusion Update 5

January 26, 2009

Introduction: This report is the latest in a continuing series on the Cleveland Municipal School District's compliance with the Board of Education's directives regarding community inclusion in contracting and hiring in the District's school facilities program.

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 this report has been obtained primarily from School District documents as well as interviews and correspondence with District administrators.

Workforce participation: The Bond Accountability Commission held a public forum on Sept. 10, 2007, at which the District's diversity officer and deputy chief of capital projects outlined efforts to verify the accuracy of contractor certified payroll reports that are the basis of District reporting on workforce composition regarding minorities, women and District residents.

As related at the forum, those efforts consist largely of spot checks of workforce composition during random visits to construction sites. The BAC had advocated such site visits as a way of providing contractors with incentive to be honest and accurate about workforce demographics in the payroll reports. However, as the diversity officer noted, site visits only give a picture of the workforce at the time of the visit. The individuals working at a site change over time, even within the course of a single day, depending on construction needs.

In addition, there are physical limits on how many construction sites can be visited by a single person.

The District had advertised for bids for an outside organization to perform more extensive monitoring of worksite composition, but the contract had not been awarded.

As an alternative, the District was said to be considering other methods of verification, such as a "thumbprint" time clock system used on some other, non-District projects. In such systems, a worker is initially registered by thumbprint, race, gender, residency, etc. Then, the worker clocks in and out of a worksite on a thumbprint-reading device. Payroll reports are compiled from data compiled via the thumbprint reader.

In addition to the obvious value of providing accurate data regarding workforce participation, the system could prevent overcharges for labor.

We await further developments.

A project-by-project breakdown of the District's reports on workforce participation is included on Pages 5 and 6 of this update.

DBE Contracting: Also at the Sept. 10 forum, BAC members repeated questions about the accuracy of District reports on contracting with minority- and female-owned contractors. For subcontracts, the District's reports were based on pledges by prime contractors made before work began. In addition, the reports did not identify the minority- and female-owned subcontractors, merely a dollar amount provided in the prime contractor's pre-work documentation. In response, the District deputy chief for capital projects said he had initiated an audit of the reporting system.

The audit consisted of a review of all of the contractor pre-work statements and a comparison of the listed prime contractors and subcontractors with Cleveland, Cuyahoga County and Ohio lists of firms certified as being minority- or female-owned and operated.

The review found numerous discrepancies with previous reports. The new reports, beginning in October, show a decrease in involvement of prime minority- and female-owned firms, but increases in subcontracting for those categories. The result is actually improved performance of more than two percentage points, to 35.8 percent as of Dec. 31, 2008. The District's goal for construction is 30%.

The District's contracting report now also identifies the minority- and female-owned subcontractors listed by the prime contractors.

The subcontractors and the values of their contracts are those listed on pre-work documents submitted by prime contractors, so they do not necessarily reflect what actually occurred on the project. The District Administration acknowledges this, but describes this update/correction as a good baseline from which to begin compiling actual dollar amounts and recipients as those data become available with final cost closeout of each construction project, which they promise will occur. Segments 1 and 2 are being closed out now.

If the District finds that any prime contractors did list minority- and female-owned subcontractors on the pre-work documentation given to the District but then use other firms for the actual work, then the District under its rules could find the prime contractors "non-responsive," meaning that they can be disqualified from competing for future work or at least be required to participate in training/counseling as to how to improve their performance.

The upshot is this: The District has increased the transparency of its reporting and promises more improvements, which will lead to greater accountability for how Issue 14 money is being spent.

Charts on Page 4 of this update illustrate the District's contracting reports.

Pre-apprentice program: Construction trades graduates of Max Hayes High School last summer were given an opportunity to participate in training in the Union Construction Industry Partnership-Apprenticeship Skills Achievement Program (UCIP-ASAP). The training was subsidized by University Hospitals, with the goal of employing the successful participants in the UH construction project. The District in

December reported the following outcome: Of 18 students recruited for the program, 14 accepted and began training; 11 of those completed the training; of those seven were in varying stages of apprenticeship and working in related fields, while four had apprenticeship status but were still awaiting placement in a work-related field.

The BAC previously noted a number of problem areas in Max Hayes construction trades training, some of which were noted in the District's own evaluation in May 2007, and has suggested possible improvements.

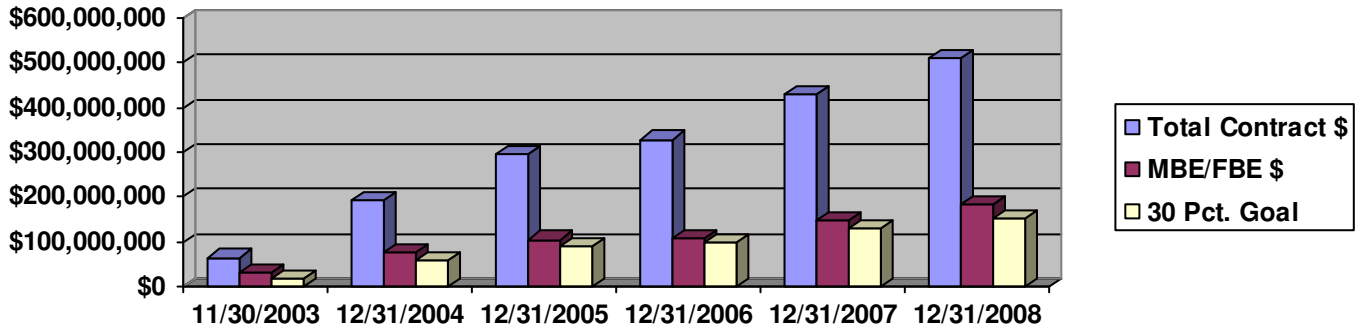
Among those problems are union reluctance to participate on grounds of District refusal to relieve the unions of financial responsibility for student injury, lack of transportation for students for field trips and required on-the-job training, union complaints of inadequate math skills, lack of certain training deemed by unions to be necessary, and lack of adequate student preparedness to participate successfully in the workforce.

Aside from the cooperative effort with UCIP-ASAP, no improvements have been announced, although the District has suggested it could make curriculum changes at Max Hayes that may allow 2009 Hayes graduates to "test out" of the ASAP program and directly enter union apprenticeships.

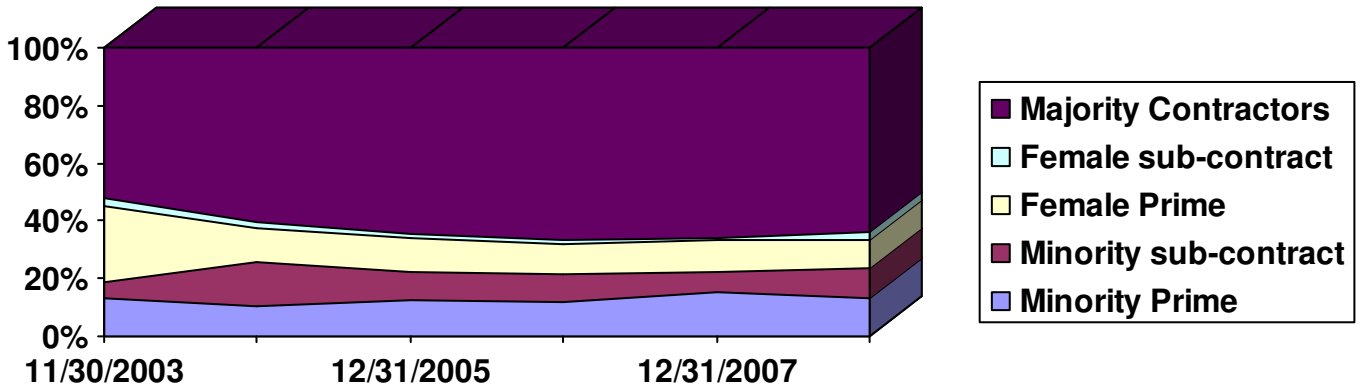
We await further developments and note that this year's Max Hayes seniors will be graduating in May and need to know what opportunities they will have this summer.

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Reported DBE Contracting, Subcontracting



Contracting Breakdown, Reported by CMSD



DBE Contracting and Subcontracting, Reported by CMSD

	As of: Nov. 30, 2003		Dec. 31, 2004		Dec. 31, 2005		Dec. 31, 2006		Dec. 31, 2007		Dec. 31, 2008							
Total	\$	63,554,744	\$	190,712,749	\$	296,143,221	\$	329,017,574	\$	431,109,390	\$	510,401,629						
Majority	\$	33,300,481	\$	114,887,126	\$	191,243,710	\$	220,085,888	\$	284,353,575	\$	327,526,293						
MBE	\$	8,323,024	13.1%	\$	19,822,227	10.4%	\$	36,467,765	12.3%	\$	38,962,005	11.8%	\$	63,871,610	14.8%	\$	66,367,426	13.0%
MBE Sub	\$	3,424,107	5.4%	\$	28,592,705	15.0%	\$	29,730,479	10.0%	\$	30,526,746	9.3%	\$	31,225,791	7.2%	\$	54,126,642	10.6%
FBE	\$	17,087,413	26.9%	\$	23,044,715	12.1%	\$	33,884,662	11.4%	\$	34,551,358	10.5%	\$	46,752,526	10.8%	\$	49,413,162	9.7%
FBE Sub	\$	1,419,719	2.2%	\$	4,365,976	2.3%	\$	4,816,605	1.6%	\$	4,891,577	1.5%	\$	4,902,888	1.1%	\$	12,968,104	2.5%
MBE-FBE Total			47.0%			41.0%			35.0%			33.0%			33.0%			35.8%
MBE-FBE Goal			30%			30%			30%			30%			30%			30%

Workforce Participation, reported by CMSD, Dec. 31, 2008

	Total Hrs	Min Hours		Fem Hours		CMSD Hours	
Warm, Safe, Dry							
WSD Group 1	24,060.63	8,015.25	33.31%	343.50	1.43%	5,502.00	22.87%
WSD Group 2	7,885.00	1,781.25	22.59%	718.00	9.11%	1,686.50	21.39%
WSD Group 3	17,442.00	2,418.00	13.86%	534.50	3.06%	3,362.00	19.28%
WSD Group 4	13,590.25	1,840.25	13.54%	568.50	4.18%	2,425.75	17.85%
WSD Group 5	19,095.50	3,095.00	16.21%	1,618.50	8.48%	4,019.50	21.05%
WSD Group 6	19,189.53	2,164.75	11.28%	748.00	3.90%	3,095.75	16.13%
WSD Group 7	11,016.00	1,652.00	15.00%	766.00	6.95%	2,111.50	19.17%
WSD Group 8	23,426.25	3,770.10	16.09%	312.00	1.33%	5,504.80	23.50%
WSD Group 9	21,993.75	6,723.50	30.57%	227.00	1.03%	4,026.50	18.31%
Totals	157,698.91	31,460.10	19.95%	5,836.00	3.70%	31,734.30	20.12%
Segment 1							
AJ Rickoff	115,099.20	27,894.00	24.23%	2,073.00	1.80%	23,541.25	20.45%
John Adams	238,646.70	54,562.75	22.86%	8,428.00	3.53%	47,398.25	19.86%
John Hay	273,741.30	69,465.75	25.38%	17,366.50	6.34%	66,147.00	24.16%
Memorial	93,363.57	19,957.72	21.38%	3,733.10	4.00%	18,573.35	19.89%
Miles Park	97,770.86	17,635.04	18.04%	3,505.50	3.59%	13,066.36	13.36%
Riverside	67,764.14	9,178.59	13.54%	2,859.00	4.22%	16,056.00	23.69%
SuccessTech Phase 1 Int	3,372.50	131.50	3.90%	40.00	1.19%	762.50	22.61%
SuccessTech Phase 2	21,299.75	2,326.00	10.92%	871.00	4.09%	3,675.00	17.25%
East High Gym	37,682.05	6,882.50	18.26%	1,209.00	3.21%	7,056.00	18.73%
Woodhill-Quincy	1,628.75	1,511.25	92.79%	0.00	0.00%	991.75	60.89%
Totals	950,368.82	209,545.10	22.05%	40,085.10	4.22%	197,267.46	20.76%
Segment 2							
Warner	94,189.20	13,974.70	14.84%	1,784.50	1.89%	12,799.00	13.59%
Warner Sitework	81.00	21.50	26.54%	0.00	0.00%	15.00	18.52%
Daniel Morgan	79,444.25	13,057.50	16.44%	1,161.75	1.46%	9,974.75	12.56%
FDR	64,507.00	9,499.75	14.73%	4,842.00	7.51%	12,017.75	18.63%
Mary Martin	46,405.50	7,431.00	16.01%	1,385.00	2.98%	7,128.50	15.36%
Hannah Gibbons	54,967.75	11,160.75	20.30%	2,600.25	4.73%	9,386.25	17.08%
Hannah Gibbons School	47,569.25	9,770.25	20.54%	2,481.25		7,997.75	
Mary Bethune	50,887.50	10,696.50	21.02%	3,462.25	6.80%	7,463.75	14.67%
James Rhodes Garage	1,212.00	72.00	5.94%	32.00		372.00	
Totals	439,263.45	75,683.95	17.23%	17,749.00	4.04%	67,154.75	15.29%
Segment 3							
Artemus Ward	83,597.55	9,808.50	11.73%	2,145.50	2.57%	13,160.50	15.74%
Buhrer	49,543.25	8,528.25	17.21%	2,086.00	4.21%	10,129.00	20.44%
East Clark	37,824.34	8,569.21	22.66%	549.00	1.45%	5,655.50	14.95%
Garfield	55,421.00	9,116.50	16.45%	1,892.50	3.41%	8,540.00	15.41%
Harvey Rice	35,271.00	6,163.00	17.47%	96.00	0.27%	4,613.00	13.08%
Patrick Henry	68,263.25	11,007.75	16.13%	2,078.00	3.04%	11,515.25	16.87%
RG Jones	78,238.50	11,799.75	15.08%	4,423.00	5.65%	8,522.50	10.89%
Wade Park	43,226.55	8,787.50	20.33%	1,152.00	2.67%	11,305.15	26.15%
Willson	9,899.25	3,254.50	32.88%	277.00	2.80%	2,588.75	26.15%
Totals	461,284.69	77,034.96	16.70%	14,699.00	3.19%	76,029.65	16.48%

	Total Hrs	Min Hours		Fem Hours		CMSD Hours	
Segment 4							
Moses Cleaveland	2,546.25	1,875.75	73.67%	0.00	0.00%	1,485.00	58.32%
Charles Lake	620.50	22.50	3.63%	0.00	0.00%	62.50	10.07%
Euclid Park	1,231.75	60.00	4.87%	0.00	0.00%	60.00	4.87%
Thomas Jefferson	207.00	0.00	0.00%	0.00	0.00%	5.00	2.42%
Jamison	4,478.25	914.75	20.43%	9.50	0.21%	1,179.25	26.33%
Lake	620.50	22.50	3.63%	0.00	0.00%	62.50	10.07%
Totals	9,704.25	2,895.50	29.84%	9.50	0.10%	2,854.25	29.41%

Other projects							
Administration Bldg.	4,169.50	118.50	2.84%	19.00	0.46%	103.50	2.48%
Collinwood Masonry Win	15,781.00	1,422.00	9.01%	659.00	4.18%	2,058.50	13.04%
Facelift	32,520.50	17,211.00	52.92%	4,099.00	12.60%	19,159.50	58.92%
Giddings	980.00	366.50	37.40%	0.00	0.00%	201.50	0.00%
John Raper FERP	400.50	233.00	58.18%	0.00	0.00%	13.00	3.25%
McKinley FERP	386.75	214.50	55.46%	0.00	0.00%	0.00	0.00%
Alfred Benesch	2,822.00	1,159.50	41.09%	107.00	3.79%	1,094.50	38.78%
Bratenahl	9,270.25	1,198.50	12.93%	675.50	7.29%	1,750.25	18.88%
Giddings	980.00	366.50	37.40%	0.00	0.00%	201.50	20.56%
Rhodes Garage	1,212.00	72.00	5.94%	32.00	2.64%	372.00	30.69%
WSD 2008	4,846.00	1,151.00	23.75%	95.00	1.96%	1,615.00	33.33%
Totals	73,368.50	23,513.00	32.05%	5,686.50	7.75%	26,569.25	36.21%

