



Accountants and Advisors

**ROCHESTER SCHOOL MODERNIZATION PROGRAM  
JULY SUBMISSION REPORT**





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To Whom It May Concern:

This is the fifty-fifth 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, 1C and 1D. This report is also the nineteenth 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 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 checks 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 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, Senior Manager in the Forensic, Litigation & Valuation Services (“FLVS”) group of Baker Tilly
- Danielle Callaci, CPA, CFE, Manager 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
- Victoria Hinkle, Staff Consultant in the FLVS group of Baker Tilly

## **July 2018 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 August 30, 2018 have been included.

### **Analysis of Workforce for July 2018 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 August 30, 2018, we have received 100.00 percent of the requested document submissions for the July 2018 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 97.91 percent of all data requested since the commencement of the project, (the period of April 2011 through July 2018) 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 July 2018 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 JULY 2018 WORK HOURS		
Total Work Hours Performed by Women	1.50	11.58%
Total Work Hours Performed by Men	11.45	88.42%
Total Work Hours for all Workers	12.95	100.00%
MINORITY PARTICIPATION IN JULY 2018 WORK HOURS		
Number of Work Hours Performed by Minority Women	0.00	0.00%
Number of Work Hours Performed by Minority Men	0.00	0.00%
Total Minority Work Hours	0.00	0.00%
Caucasian Women Work Hours	1.50	11.58%

\*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 July 2018. A complete breakdown of the findings summarized below can be found in **Exhibit 4**.

WORKFORCE PARTICIPATION IN JULY 2018 WORKFORCE COUNT		
Total Number of Female Workers	1	33.33%
Total Number of Male Workers	2	66.67%
Total Number of Workers	3	100.00%

MINORITY PARTICIPATION IN JULY 2018 WORKFORCE COUNT		
Number Minority Female Workers	0	0.00%
Number of Minority Male Workers	0	0.00%
Total Number of Minorities in the Workforce	0	0.00%
Caucasian Women in the Workforce	1	33.33%

Comparison to Goals

COMPARISON TO GOALS JULY 2018			
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)	WORKFORCE PARTICIPATION REALIZED (COUNT)
Minorities (Male and Female)	20.00%	0.00%	0.00%
Women (Non-Minority Only)	6.90%	11.58%	33.33%

Analysis: In July 2018, the minority category has not met the participation goals for workforce hours or workforce count. However, the non-minority female category has met the participation goals for workforce hours and workforce count.

**Analysis of Workforce to Date – Phase 1**

The chart listed below, “Comparison to Goals”, reflects overall work hours inclusive of work hours completed on Phase 1A, Phase 1B, Phase 1C and Phase 1D projects through the current reporting period, July 2018. 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 – JUNE 2018	ADJUSTMENTS / REVISIONS TO PRIOR REPORTS	PRIOR PERIOD SUBMISSIONS	JULY 2018 WORKHOURS	TOTAL WORK HOURS
Minority Work Hours	239,122.13	217,822.53	-	-	-	456,944.66
Non-Minority Women	84,019.35	60,177.08	-	-	1.50	144,197.93
Non-Minority Male	704,356.12	691,415.94	-	-	11.45	1,395,783.51
Total Work Hours	1,027,497.60	969,415.55	-	-	12.95	1,996,926.10

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

\*Note: Adjustments represent amendments to previously submitted and reported DP-3 forms.

**Comparison to Goals**

COMPARISON TO GOALS OVERALL WORK HOURS		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male and Female)	20.00%	22.88%
Women (Non-Minority Only)	6.90%	7.22%

\*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 workforce participation 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	289,377,829	45,557,397	15.74%	15.00%
WBE	289,377,829	21,467,094	7.42%	5.00%
SBE	289,377,829	10,912,204	3.77%	5.00%
DBE	289,377,829	6,742,138	2.33%	2.00%

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 that 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.

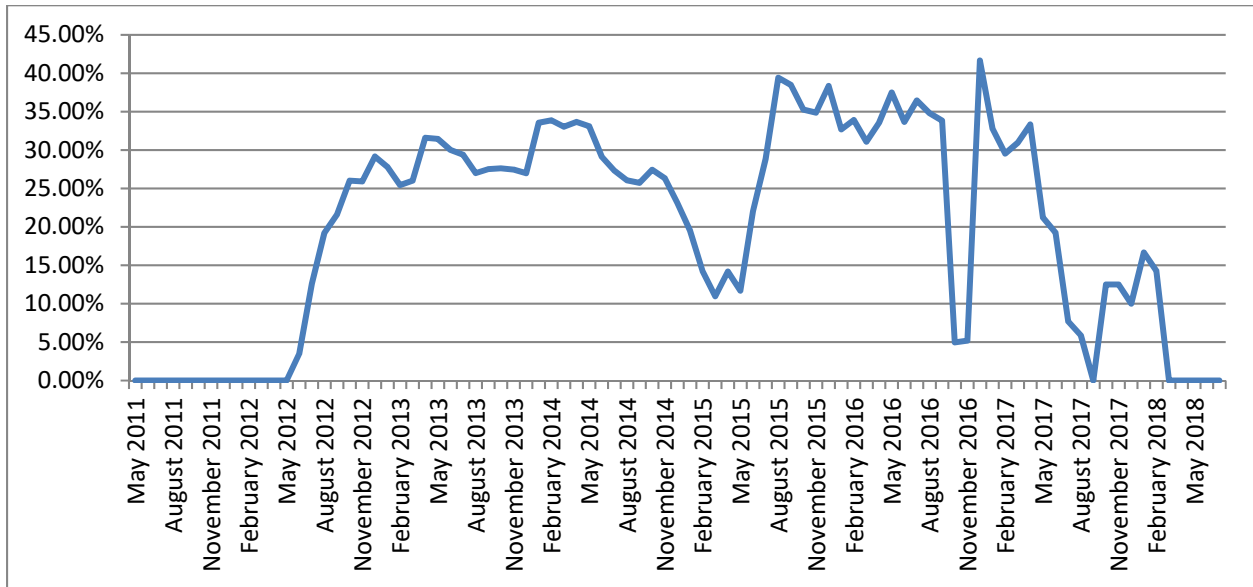
In addition, we periodically perform a comparative analysis of the reported original contracts and change orders listed on each contractor's DDP-3A with the RSMP's records of approved contracts, to confirm that the most accurate contract value is reported. Also, we made adjustments to our Eligible Business 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**

The Rochester School Modernization Program workforce currently has three active members, none of which are Rochester residents. Totals were calculated from the address provided on certified payroll transcripts submitted by the contractors.

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 a chart (**Exhibit 7**) outlining the Rochester resident headcount as a percentage of the overall headcount for each month.

We note that Rochester residents represent an historical average of 27.20 percent of the overall worker headcount. The July 2018 reporting period percentage of workers who are Rochester residents is 0.00 percent, which is below 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.



## **July 2018 Phase 2 Compliance Report**

As indicated in the introduction, this report is the nineteenth to present Phase 2 compliance data. Our data starts in January 2016, and predominantly reflects the involvement of professional services firms, construction service firms, 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 August 30, 2018 have been included.

### **Analysis of Workforce for July 2018 Submission – Phase 2**

#### **Process and Procedures**

Each of the contractors and sub-contractors are required to submit form DP-3<sup>1</sup> 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.

As of August 30, 2018, we have received approximately 94.12 percent of the requested document submissions through the July 2018 reporting period. Approximately 91.63 percent of

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<sup>1</sup> 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.

all data requested since the commencement of the project, (the period of January 2016 through July 2018) has been received and approved. 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 July 2018. A complete breakdown of the findings summarized below can be found in **Exhibit 10**.

WORKFORCE PARTICIPATION IN JULY 2018 WORK HOURS		
Total Work Hours Performed by Women	4,444.55	8.69%
Total Work Hours Performed by Men	46,678.96	91.31%
Total Work Hours for all Workers	51,123.51	100.00%
MINORITY PARTICIPATION IN JULY 2018 WORK HOURS		
Number of Work Hours Performed by Minority Women	1,169.58	2.29%
Number of Work Hours Performed by Minority Men	9,301.34	18.19%
Total Minority Work Hours	10,470.92	20.48%
Caucasian Women Work Hours	3,274.97	6.41%

\*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 July 2018. A complete breakdown of the findings summarized below can be found in **Exhibit 11**.

WORKFORCE PARTICIPATION IN JULY 2018 WORKFORCE COUNT		
Total Number of Female Workers	93	10.73%
Total Number of Male Workers	774	89.27%
Total Number of Workers	867	100.00%
MINORITY PARTICIPATION IN JULY 2018 WORKFORCE COUNT		
Number Minority Female Workers	22	2.54%
Number of Minority Male Workers	168	19.38%
Total Number of Minorities in the Workforce	190	21.91%
Caucasian Women in the Workforce	71	8.19%



Comparison to Goals:

COMPARISON TO GOALS JULY 2018			
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)	WORKFORCE PARTICIPATION REALIZED (AVERAGE COUNT)
Minorities (Male and Female)	22.00%	20.48%	21.91%
Women (Non-Minority Only)	8.00%	6.41%	8.19%

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

Analysis: For the time period of July 2018, the minority category has not met the participation goals for workforce participation in workforce hours or workforce count. Additionally, the non-minority female participation has not met the goal for workforce hours, but has met the participation goal for 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 2 projects through the current reporting period, July 2018.

CATEGORY	WORK HOURS THROUGH JUNE 2018	ADJUSTMENTS / REVISIONS TO PRIOR REPORTS	PRIOR PERIOD SUBMISSIONS	JULY 2018 WORKHOURS	TOTAL WORK HOURS
Minority Work Hours	164,323.99	-	-	10,470.92	174,794.91
Non-Minority Women	43,173.40	-	-	3,274.97	46,448.37
Non-Minority Male	389,608.48	(134.00)	24.50	37,377.62	426,876.60
Total Work Hours	597,105.87	(134.00)	24.50	51,123.51	648,119.88

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

\*Note: Adjustments represent amendments to previously submitted and reported DP-3 forms.

Comparison to Goals:

COMPARISON TO GOALS OVERALL WORK HOURS		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male and Female)	22.00%	26.97%
Women (Non-Minority Only)	8.00%	7.17%

\*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: Minority workforce participation has met the participation goal in overall work hours, but non-minority women workforce participation has not met the participation goal.

**Business Participation Utilization – Phase 2**

Policies and Procedures

Each of the PCs are required to submit Form DP-3A<sup>2</sup> 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

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<sup>2</sup> 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	133,926,537	38,840,943	29.00%	17.00%
WBE	133,926,537	16,128,513	12.04%	10.00%
SBE	133,926,537	4,908,567	3.67%	3.00%
DBE	133,926,537	3,271,516	2.44%	3.00%

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

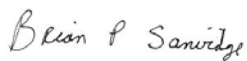
Currently, 257 Rochester residents are active in the Rochester School Modernization Project, which reflects 29.64 percent of the 867 members of the July 2018 workforce. Totals were calculated from the address provided on certified payroll transcripts submitted by the contractors. This data has been included in **Exhibit 14**.

### **Additional Matters**

During the month of July 2018, Baker Tilly worked with a security services firm to identify wage and hour discrepancies in their certified payroll reports. It became apparent that the security firm was not paying the correct prevailing wage rate to its guards. Additionally, the firm was not paying overtime rates for hours worked in excess of 40 per week. Baker Tilly worked with the security firm and the New York State Department of Labor to identify the correct rates and develop a plan to pay outstanding monies. The security firm is to calculate the number of hours worked by each individual to identify any overtime or holiday pay situations and then calculate the wages owed based on the correct rate. They will be issuing installment checks to their guards over the coming months.

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)