

**Saint Joseph’s University – Villiger Hall
Equal Opportunity Program
A Case Study**

The Villiger Hall project at Saint Joseph’s University presented particular challenges with regards to its Equal Opportunity Program. The new freshman residence hall represented the largest project built by the University on the City side of its campus since the construction of the parking garage and retail shops along City Avenue and 54th Street. As such, the new project presented an opportunity for the University, the city and the local community to devise a Plan that would aggressively address the issues of economic inclusion, both from the subcontracting and workforce aspects of construction.

GOALS & ACHIEVEMENTS

The goals established for the project were as follows:

SUBCONTRACTING		
MBE	WBE	DsBE
25-30%	15-20%	Encouraged

WORKFORCE		
Minority	Female	19131 & 19151 Residents
32%	7%	Encouraged

For the purposes of the project, local residents were identified as those persons residing in the neighborhoods of Wynnefield , Wynnefield Heights, Overbrook, Overbrook Farms, Overbrook Park, and Carroll Park, identified via zip codes of 19131 and 19151.

INTECH’s Achievements:

SUBCONTRACTING ACTUALS		
MBE	WBE	DsBE
16.4	44.5%	N/A

WORKFORCE ACTUALS		
Minority	Female	19131 & 19151 Residents
25.8	1%	4%

INTECH’s reputation and commitment to the engagement of MBE and WBE firms on all of its projects has been the foundation of its success in working on projects in the City of Philadelphia. INTECH, through Valarie Cofield, has established a positive working relationship with the Office of Economic Opportunity, the Mayor’s office, members of City Council, and the compliance oversight community. A strategy of first engaging MBE and WBE firms in direct subcontracts has been central to INTECH’s success. By engaging firms in direct relationships, INTECH is able to assist with scope development, schedule, quality, and project administration. In addition, direct engagement keeps the MBE and WBE subcontractors closer to the money, thereby allowing INTECH to assist with flexible payment schedules, joint checks to suppliers, unions, etc.

OUTREACH AND IMPLEMENTATION

From the outset, INTECH aggressively pursued opportunities, with the intent to meet and/or exceed the goals established for the project. Such measures included advertising in local newspapers, and direct contact with various subcontractors. In February 2011, INTECH hosted a Contractor's Fair for MBE and WBE subcontractors. Held in the Campion Student Center on Saint Joseph's campus, MBE and WBE subcontractors had a forum to get more information about the project, and to meet one-on-one with INTECH's estimating staff. In addition to INTECH staff, representatives from the University, Campus Apartments, Baker & Associates, the Office of Economic Opportunity and the Building Trades were available to address specific questions about community engagement and workforce.

Employment of community residents was of particular importance on this project. To support these efforts, an Oversight Committee of community representatives was established to assist with community engagement. Valarie Cofield participated in community meetings with local residents to discuss the project and potential employment opportunities for residents in the building trades. The goal of these meetings was to identify and assist residents who were in the building trades, and unemployed or those who had construction experience find employment on the project.

In addition to the community meetings, Ms. Cofield met with the Building Trades to solicit their support for the project and the associated workforce goals. During the meeting with the Building Trades, the project goals were reviewed and all parties agreed to provide the names of members living in the zip codes of 19131 and 19151. This information was compiled by Ms. Cofield, and given to subcontractors looking to hire tradespersons residing in the community.

EARLY ENGAGEMENT OF MBE/WBE SUBCONTRACTORS

During the final stages of design and pre-construction, two Limited Work Authorizations were issued to begin preliminary sitework. Cruz, Inc. and Preston Construction were engaged to do preliminary exploratory and site preparation work. In addition, Miller Brothers Electrical, who was awarded the electrical ductbank work, subcontracted Precision Electric (MBE) to pull wire as a 2nd-tier subcontractor during this phase of the work. From the outset, engagement of MBE and WBE firms was a part of INTECH's strategy. R.R. Pucci, the temporary fencing contractor, hired two local residents from the community to assist with the installation of the fencing. Although this was short-term employment, Pucci committed to hiring community residents even though they were not union-affiliated and had no previous experience with fence installation or iron work.

From the beginning, INTECH knew that the site development package presented a great opportunity to engage an MBE firm in a direct subcontracting relationship. When bid packages were issued, two key MBE firms, Cruz, Inc. and Preston Construction, were encouraged to submit bids on the work. INTECH's specialty estimator in site development, Jack Rodgers, worked closely with both firms to assist in developing their numbers, answer scope questions, adjust schedules and provide other support needed to assist them in generating competitive bid numbers. As the bidding process for site development progressed, Preston elected to team up with Haines & Kibblehouse. Preston (MBE) was the primary subcontractor, but utilized H&K's experience with site conditions such as rock to help refine their number. In addition, Cruz (MBE) was selected for preliminary site work. The first two contracts awarded on the project for site development, went to MBE firms, in direct-tier relationships with INTECH.

THE PURCHASING PROCESS

A major component of the building design and a major architectural statement was the exterior wall of the building. Designed to be stone, this component presented both challenges and opportunities for MBE/WBE

subcontractor engagement. The availability of MBE or WBE stone masonry companies, with the capacity to build a project of this scale, was limited. Molly Construction (WBE) had the experience and capacity to build this type of project. To this end, INTECH awarded more than a third of the overall contract value to Molly Construction to build the foundations, interior/ exterior block walls and the exterior stone masonry veneer of the building. The initial award to Molly Construction represented 28% of subcontracting opportunities for the project, and over the course of the project Molly's workforce represented approximately 37% of the total project workforce. In this regard, Molly's participation set the tone for economic inclusion of MBE and WBE subcontractors, as well as minority and female workers on the project.

With the site development, foundations and building skin awarded, INTECH continued the process of engaging MBE and WBE firms for the remaining packages in direct subcontracts. Additional MBE and WBE subcontractors included: Gracie Painting, Majek Fire Protection, Tracorp, Queen Appliances, Pioneer Contracting, Haye Landscaping, Boyertown Planning Mill, and Hamada Roofing as first tier subcontractors; and Accord Mechanical, Manna Supply, Decision Distributors, John F. Scalan Supplies, JL Erectors, PBA Construction, MFP Fire Protection, Aloha Communications, and Rodriguez Construction were all second-tier subcontractors.

One of our efforts included encouraging a joint venture partnership between EJ Raith, Inc. and Garry's Plumbing for the plumbing package. Garry's Plumbing is a local non-union MBE plumbing contractor and member of the National Association of Minority Contractors – Philadelphia Chapter. Over the last three years, Garry's and INTECH have looked for ways to work together. Through this joint venture, Garry's (MBE) took an active role in the planning of the plumbing activities and was tasked with installation of the gas piping, which would require Garry's to sign with the union. Changes in Garry's management, and their decision not to sign with the union, forced Raith to complete the gas pipe installation without Garry's involvement. Efforts to maintain this commitment were ongoing throughout the project, as the gas piping was the last thing installed by Raith on the project in an attempt to include Garry's participation.

At the outreach meeting INTECH was introduced to Haye Landscaping, a local MBE landscaping firm. Haye had recently purchased Action Concrete's old yard and was expanding its operations to pursue larger work. Haye's location in the community, along with its experience serving the Horticultural Society, made it an ideal candidate for the Villiger Hall landscaping package. INTECH began working with Haye immediately on potential landscaping packages on INTECH projects. Prior to awarding Haye the landscaping package for Saint Joseph's University Villiger Hall, INTECH engaged Haye on another project for Temple University's new Parking Garage at 11th & Montgomery. On the Parking Garage project, we walked Haye through our purchasing process and subcontract. When the Villiger Hall package was ready for award, the decision was made to split the landscaping and hardscaping packages. The landscaping package was awarded to Haye Landscaping. Haye provided exemplary service on the landscape package and its proximity to the University proved invaluable with regard to responsiveness. The relationship on the Villiger Hall project has proven to be successful and INTECH now considers Haye Landscaping to be one our go to landscaping subcontractors.

Throughout the purchasing process, INTECH worked with the University, Campus Apartments and Baker & Associates to ensure that the process for engaging MBE and WBE subcontractors was effective. Baker was invited to participate in every subcontractor descope, whether majority or MBE/WBE subcontractor, at which the MBE/WBE subcontracting and the minority and female workforce requirements of the project were reviewed. MBE/WBE subcontracting and workforce commitments were included in all subcontracts. Commitments were monitored monthly through review of the monthly pay applications and associated documentation, including certified payrolls.

WORKFORCE

In an effort to ensure that City residents, minority and female tradespersons were given every opportunity to work, the City of Philadelphia established (and the University agreed to) aggressive workforce goals of 32% minority and 7% female. The union unemployment rate in the unions has been over 40% in the last few years and companies have been working with smaller core crews, picking up manpower as needed. By reviewing the project's minority and female workforce requirements during the descope process and working with the Building Trades, we were able to project minority and female workforce participation by subcontractor and associated trade. Maintaining the workforce goals throughout the project was challenging given the building type (stone and block) and limited finishes, but every effort was made to ensure that all opportunities for minority and female workforce participation were addressed. Workforce numbers were verified by submission of certified payrolls.

An initial lag in payroll submissions, and subsequent analysis revealed that Molly Construction had logged thousands of manhours on site by the time meaningful analysis of the workforce numbers had been done. At that time it was determined that their workforce numbers were hovering under 25%. As the major subcontractor on site, Molly's manhours represented a disproportionate number of hours worked by all subcontractors and as a result, their workforce numbers were negatively impacting the overall minority workforce participation percentages. INTECH met with Molly to review its workforce participation and implemented several remedies to correct its low workforce numbers:

- The Stone Masons union provided a letter stating that there were eleven minority stone masons in the union and that they were all employed at the time. The union committed that if any of the minority stone masons became available they would be sent to Molly to work on the SJU project.
- To offset the lack of minority stone masons, Molly committed to keeping its minority workforce at or above 28% by employing minority laborers and bricklayers.

During this meeting, a closer review of Molly's payrolls revealed that individuals who were minorities had been misclassified as white and Molly was not receiving credit for its minority workforce. Molly provided revised payrolls and a detailed listing of all persons working on the project with corrected race and gender classifications. The corrected payrolls increased Molly's participation to 25%, still below the 32%, but with a commitment to keep its workforce at or above 28% for the remainder of the project. By the end of the project Molly's overall workforce achievement was 26% minority and 34% city residents.

Marceline Harper, a community resident, was hired by INTECH to monitor the daily workforce on site. Subcontractors were required to submit sign-in sheets for persons working on site every day to Marceline. She then disseminated the information to the project's EOP oversight committee and a weekly workforce report was generated. The process allowed the team to track the daily workforce achievements of every subcontractor and quickly address subcontractors whose workforce numbers were falling below the project requirements.

COMMITMENTS v. ACHIEVEMENTS

Subcontracting

Twelve (12) MBE firms were engaged on the project in direct or second tier subcontracting relationships for a total of \$3,612,088, or 16.4% in MBE subcontracting dollars. This number excludes the participation of Garry's plumbing and any 2nd-tier MBE participation from Molly Construction. Conversely, nine (9) WBE firms were engaged for the project in direct or second tier subcontracting relationships for a total of \$9,747,308, or 44.5% in WBE subcontracting dollars. The disparity between the MBE and WBE subcontracting dollars reflects the

significant role of Molly Construction in the construction of Villiger Hall. Molly Construction's contract value was \$7,453,125, representing 76% of the total WBE subcontracting dollars and 34% of the total contract value. Loss of \$518,000 from the proposed Raith/Garry's joint venture represented approximately 2.4% in lost MBE participation.

Overall MBE and WBE participation was 60.7%, far exceeding the subcontracting goals established for the project. If Raith and Garry's had informed us of their problems early on, we may have been able to offset that \$518,000 by engaging another MBE plumbing subcontractor or through supplier purchasing.

Workforce

Throughout the project, in addition to Molly, other key subcontractors: Fluidics, Anmar, Lutter, Keystone, Preston, Haines & Kibblehouse, EJ Raith, and Gracie Painting all maintained their minority workforce goals at or above 25%. Of special note is Majek Fire Protection who employed a female sprinkler fitter apprentice for the duration of the project. This apprentice was one of five female tradespersons to work on the project.

Midway through the project, workforce goals were at 24% minority and 1% female however through implementation of a rigorous monitoring process the final workforce achievements were 26% minority and 1% female. Based on total project hours, INTECH achieved 26% minority participation, 1% female participation, 32% city of Philadelphia participation and 4% participation by residents residing in the 19131 and 19151 zip codes. Total workforce included 127 minorities, 5 females, 171 city residents, and 18 residents from 19131 and 19151.

The project workforce goals included initiatives to employ residents from the 19131 and 19151 zip codes. INTECH reached out to the Building Trades to identify tradesmen from the local zip codes to employ on the job. Since hosting community outreach meetings about employment were a provision of the project, INTECH attended several "barbershop" meetings with the community to meet potential candidates. As a result of those meetings and other recommendations from local organizations, six (6) individuals from the community were employed on the project. Two of these individuals remain employed today.

SUMMARY

The successful outcome of MBE and WBE engagement on Villiger Hall cannot be overlooked. The limited nature of interior finishes and the stone façade could have severely limited the overall participation of MBE and WBE firms, but early strategies to engage MBE and WBE firms in the LWAs, site preparation, foundation and building skin, set the stage for meaningful engagement of MBE and WBE firms on the project. The awarding of the painting, fire protection, caulking and landscaping packages to MBE and WBE firms also contributed to the success of the project. In addition, constant and vigilant monitoring of minority and female workforce participation allowed the project to achieve significant minority, female, city resident and community workforce participation. The challenges of the Villiger Hall EOP were many, but INTECH never lost sight of its commitment, and put in place the tools and resources required to ensure that all efforts were made to meet its commitments. With every project, we take the lessons learned and improve upon how we execute and implement future initiatives. The initiatives used on the Villiger Hall project will be honed and used on future projects to ensure MBE and WBE firms, as well as minorities, females and community residents are actively and properly engaged.