C.W. PURPERO, INC.
EXCAVATING CONTRACTORS
ESTABLISHED 1919
Milwaukee, Wisconsin

2013 Green Tier Annual Report

C.W. Purpero, Inc.

Established 1919

Prepared by:

Phillip A. Purpero, P.E.

President, C.W. Purpero, Inc.

June 30th, 2014

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- Standard Deviation of Average GPA - 2013

1.0 Organizational profile

1.1 Name of the organization

C.W. Purpero Inc. (CWP)

1.2 Primary services

CWP is a domestic contractor providing services to both public and private market participants. Its primary business activities are:

- Demolition
- Environmental Remediation
- Earthwork
  - Road Work
  - Building Construction
  - Stream, Pond & Shoreline Work
  - Real Estate Development
  - Athletic Field Construction
  - Landfill Construction
- Utilities
  - Road Work
  - Building Construction
  - Real Estate Development

1.3 Facility Locations

Corporate headquarters office: 1190 W. Rawson Avenue in Oak Creek, WI 53154
Shop facility: 5770 S. 13th Street, Milwaukee, WI 53221

1.4 Geographical area of operations

CWP provides demolition services throughout the state of Wisconsin. Earthwork and Utility work are provided in the Milwaukee, Green Bay, and Madison metro areas and everywhere in between.

1.5 Nature of ownership and legal form

C.W. Purpero, Inc. was incorporated on December 23, 1949 under Chapter 180 of the Wisconsin Statutes. It is a successor to Purpero Trucking, which began in business in 1919.

2.0 Sustainable Practices Policy

CWP has had one constant throughout it's many decades of service and that is it's culture of being conscience of, and following through on, doing the right thing. As it relates to sustainable practices many decisions are made daily, not only by management, but by almost every one of our employees. This is why it is critical to have this culture and it is why our company has excelled in our sustainable practices in the past and present. To ensure a continuation of such behavior into the future, CWP has endeavored to accept the challenges that come with the Green Tier program. It demonstrates a commitment to continual environmental improvement and explicitly communicates this commitment to all our employees, customers, designers, vendors, fellow contractors and other stake holders.

It is important for us to understand that statutory environmental standards in most cases are little more than a compromise that our society makes on how much environmental damage is acceptable. It is with this reality in mind that we gladly accept the Green Tier program challenge to do better. Furthermore we also understand that doing so does not put us at odds with our business goals, but rather it aligns us all the more with our company mission statement: "To build value in our company by continually improving as a preferred partner in the construction industry." Being a leader in environmental stewardship would certainly help us improve as a preferred partner because it is clear that both public and private customers place a high value on working with someone that will frankly keep them out of trouble. More importantly, being recognized as a leader would help us develop relationships with customers who value these qualities too, which we believe are the customers we want to be a partner with in the first place.

3.0 Reporting System for Environmental Performance

3.1 General description of Focus of EMS

In 2013 we launched the implementation of our EMS focusing on:

- **Erosion and Sediment Control on our Project Sites.**

To measure our performance as it relates to this focus we devised a grading system done in sync with our project site Erosion Control Inspections as required by Wisconsin NR 216 Construction Site Inspection Reports.

3.2 Reporting background information

- Period: January 1st, 2013 to December 31st, 2013.
- Scope and Boundary: Limited to CWP projects that include some erosion/sediment control as part of our scope of services.
- Summary of grading system as detailed in EMS:

3.2 Summary of grading system procedure as detailed in current CWP EMS that form basis of reports:

1) Review erosion/sediment control plan with designer and provide input. The intent is to avoid maintenance intensive Best Management Practices (BMP's) where possible and replace with alternate measures.

2) Assign a "weight %" to each BMP to be used on site to represent it's degree of importance relative to the other BMP's used.

3) Compile Construction Site Inspection Reports that are mandated by standard NR 216. This will be done on our projects for which we are responsible for erosion / sediment control. These are done on a weekly basis and after significant rain events and they shall be complied in a single database.

4) Our performance with consistent and effective maintenance of our project sites as it relates to erosion/sediment control will be measured by how well the highly prioritized measures in place receive consecutive inspections reporting that no modifications are required.

5) Each measure in place will receive grades as follows at each inspection:

   - ✓ Grade of "**F**" or 0.0 if the measure needs modification which has led to a problem situation as it relates to environmental impact.
   - ✓ Grade of "**D**" or 1.0 if the measure needs modification which has led to a potential exposure to environmental impact.
   - ✓ Grade of "**C**" or 2.0 if the measure needs modification which has led to a minimal exposure to environmental impact.
   - ✓ Grade of "**B**" or 3.0 if the measure does not need modification, but it did during the previous inspection.
   - ✓ Grade of "**A**" or 4.0 if the measure does not need modification and also did not need modification during the previous inspection.

6) Points will be calculated for each measure by multiplying the number grade by the weighted percentage. These points will be added up to form the grade point average for that inspection.

3.4 Summary of reporting as detailed in CWP EMS:

- A grade point average will be calculated for each inspection for each project. Those grade point averages will be averaged for a cumulative "GPA" for the following:
  - ✓ Each CWP project
    - Project team accountability
  - ✓ Each month and year
    - Company accountability
  - ✓ Each CWP project type
    - The most useful comparisons (apples & apples) will be between projects of the same type

4.0 Environmental Performance

4.1 Erosion / Sediment Control

- **Base Line Inspection Estimate**
  - Through the gathering of historical experience by the Managers of CWP, an estimated average Inspection score was generated.
  - See attached Construction Site Inspection Report dated Jan. 1st, 2013.
  - This represents a starting point for what we should seek to exceed in 2013.
  - Resultant Grade Point Average of 3.05

- **2013 Data Compilation**
  - **See attached "Monthly Report Card – 2013":**
    - **Cumulative GPA average: 3.57**
  - **See attached "Job Type Report Card – 2013" (cumulative GPA's):**
    - **Building: 3.65**
    - **Land Development: 3.82**
    - **Road / Public Right of Way: 3.38**
    - **Stream / Pond / Shoreline: 3.33**
  - **See attached "In House vs Third Party Inspections Report Card – 2013":**
    - **Third Party Inspections: 3.46**
    - **In House Inspections: 3.84**

- **2013 Data Analysis / Discussion**
  - **The cumulative GPA for all 2013 of 3.57 exceeded our benchmark of 3.05. This indicates that our overall erosion/sediment control performance for 2013 exceeded our estimated average past performance.**
  - **The cumulative GPA for projects with third party inspection averaged 3.46 which was significantly lower than the one project that had in-house inspections averaging 3.84. This possibly identifies a source of error that might need to be accounted for or corrected in the future, however having only one project that was self-inspected in 2013 does not give a high degree of certainty.**
  - **The variation in GPA between project types for 2013 is good to note to help determine any future trends. Any trends that can be identified will help in the development of a more detailed system of determining future expectations or goals.**
  - **If our one in-house inspected project is removed from the data pool because we consider our third party inspection projects the more dependable grades within our system we can state that our 2013 performance was a GPA of 3.46**

5.0 Conclusion

5.1 Erosion / Sediment Control

- **In-house inspections vs. third party inspections:**
  - **A correction for one versus the other cannot be determined at this time due to small sample sizes.**
  - **The following changes with in-house inspected projects will be implemented to minimize the potential for significantly more favorable inspection reports.**
    - **Half of all in-house inspections will be by someone other than a crew member, for example a project manager, office intern, or general superintendent. These will be unannounced. Since crew members are generally held accountable for erosion / sedimentation control performance someone other than a crew member should be more unbiased. Furthermore unannounced inspections decrease the chance of repairs to be made immediately before an inspection.**
- **2013 performance**
  - **Most accurately represented by the third party inspected projects. The GPA for these projects was 3.46. This exceeded our estimate of past performance GPA of 3.05 by 0.41 points.**

- **2014 Expectations**
  - **A new benchmark will be set for 2014. This will be established using two approaches:**
    1. **By estimating a new benchmark based on a new "typical inspection" that "ups" our game. See new 2014 benchmark inspection report. This has an estimated GPA of 3.20**
    2. **By backing up the approach in No.1 with a statistical reference based on 2013's data. The 2013 sample size was small therefore we especially need to consider that the variability in the data is partly due to variability in performance, but also due to variability in the subjective scoring system used. An allocation of the source of variability can only be estimated. Using only an intuitive estimate of this breakdown, it shall be assumed that**

80% of the variability is due to true variability in performance and 20% due to subjective reporting error. As a result in order to affirm a new benchmark, a multiple of the standard deviation shall be used. The generally accepted definition for "Margin of Error" is equal to twice the Standard Deviation. Per attached Standard Deviation – 2013 report attached, the overall deviation for 2013 was 0.63. This gives a "raw margin of error" of 1.26. Using our basis that only 20% of the data variability is true "margin of error" we can say:

- Margin of error = 1.26 * 20% = 0.25
- Our new "floor" or benchmark is 3.46 – 0.25 = 3.21

- Our second approach above compares closely with our first, therefore we shall use our new estimated benchmark of 3.20 for 2014.

C.W. PURPERO, INC.
EXCAVATING CONTRACTORS
Milwaukee, Wisconsin

Construction Site Inspection Report

Erosion / Sediment Control

GREEN TIER

Inspect Date	Time	Job #	NAME	LOCATION	County
Tue, Jan 1, 2013		9000	EC / SC Inspection Benchmark 2013		

Type of Evaluation	Weather / Ground Condition	Act / Inact	Contractor	Report base	Dated

Inspection performed by:	Present phase of construction:	Entity doing evaluations	Contact info of inspecting entit

GPA_ 3.05

Modifications Required?

Ditch Checks 10%	A: No, nor last inspection	Permanent Seeding 5%	A: No, nor last inspection	Temp. Settling Basin 0%	
Erosion Cntrl Plan 5%	A: No, nor last inspection	Schedule / Phasing 5%	A: No, nor last inspection	Temp. Seeding 10%	B: No
Erosion Mat 10%	B: No	Silt Fence 5%	C: Yes, no potential problem	Tracking Pad 20%	C: Yes, no potential problem
Grading Practices 10%	A: No, nor last inspection	Silt Screen 0%		Turbidity Barrier 0%	
Inlet Protection 0%	N/A	Sod 0%		Other 0%	
Mulch 5%	C: Yes, no potential problem	Stabilized Outlet 0%			
Offsite Sediment	A: No, nor last inspection	Temp. Div. Chan 15%	B: No	Description	

Exact place of BMP	Type & observed condition	Descripe what was done

Notes:

Benchmark for 2013.

Monthly Report Card - 2013

	GPA_	Low	High	No. of Inspections
2	3.00	3.00	3.00	1
3	2.90	1.90	3.80	3
4	3.58	2.00	4.00	9
5	3.71	2.00	4.00	11
6	3.63	2.00	4.00	14
7	3.69	2.65	4.00	22
8	3.57	2.35	4.00	25
9	3.40	0.36	4.00	23
10	3.64	2.14	4.00	18
11	3.69	2.00	4.00	16
12	3.40	0.00	4.00	12
	3.57			154

Job Type Report Card - 2013

		GPA_	Low	High	No. of Inspections
Building		3.65	1.90	4.00	41
1437	Potawatomi Hotel Ph. 1	3.65	1.90	4.00	41
Land Dev.		3.82	2.00	4.00	43
1407	Coleman Norris Drive	3.00	3.00	3.00	1
1446	Lakefield Site Cap Earthwork	3.84	2.00	4.00	42
Road / Public ROW		3.38	0.36	4.00	41
1461	WDOT Project 2140-10-70, Wa	3.71	3.40	4.00	17
1466	WDOT Project 1030-24-76, STH	2.29	0.36	3.39	5
1468	Martin Road Reconstruction	3.37	2.35	4.00	19
Stream / Pond / Shoreline		3.33	0.00	4.00	29
1463	MMSD Menomonee River Stre	3.31	0.00	4.00	28
1471	MMSD Western Milwaukee Flo	4.00	4.00	4.00	1
		3.57			154

In-house vs Third Party Inspections
Report Card - 2013

No = Third Party Inspections
Yes = In-house Inspections

		GPA_	Low	High	No. Of Inspections
No		3.46	0.00	4.00	112
1407	Coleman Norris Drive	3.00	3.00	3.00	1
1437	Potawatomi Hotel Ph. 1	3.65	1.90	4.00	41
1461	WDOT Project 2140-10-70, Wauwatosa Rd. STH 181	3.71	3.40	4.00	17
1463	MMSD Menomonee River Stream Management W2002	3.31	0.00	4.00	28
1466	WDOT Project 1030-24-76, STH 11 , Frontage Roads	2.29	0.36	3.39	5
1468	Martin Road Reconstruction	3.37	2.35	4.00	19
1471	MMSD Western Milwaukee Flood Mgmt. Proj. W20017	4.00	4.00	4.00	1
Yes		3.84	2.00	4.00	42
1446	Lakefield Site Cap Earthwork	3.84	2.00	4.00	42
		3.57			154

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Construction Site Inspection Report

Erosion / Sediment Control

GREEN TIER

Inspect Date	Time	Job #	NAME	LOCATION	County
Wed, Jan 1, 2014		9000	EC / SC Inspection Benchmark 2014		

Type of Evaluation	Weather / Ground Condition	Act / Inact	Contractor	Report base	Dated

Inspection performed by:	Present phase of construction:	Entity doing evaluations	Contact info of inspecting entit

GPA_ 3.20

Modifications Required?

Ditch Checks 10% — A: No, nor last inspection	Permanent Seeding 5% — A: No, nor last inspection	Temp. Settling Basin 0%
Erosion Cntrl Plan 5% — A: No, nor last inspection	Schedule / Phasing 5% — A: No, nor last inspection	Temp. Seeding 10% — A: No, nor last inspection
Erosion Mat 10% — B: No	Silt Fence 5% — C: Yes, no potential problem	Tracking Pad 20% — C: Yes, no potential problem
Grading Practices 10% — A: No, nor last inspection	Silt Screen 0%	Turbidity Barrier 0%
Inlet Protection 0%	Sod 0%	Other 0%
Mulch 5% — B: No	Stabilized Outlet 0%	Description
Offsite Sediment — A: No, nor last inspection	Temp. Div. Chan 15% — B: No	

Exact place of BMP	Type & observed condition	Descripe what was done

Notes:

Benchmark for 2014.

Standard Deviation of Average GPA- 2013

		Average GPA	Standard Deviation of GPA_	No. Of Inspections
Building		3.65	0.56	41
1437	Potawatomi Hotel Ph. 1	3.65	0.56	41
Land Dev.		3.82	0.37	43
1407	Coleman Norris Drive	3.00	0.00	1
1446	Lakefield Site Cap Earthwork	3.84	0.35	42
Road / Public ROW		3.38	0.68	41
1461	WDOT Project 2140-10-70, Wauwatosa Rd. S	3.71	0.16	17
1466	WDOT Project 1030-24-76, STH 11 , Frontag	2.29	1.10	5
1468	Martin Road Reconstruction	3.37	0.50	19
Stream / Pond / Shoreline		3.33	0.79	29
1463	MMSD Menomonee River Stream Managem	3.31	0.79	28
1471	MMSD Western Milwaukee Flood Mgmt. Pro	4.00	0.00	1
		3.57	0.63	154