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2014 Green Tier Annual Report

C.W. Purpero, Inc.

Established 1919

Prepared by:

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Attachments:

- Projects Report Card - 2014
- Monthly Report Card – 2014
- Job Type Report Card – 2014
- In-house vs. Third Party Inspections Report Card – 2014
- Standard Deviation of Average GPA - 2014

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 its many decades of service and that is its 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.

In 2014 we continued this focus as an environmental objective.

3.2 Reporting background information

- Period: January 1st, 2014 to December 31st, 2014.
- 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 compiled 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**
 - 2013 Resultant Grade Point Average of 3.05
 - 2014 Resultant Grade Point Average of 3.20 (see 2013 annual report conclusion)

- **2014 Data Compilation**
 - See attached “Monthly Report Card – 2013”:
 - Cumulative GPA average: 3.63

 - See attached “Job Type Report Card – 2013” (cumulative GPA’s):
 - Building: 3.84
 - Land Development: 3.70
 - Road / Public Right of Way: 3.39
 - Stream / Pond / Shoreline: 3.39

 - See attached “In House vs Third Party Inspections Report Card – 2013”:
 - Third Party Inspections: 3.63
 - In House Inspections: 3.63

- **2013 Data Analysis / Discussion**

- **The cumulative GPA for all 2014 of 3.63 exceeded our benchmark of 3.20. This indicates that our overall erosion/sediment control performance for 2014 exceeded our estimated average past performance (including a statistical adjustment explained in last year's report).**
- **The cumulative GPA for projects with third party inspection averaged 3.63 which was dead even with projects that had in-house inspections also averaging 3.63. Last year we discovered a significant delta between in house inspection GPA and third party inspections. Efforts were made in project management meetings to recognize this subjectivity as discussed in our report conclusion in last year's report we did not expect this kind of improvement.**
- **The variation in GPA between project types for 2014 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.**

5.0 Conclusion

5.1 Erosion / Sediment Control

- In-house inspections vs. third party inspections:
 - The changes instituted in 2014 with in-house inspected projects were as follows:
 - 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.
 - Although we did expect to close the gap between in-house and third party inspection score averages, we did not expect that the gap would be gone entirely. We consider it a positive result whatever the amount.
 - We will not consider this challenge of subjectivity to be solved, but rather will remain diligent in our efforts to maintain the same approach as used in 2014 to minimize any subject sway that could otherwise further skew the data.

- 2014 performance
 - Since our in-house and third party GPA averages were equal, our raw unadjusted 2014 performance is **3.63**. This significantly exceeds our adjusted expectation for 2014 of **3.20**

- 2015 Expectations
 - A new benchmark will be set for 2015. This will be established using the following approach:
 - Same as last year, the 2014 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 the same method as last year, 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 – 2014 report attached, the overall deviation for 2014 was 0.59. This gives a “raw margin of error” of 1.18. Using our basis that only 20% of the data variability is true “margin of error” we can say:

- Margin of error: $2 * 0.59 = 1.18$
- Margin of error due to subjectivity: $1.18 * 20\% = 0.24$
- Our new “floor” or benchmark is $3.63 - 0.24 = \underline{3.39}$

- Therefore we shall use a new estimated benchmark of **3.39** for 2015.

Projects Report Card - 2014

	GPA_	Low	High	No. of inspections_
1437 Potawatomi Hotel Ph. 1	3.84	3.20	4.00	29
1446 Lakefield Site Cap Earthwork	3.92	3.60	4.00	42
1463 MMSD Menomonee River Stream Management	3.39	2.00	4.00	25
1492 MMSD Emergency Wharf Wall Repair	4.00	4.00	4.00	5
1495 Patrick Cudahy Potable Water Relay	3.23	1.80	4.00	5
1499 Racine - Harborside	2.14	2.00	2.24	6
1500 Big Bend - Industrial Av Reconstruction	3.32	2.00	4.00	18
1508 Christman Road Reconstruction, Village Proj #4	3.81	3.10	4.00	11
	<u>3.63</u>			<u>141</u>

Monthly Report Card - 2014

	GPA_	Low	High	No. of Inspections
1	4.00	4.00	4.00	5
2	4.00	4.00	4.00	7
3	4.00	4.00	4.00	6
4	3.74	2.00	4.00	11
5	3.37	2.00	4.00	17
6	3.67	1.80	4.00	24
7	3.63	2.00	4.00	20
8	3.59	2.00	4.00	17
9	3.26	2.00	4.00	19
10	3.84	3.60	4.00	10
11	4.00	4.00	4.00	3
12	3.60	3.40	3.80	2
	3.63			141

Job Type Report Card - 2014

		GPA_	Low	High	No. of Inspections
1 Pipe Work		3.23	1.80	4.00	5
1495	Patrick Cudahy Potable Water	3.23	1.80	4.00	5
Building		3.84	3.20	4.00	29
1437	Potawatomi Hotel Ph. 1	3.84	3.20	4.00	29
Land Dev.		3.70	2.00	4.00	48
1446	Lakefield Site Cap Earthwork	3.92	3.60	4.00	42
1499	Racine - Harborside	2.14	2.00	2.24	6
Road / Public ROW		3.58	2.00	4.00	34
1492	MMSD Emergency Wharf Wall	4.00	4.00	4.00	5
1500	Big Bend - Industrial Av Recon	3.32	2.00	4.00	18
1508	Christman Road Reconstructio	3.81	3.10	4.00	11
Stream / Pond / Shoreline		3.39	2.00	4.00	25
1463	MMSD Menomonee River Stre	3.39	2.00	4.00	25
		3.63			141

In-house vs Third Party Inspections Report Card - 2014

No = Third Party Inspections
Yes = In-house Inspections

		GPA_	Low	High	No. Of Inspections
No		3.63	2.00	4.00	54
1437	Potawatomi Hotel Ph. 1	3.84	3.20	4.00	29
1463	MMSD Menomonee River Stream Management W2002	3.39	2.00	4.00	25
Yes		3.63	1.80	4.00	87
1446	Lakefield Site Cap Earthwork	3.92	3.60	4.00	42
1492	MMSD Emergency Wharf Wall Repair	4.00	4.00	4.00	5
1495	Patrick Cudahy Potable Water Relay	3.23	1.80	4.00	5
1499	Racine - Harborside	2.14	2.00	2.24	6
1500	Big Bend - Industrial Av Reconstruction	3.32	2.00	4.00	18
1508	Christman Road Reconstruction, Village Proj #41167	3.81	3.10	4.00	11
		3.63			141

Standard Deviation of Average GPA- 2014

	Average GPA	Standard Deviation of GPA_	No. Of Inspections
1 Pipe Work	3.23	0.82	5
1495 Patrick Cudahy Potable Water Relay	3.23	0.82	5
Building	3.84	0.25	29
1437 Potawatomi Hotel Ph. 1	3.84	0.25	29
Land Dev.	3.70	0.60	48
1446 Lakefield Site Cap Earthwork	3.92	0.14	42
1499 Racine - Harborside	2.14	0.10	6
Road / Public ROW	3.58	0.53	34
1492 MMSD Emergency Wharf Wall Repair	4.00	0.00	5
1500 Big Bend - Industrial Av Reconstruction	3.32	0.58	18
1508 Christman Road Reconstruction, Village Pro	3.81	0.28	11
Stream / Pond / Shoreline	3.39	0.72	25
1463 MMSD Menomonee River Stream Managem	3.39	0.72	25
	3.63	0.59	141