CHANGING THE GAME

CCO: Partnering for a Paradigm Shift in Central Illinois Construction

CCO SUCCESS MEASURES

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Preparer: A. Williams Enterprises, Inc. for Community Construction Outreach of Peoria, Inc.
416 Main St., Suite #533
Peoria, IL 61602
309.676.2767
www.ccopeoria.org
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Narrative Overview
This Addendum links to the “Changing the Game” Proposal by demonstrating the quantitative success measures that prove the effectiveness of the CCO Program Model. Community Construction Outreach of Peoria has achieved these successes while operating below budget. Operating with an expanded budget, CCO will be able to increase sustainable capacity in more local businesses, as well as add much-needed services as outlined in the Proposal.

Data Collection Method
To quantify its successes, Community Construction Outreach of Peoria, Inc. surveyed its Sophomore Class of seven (7) participating MBE and WBE Clients via electronic survey. CCO advised Clients it would not indentify their companies by name.

The survey, which was conducted between March 24 and March 28, 2011, asked Clients to report their Total Revenue for the years 2008, 2009, and 2010. Five (5) of the seven (7) CCO participating Clients responded to the Survey. Of the two companies that did not respond, one (1) dissolved prior to 2009.

CCO did not survey its nine (9) Freshman Class Clients because they joined the program in November 2010, and therefore have no year-over-year data to report.

In addition to measuring Total Revenue, CCO also assessed two additional measurements: Total CCO-Driven Revenue from Successful Bidding Opportunities and Total Penalties and Fees Averted through CCO Intervention. Both measures cover the years 2009 and 2010. CCO collected the data three ways: via electronic Client surveys, telephone survey, and a comprehensive review of CCO records.

Findings: Total Revenue and Percentage Change
CCO observed several key findings based on Respondents’ data:

1. Total CCO Client revenue increased from approximately $3.7M to $5.6M from 2008 to 2010.
2. Each Client’s Total Revenue increased from 2009 to 2010.
3. Total Revenue for three (3) Clients increased by greater than 100% since joining CCO.
4. One Client’s Total Revenue increased from $1.4M in 2008 to $4.1M in 2010. This represents a percentage change of more than 182.5%. During the same period, a second Client’s Total Revenue increased from approximately $74,000 in 2008 to more than $290,000 in 2010. This represents a percentage change of nearly 290%.
5. Since joining CCO, three of five respondents experienced steady growth year over year.
6. Despite reported revenue decreases by two Client companies in 2009, the overall percentage change for the year was 25.77%.
7. In 2010, the Total Percentage Change in revenue for Clients reporting was greater than 320%.
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**ADDENDUM: CCO SUCCESS MEASURES**

**Findings: CCO-Driven Revenue**
CCO observed several key findings based on Respondent data and a comprehensive review of its records:

1. In keeping with its Program mandate, CCO helped negotiate and manage a successful joint venture in the OSF Milestone Project.
2. CCO-Driven Revenue (based on Successful Bid Opportunities directly influenced through CCO participation) totaled more than $1.4M in 2009 and 2010.
3. In keeping with its Program mandate to increase MBE and WBE Contractor participation throughout Central Illinois, slightly more than half of CCO-Driven Revenue ($723,000) was generated on projects other than OSF projects, including but not limited to Peoria County, Greater Peoria Airport, Peoria Housing Authority, Ruyle Corporation, and Morton Holiday Inn.

**Findings: Penalties & Fees Averted**
Based on a comprehensive review of its records, CCO makes the following observations:

1. Since 2008, CCO has helped avert more than $128,000 in penalties and fees on behalf of its Clients.
2. To CCO’s Clients, interventions with Union officials were worth more than the dollar amounts of the penalties and fees averted. Through advocacy and negotiation, CCO enabled several Clients (Participating and Non-Participating Contractors) to continue to maintain their Union cards, utilize Union labor, avoid Strikes, obtain bonds, and otherwise reserve the right to bid and/or perform on jobs.

**Summary**
Based on Participating Client self-reporting, at 25.77% CCO has exceeded it originally stated Objective to “Increase Contractor Revenues by >10% by 6/1/09.” Based on the same data, CCO is under-performing against its originally stated Objective to “Sustain Individual Contractor Revenues [increases] of >25% over a five year period.”

The trend, however, is moving upward with average individual Revenue increase of 5.1% in 2009 and 72% in 2010.

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1 In 2009, two Clients experienced Revenue decreases of approximately 17% and 65%. One Client, as was stated in the section, Data Collection Method, went out of business. In 2010, the two Clients who had experienced Revenue decreases the previous year grew by 2% and 118%, respectively. Meanwhile, the Client that had gone out of business in late 2008 reorganized and rejoined the CCO Program in November 2010.
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Addendum: CCO Success Measures

Overall, despite the impact of an acute economic downturn and limited resources, Community Construction Outreach of Peoria, Inc. is serving its Clients effectively, and in keeping with its Mission, is helping contractors successfully manage and sustain their businesses.

Charts:

Total Revenue & Percentage Change

Successful Bidding Opportunities / Interventions
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<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>TABLE 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>Year-over-Year Percentage Change</td>
</tr>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Company A</td>
<td>$839,282</td>
</tr>
<tr>
<td>Company B</td>
<td>$587,360</td>
</tr>
<tr>
<td>Company C</td>
<td>$1,458,420</td>
</tr>
<tr>
<td>Company D</td>
<td>$116,933</td>
</tr>
<tr>
<td>Company E</td>
<td>$74,661</td>
</tr>
<tr>
<td>Company F*</td>
<td>-</td>
</tr>
<tr>
<td>Company G*</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td><strong>$3,076,656</strong></td>
</tr>
<tr>
<td>TOTAL % CHANGE</td>
<td>25.77</td>
</tr>
</tbody>
</table>

Chart 1: Annual Growth in dollars (based on Table 1)

Chart 2: Annual growth by percent of Total Revenue (based on Table 1)
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**Successful Bidding Opportunities**
Company M entered into a Joint Venture, forming Company M/N, and was awarded a $680,000 Contract in the OSF Milestone Project. $680,000
Company O performed a Time & Materials Contract in the OSF Milestone Project, earning $22,292.16. $22,292
Company P obtained successful bidding opportunities through CCO participation totaling $280,000. $280,000
Company R obtained successful bidding opportunities through CCO participation totaling $125,000. $125,000
Company S obtained successful bidding opportunities through CCO participation totaling $123,000 (after tax dollars). $123,000
Company T obtained successful bidding opportunities through CCO participation totaling $195,000. $195,000

**TOTAL CCO-DRIVEN REVENUE** $1,425,292

**Interventions**
Company AA was more than $10,000 in arrears in Union Health & Welfare payments. CCO arranged for more than $6,000 in no interest/no penalty payments. $4,000
Company BB was more than $12,000 in arrears in Union Health & Welfare payments before securing a bank loan to pay them off. $4,500
Because of CCO involvement, no interest or penalties were assessed. If attorneys had been involved, the Client could have incurred fees up to 40%. -
CCO negotiated Project Deadline Overruns with a local Owner saving Company CC and a local Prime Contractor $60,000. $60,000
CCO negotiated with State and Local Union officials to have $45,000 in Union Late Fees, Penalties, and Attorneys Fees waived for Company DD. $45,000
CCO reduced OSHA fines and violations for Company EE from $8,000 to $1,200; a reduction of $6,800. $6,800
CCO reduced OSHA fines and violations for Company FF from $10,000 to $1,800; a reduction of $8,200. $8,200

**TOTAL PENALTIES & FEES AVERTED** $128,500
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Survey Conducted and Data Compiled By:

A. Williams Enterprises, Inc.
www.YourStrategicPlanner.com
2401 W. Alta Rd., #2401
Peoria, IL 61615
309.222.0787

In Conjunction With:
Absolute Risk Management Strategies
www.ArmsHR.com

On Behalf of:

Community Construction Outreach of Peoria, Inc.
www.CCOPeoria.org
416 Main St., Suite #533
Peoria, IL 61602
309.676.2767

Community Construction Outreach of Peoria, Inc. is a 501(c)(3) organization.