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2015 Green Tier Annual Report

C.W. Purpero, Inc.

Established 1919

Prepared by:

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Attachments:

- Projects Report Card - 2015
- Job Type Report Card – 2015
- In-house vs. Third Party Inspections Report Card – 2015

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 will contribute to its core mission as a recognized leader within the construction industry that emphasizes environmental responsibility and dedication to sustainable and exceptional environmental performance on every job and within our own administrative operations.

The company will at a minimum identify and comply with applicable Federal, State and Local Environmental regulations. Going further, the company will recognize where it could have significant potential impacts on the environment, and where practical, implement voluntary programs and controls to prevent pollution, minimize waste, and otherwise reduce the company's impact on the environment. The company will regularly measure its performance and manage both regulated and unregulated programs to ensure continual improvement year after year.

To carry out this policy, the corporation will:

- Communicate this policy and ensure all employees understand it.
- Identify and control potentially significant environmental impacts stemming from its operations and activities.
- Establish and periodically review environmental objectives and targets through the management review process.
- Conduct pollution control and prevention activities to safeguard the public from injuries or health hazards, to protect the corporation's assets and continuity of operations, and to protect the environment.
- Work constructively with external organizations such as trade associations and government agencies to develop equitable and effective laws, regulations and standards to protect the environment.

Every employee is expected to understand and apply the environmental policy within their duties, and adhere to the policies and [improvements?] that flow from the EMS. Under the EMS, all employees, especially managers and supervisors, are expected to be aware of the environmental aspects of their work, and advise higher management promptly of any adverse situation that comes to their attention, including any questions or concerns about the suitability, adequacy and effectiveness of the EMS.

In addition to evidencing its commitment toward sustainability and reduced impact, CWP will enjoy benefits as a Green Tier program participant. Public and private customers place a high value on working with companies that will abide by all laws and regulations meant to protect or enhance the environment. More importantly, being recognized as a leader in developing environmental performance standards that exceed minimum standards, will help us develop relationships with customers and supply-chain partners who value the importance of such

dedication and who share a similar vision. CWP looks forward to developing and strengthening such relationships with a dedicated customer base and with our trade partners.

3.0 Reporting System for Environmental Performance in 2015

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.

Through 2014 and 2015 we continued this focus as an environmental objective.

3.2 Reporting background information

- Period: January 1st, 2015 to December 31st, 2015.
- Scope and Boundary: Limited to CWP projects that include erosion/sediment control as part of our scope of services.
- Summary of grading system as detailed in EMS:

3.2 Summary of 2015 grading system procedure for Erosion / Sediment Control Target as detailed in 2015 CWP EMS that form basis of reports: (Note EMS was revamped again in mid-2015, see conclusion of this report for changes to our Objectives and Targets)

- 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)
- 2015 Resultant Grade Point Average of 3.39 (see 2014 annual report conclusion)

- **2015 Data Compilation**

- See attached "Monthly Report Card – 2015":
 - Cumulative GPA average: 3.95
- See attached "Job Type Report Card – 2015" (cumulative GPA's):
 - Land Development: 3.96
 - Stream / Pond / Shoreline: 3.95
- See attached "In House vs Third Party Inspections Report Card – 2015":
 - Third Party Inspections: 3.97
 - In House Inspections: 3.95

- **2015 Data Analysis / Discussion**

- The cumulative GPA for all 2015 of 3.95 exceeded our benchmark of 3.39. This indicates that our overall erosion/sediment control performance for 2015 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 3.97 which was very close with projects that had in-house inspections averaging 3.95. Continued efforts made to recognize possible subjectivity have helped to sustain consistency whether third party inspection or not.
- The overall average GPA of 3.95 on a scale of 4.0 definitely shows improvement, however it also raises questions that are addressed in the conclusion of this report.

4.2 2015 EMS (External) Audit Summary

The following is an excerpt from our 2015 external audit of our EMS.

Audit Results

C. W. Purpoero consistently meets high standards for protection of the environment from erosive sediment, prevention of operational chemical spills and releases, and mitigation of the latter when such events occur at its job sites. CWP clearly meets the intent of the Green Tier program in terms of environmental performance expectations. Further, CWP has established an EMS policy, policy manual, and has communicated and demonstrated its commitment to environmental protection to all employees. Further, it is clear through this audit that the CWP culture holds to these values.

However, CWP's management system does not fully meet all requirements of the Wisconsin Green Tier Equivalent EMS standard as defined in Wis Stats. 299.83. Five nonconformities were identified and numerous opportunities for improvement (OFI) were observed, nine of which are considered system weaknesses (SW) that must be addressed in the coming year to assure the EMS is effective and sustained. The Nonconformities are identified in the following areas:

NC 1. Functional EMS Element 2 - Environmental Aspects and Impacts analysis. (ISO 14001:2004 Section 4.3.1).

NC 2. Functional EMS Element 4 - Identification of Legal and other Requirements. (ISO 14001:2004 Section 4.3.2).

NC 3. Functional EMS Element 8 - Emergency Preparedness and Response (ISO 14001:2004 Sections 4.4.7).

NC 4. Functional EMS Element 10r - Evaluation of Compliance. (ISO 14001:2004 Section 4.5.2).

NC 5. Functional EMS Element 11 - EMS Internal Audits. (ISO 14001:2004 Section 4.5.5).

CWP is committed to developing corrective actions correct these gaps within 90 days of this report issue date, and will address the system weaknesses and other OFI's over the next year. Mr. Mueller will monitor our progress to ensure the corrective actions are effective, implemented and sustainable. Once implemented and deemed effective, CWP will issue an update summarizing its status with respect to all elements of the equivalent standard.

All non-conformities were resolved, all of the OFI were addressed as well with full resolution of some system weaknesses still being addressed and tracked on our CAPA table created from this audit. The audit precipitated substantial improvement in our over EMS creating a much broader effort beyond our one objective, to help our company assure its future performance as it relates to compliance and companywide communication of all environmental aspects and impacts.

4.4 System change for Objective and Targets for Erosion Control / Sediment Control

- **2015 System for Objective and Targets**
 - **For the following reasons our management team chose to discontinue our current system.**
 - The system for this objective did not address other criteria as follows:
 - Does not address NR 216 compliance sufficiently on a majority of our projects
 - To assure that timely inspections are done on all projects, even when it's not our responsibility to inspect or respond to inspections.
 - To assure that there are no unknown erosion control issues on our any of our projects, even when we are not performing most of the erosion control BMP's.
 - The grading system we developed for the old system might still be prone to subjective bias.
 - Projects inspected in-house vs third party
 - Projects with unavoidably maintenance intensive BMP's get lower scores
 - Therefore year over year comparisons are not dependable
 - The grading system we developed for the old system required intimate project knowledge to enter data correctly
 - Therefore it became tedious to maintain for project managers without being able to involve administrative support
- **2016 System for Objective and Targets**
 - **We are discontinuing our GPA system of grading our Erosion / Sediment Control performance for reasons stated, and have implemented a new system for this objective as follows:**
 - No more entering our erosion control inspections into our proprietary database for the purpose of developing a "GPA"
 - No more "GPA"
 - Our system will be centered around the following document published by the WDNR called an Erosion Control Inspection Report (ECIR). See http://dnr.wi.gov/topic/stormwater/documents/3400187_Construction_Site_Inspection_Report.pdf

- Our goal: We shall endeavor to receive, review, file, and log as many ECIR's as we can each week for all of our projects, whether it is our contractual responsibility to address them or not.
- Furthermore we will do whatever we can to maximize the number of "No's" under "Modification Required" for the BMP's on all of our projects whether it is our contractual responsibility to do so directly, or if it is simply by providing assistance in the way of information, awareness, ideas, services, or influence.
- The project managers will review the ECIR's for their projects and alert the foreman of any issues we are contractually responsible to correct. On some projects the foreman might review the ECIR directly, this protocol will be set by the project manager on each project.
- Erosion control issues that are not within our contractual responsibility will be discussed with CWP management internally as needed depending on severity as to how to best assist the project.
- All ECIR's will be forwarded to CWP admin staff in the CWP office so that they can log and file them and then also send out weekly summaries to all project managers and CWP management of ECIR's received.
- The log spreadsheet maintained will be used to determine a very simple metric we shall track. The metric we will use for self-improvement, as always, and shall be calculated as follows:
 - The metric will be the total quantity of ECIR's logged in the week. This is because we believe good things will happen with increased awareness.
 - We shall keep a database documenting all efforts to prevent / resolve erosion / sediment control issues on our projects.
 - We shall track which efforts are within our scope of contract and which ones are not.
 - The efforts made that are outside our scope of contract to do so will be considered exceeding environmental compliance.
 - Therefore this system is a qualitative evaluation of our performance in addition to a very simple quantitative metric.
- Additional anticipated benefits will be to arrive at some new conclusions on effective job site erosion / sediment control.

5.0 Conclusion

5.1 Erosion / Sediment Control Objective and Target (Old System)

- 2015 performance
 - Our 2015 performance well exceeded past performance, however future improvements seem unlikely with the current system of measurement.
 - System obviously motivate proactive care on job sites.
 - System somewhat was narrow in scope.

5.2 EMS improvements

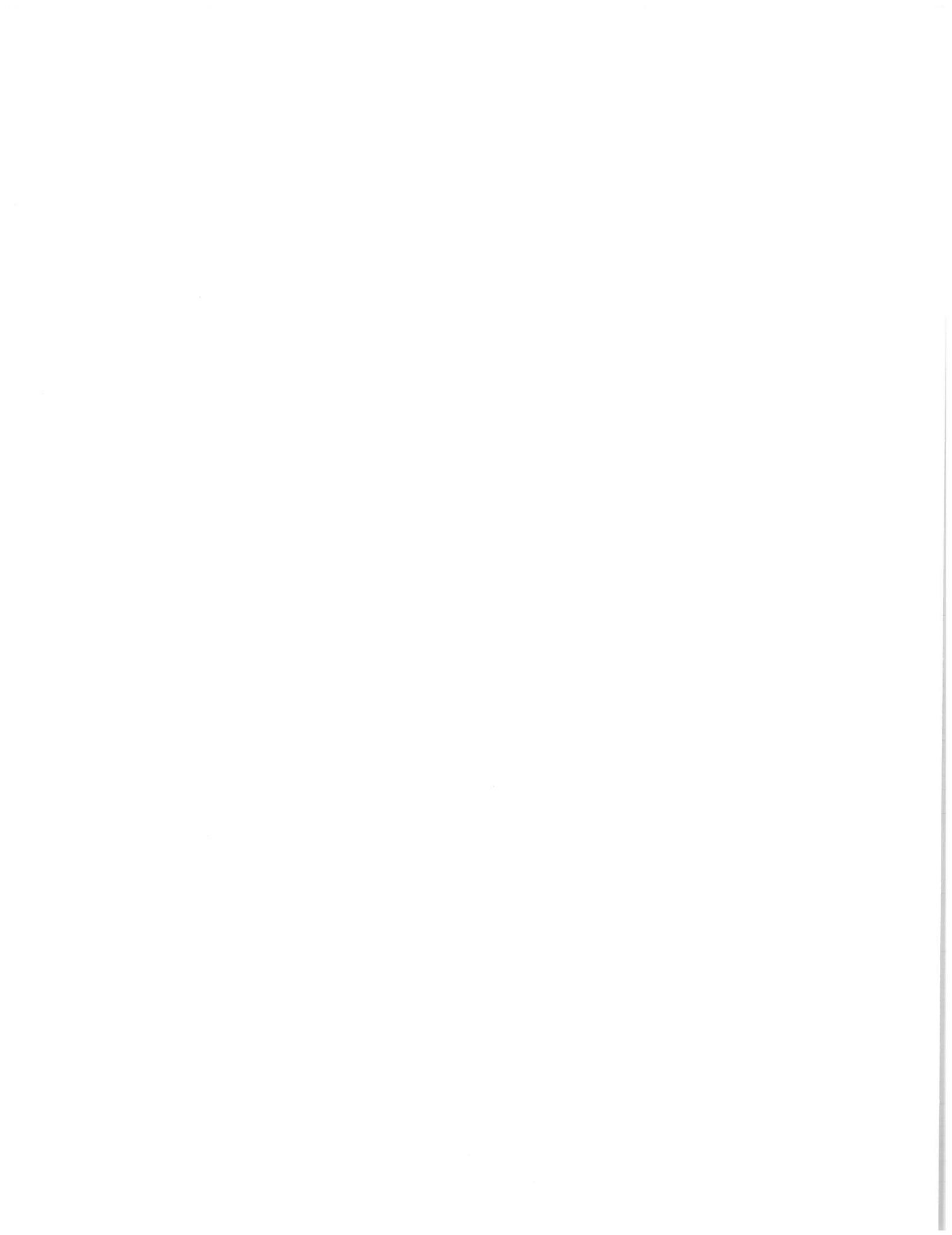
- Formalized system for identifying aspects and impacts
- Formalized system for identifying objectives and targets
- Formalized system for identifying legal & other requirements
- Formalized system for documenting management review of EMS
- Created a calendar for communication and training of regulatory changes and EMS changes
- Formalized system for identifying objectives and targets

5.3 Erosion / Sediment Control Objective and Target (New System)

- 2016 System will
 - Assure that timely inspections are done on all projects, even when it's not our responsibility to inspect or respond to inspections.
 - Assure that there are no unknown erosion control issues on any of our projects, even when we are not performing most of the erosion control BMP's.
 - Attain a reasonably objective metric with reliable year over year comparisons.
 - Be more stream lined with easily engaged administrative help.
 - Assure we are exceeding compliance of regulations by facilitating awareness and analysis of project compliance that is not necessarily our contractual obligation.
 - Make business sense because awareness of potential project problems helps us help our projects along which avoids impacts of violations on both project cost and delay.

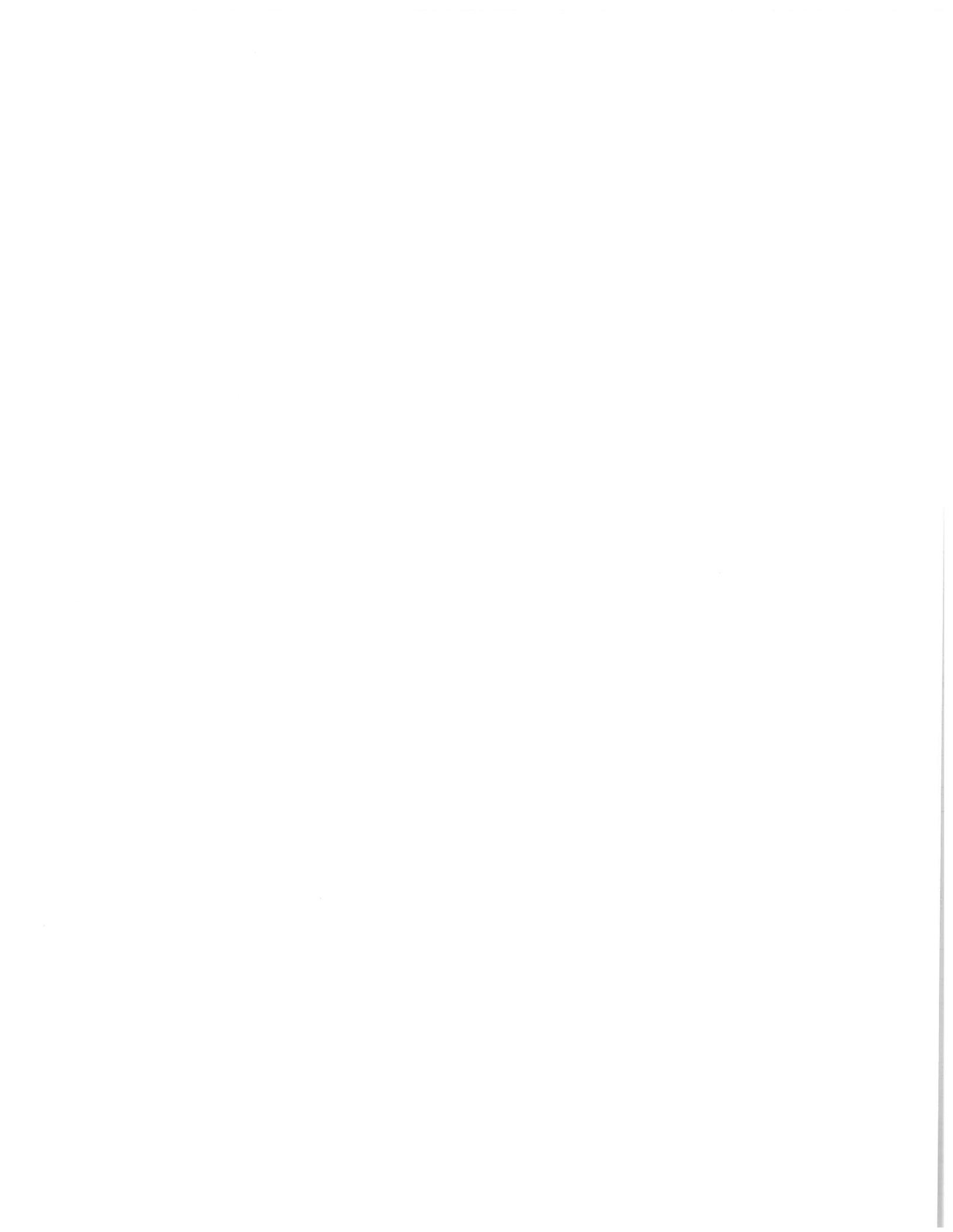
○ **2016 Performance**

- We are setting goals as follows:
 - To collect and review 300 erosion control inspection reports
 - To document 60 instances where we helped provide guidance, expertise, or resources with an erosion control modification needed that is outside our original scope of work. We will look to be compensated when resources are involved.



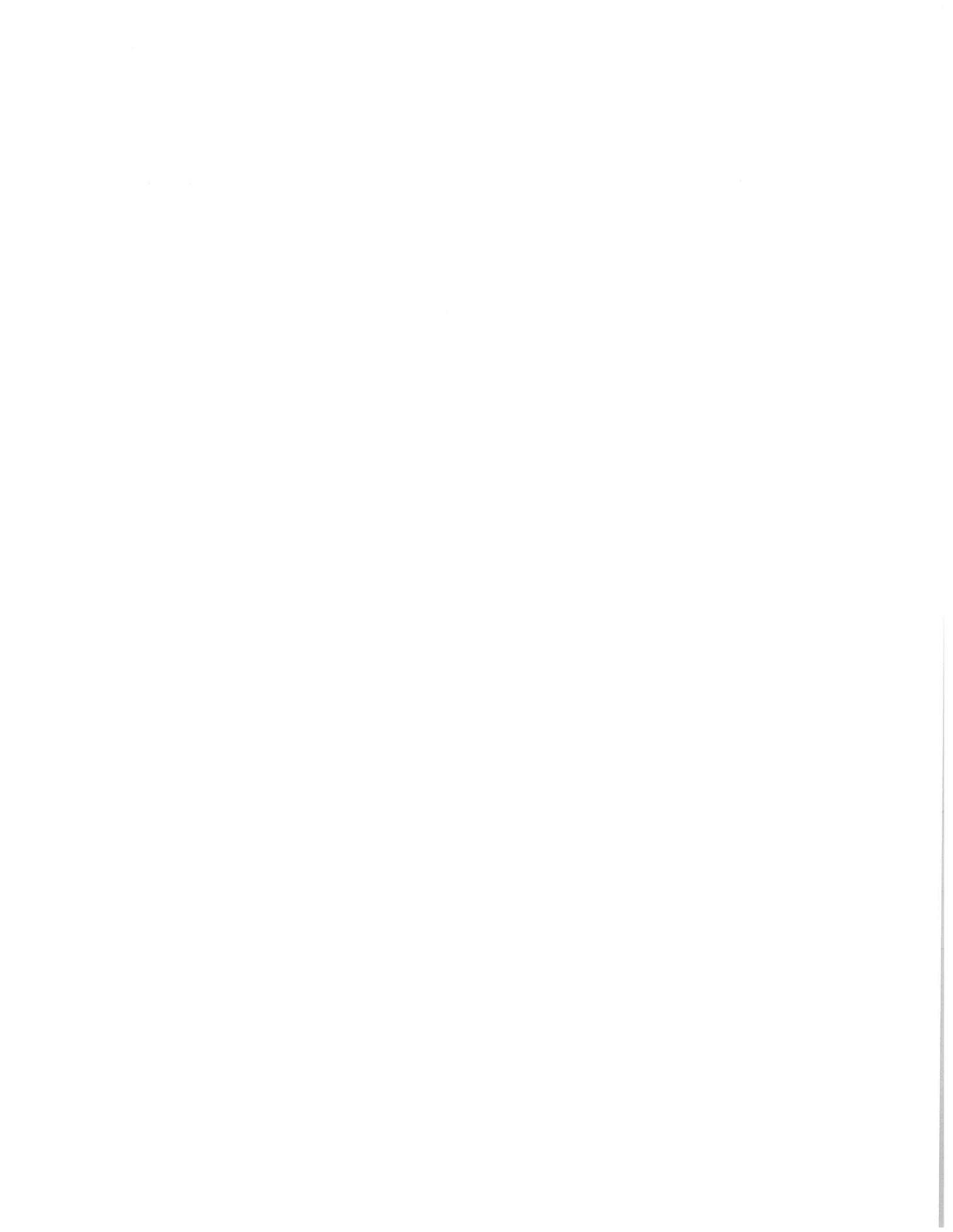
Projects Report Card - 2015

	GPA_	Low	High	No. of inspections_
1446 Lakefield Site Cap Earthwork	3.96	3.50	4.00	43
1463 MMSD Menomonee River Stream Management	3.97	3.40	4.00	53
1525 USACE Menomonee River Ecosystem Restoratio	3.94	3.30	4.00	54
1544 USACE Pike River Aquatic Ecosystem Restoratio	3.95	3.70	4.00	22
	<u>3.95</u>			<u>172</u>



Job Type Report Card - 2015

	GPA_	Low	High	No. of Inspections
Land Dev.	3.96	3.50	4.00	43
1446 Lakefield Site Cap Earthwork	3.96	3.50	4.00	43
Stream / Pond / Shoreline	3.95	3.30	4.00	129
1463 MMSD Menomonee River Stre	3.97	3.40	4.00	53
1525 USACE Menomonee River Eco	3.94	3.30	4.00	54
1544 USACE Pike River Aquatic Eco	3.95	3.70	4.00	22
	<u>3.95</u>			<u>172</u>



In-house vs Third Party Inspections Report Card - 2015

No = Third Party Inspections
Yes = In-house Inspections

		GPA_	Low	High	No. Of Inspections
No					
		3.97	3.40	4.00	53
1463	MMSD Menomonee River Stream Management W2002	3.97	3.40	4.00	53
Yes					
		3.95	3.30	4.00	119
1446	Lakefield Site Cap Earthwork	3.96	3.50	4.00	43
1525	USACE Menomonee River Ecosystem Restoration	3.94	3.30	4.00	54
1544	USACE Pike River Aquatic Ecosystem Restoration	3.95	3.70	4.00	22
		3.95			172

