ROCHESTER SCHOOL MODERNIZATION PROGRAM

JULY 2025 REPORT SUBMISSION

NEW YORK
3 Times Square,
New York, NY 10036

LONG ISLAND
50 Charles Lindbergh Blvd
Uniondale, NY 11553

BOCA RATON
One Boca Place
2255 Glades Road
Boca Raton, Florida
33431

PALM BEACH GARDENS
3801 PGA Boulevard
Suite 600
Palm Beach Gardens, FL
33410

www.anchin.com

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Rochester Joint Schools Construction Board

70 Carlson Road, Suite 200
Rochester, NY 14610

To the Rochester Joint Schools Construction Board:

This is the ninth Monitor's Report (the "Report") under the December 11, 2023, Consulting Services Agreement between the Rochester Joint Schools Construction Board ("RJSCB") and Anchin, Block & Anchin LLP ("Anchin") by which Anchin is retained as the Independent Compliance Officer ("ICO") for the Rochester School Modernization Program ("RSMP"). This report is authored by Brian Sanvidge and others at Anchin and is based on information obtained by Anchin. In this report, we set forth various procedures performed and our findings as a result of those procedures.

HISTORY OF PROJECT

In 2007, New York State Legislation developed the RSMP to provide students at the Rochester City School District ("RCSD") improved facilities and opportunities to expand their educational experience through superior learning environments. Many of the existing buildings were outdated and provided various challenges to optimize the investment of valuable resources.

The first phase of the project authorized $325 million with $239 million in estimated hard construction costs and $86 million in soft costs for design, construction management, financing, and implementation of technological advancements. In December 2014, the New York State Governor signed legislation to approve the second phase of the project. Phase II of the project totaled $435 million with $297 million in estimated hard costs and $137 million in soft costs.

In November 2021, the Governor Kathy Hochel signed legislation approving the third, and current phase, of the project. Phase III of the project totals $475 million in construction, with the breakdown of hard and soft costs currently being determined. This will include the construction, modernization, and expansion of six school projects.

The RJSCB anticipates the approval of a fourth and final phase, totaling approximately $1.2 billion in project funding. This would make this project the largest public works project in Rochester, NY to date.

ANCHIN'S ROLE AS ICO

Anchin maintains an office in the RSMP headquarters to promote communication with the Project Manager ("PM") and provide efficient responses to issues raised by the PM or the RSMP workforce.

Anchin has automated the contractor document submission process for a more accurate and efficient reporting system. We utilize an online document submission system, referred to as Huddle. The Huddle document submission system provides each Prime Contractor ("PC") with access to upload a copy of their monthly diversity documents, and to view an archive of their submissions throughout the duration of the project. These monthly diversity documents submitted to Anchin for review include: an active subcontractor tracking logs, OCSD-3: Workforce Utilization Reporting (DP-3), OCSD-6: Compliance Report, certified payroll transcripts, and copies of checks written by the PC to eligible business entities ("EBE") sub-contractors together with a corresponding invoice. Furthermore, Anchin requires the PC to upload copies of executed subcontract agreements with each EBE firm. The Anchin team reviews each agreement to verify the scope of services and dollar amount for tracking and risk mitigation. These templates may be updated periodically to ensure optimal accuracy and efficiency in our data analysis.

The Huddle Portal serves as a digital inventory of all diversity paperwork and backup to the Monthly Compliance Report. Each document is itemized and details the PC, project name, sub-contractor, document name and date received. Anchin can, at the request of the RJSCB, produce a physical or digital inventory binder, organized by month, project or any other category. This system is designed

so that the full inventory of archived diversity documents can be accessed electronically by the PM, the RJSCB, or any other party with approved access.

When uploaded, these documents were automatically electronically stamped with the date of receipt. Upon upload of the documents, Anchin is notified, prompting our analysts to review the documents and capture the data in a database used for our monthly reports to the RJSCB.

ANCHIN'S ACTION PLAN

Anchin was engaged to examine and monitor the implementation of the RSMP: Phase III Diversity Plan. Through the online portal and various internal databases, we will continue to record, review and track contractor submissions for each project. Contractors who have not provided a timely response to document requests issued by Anchin will be notified regarding their delinquent submissions. If submissions continue to be delinquent, the ICO will notify the RJSCB for further action. Anchin will continue to work closely with the contractors to foster timely compliance with all required submissions.

To accomplish our objectives, we have incorporated the use of digital systems, analytical procedures, controls and processes, designed to ensure that compliance with the diversity goals are adhered to by the contractors who have been, or are in the process of being awarded contracts by the RJSCB. In view of the foregoing, Anchin will maintain the following procedures:

1. Prior to contract award, Anchin participates in bid review meetings and provides the RJSCB with a written approval report, including all supporting documents.

2. In the event of a new contract award, Anchin provides a written approval report, including all supporting documents, showing that the EBE Certification is in compliance with requirements.

3. Furthermore, Anchin is taking measures to ensure that the EBE sub-contractors are certified in the areas that they were engaged to perform with their PC.

4. Anchin will continue to examine each OCSD-4: Business Utilization Plan to verify it is within the scope of services identified in the appropriate state agency database and include the results of this examination in the written approval report. This report will include a listing of all EBE firms that are non-compliant with certification submissions. This information will be the basis for recommendations to the RJSCB for potential penalty assessment.

5. Anchin will continue to evaluate the OCSD-4s for changes or revisions. As the ICO, we will present any changes to compliance plans to the RJSCB and project management team.

6. Anchin will continue to collect and track all OCSD-6: Compliance Report forms, which represent all change orders between PCs and sub-contractors. Anchin will collect copies of payment applications and proof of payment to EBE subcontractors.

7. Anchin has implemented commercial useful function testing to mitigate the risk of fraud, waste, and abuse. Our team will verify EBE subcontractors are completing their scopes of work to properly receive credit for their participation under their certification and commodity codes.

8. Anchin will track the residency of the workforce throughout the project. While there is no goal for City of Rochester resident utilization, Anchin understands the importance of the project's local economic impact. Additionally, our team will monitor and track each contractor's compliance with County of Monroe Industrial Development Agency local labor requirements, if applicable.

9. Anchin collects and reviews monthly data used to create a monthly analysis to determine if diversity workforce goals are being met. This analysis addresses specific issues on a case-by-case basis with the RJSCB and the contractors. Our tracking method allows our team to work with contractors throughout the duration of their contract to strategically supplement labor if trending towards non-compliance.

MONITORING TEAM STAFFING

The work done under the monitoring engagement will be performed primarily by Anchin. Our work includes bidding assistance, firm identification, certification and scope review, document review, performing analyses, and maintaining communication as a resource to PC's and EBE firms throughout the project.

Anchin's team is led by Brian Sanvidge, CIG, CFE, whose biography was previously provided to the RJSCB. His role is principally to oversee the execution of the monitoring engagement, conduct investigative interviews and design and supervise the implementation of data reporting procedures. The following individuals from Anchin have significant involvement in this project:

- Anthony Bracco, CPA/CFF, CFE, Partner in the Litigation, Forensic & Valuation Services ("LFVS") group of Anchin
- Margaret Kolb, CPA/CFF, CFE, Director in the LFVS group of Anchin
- Jeffrey Wild, CFE, Manager in the RCI group of Anchin
- Myles Forsett, BBA, Semi-Senior in the RCI group of Anchin

Phase 3 Compliance Report

All the figures presented in this report relate to submissions by contractors and sub-contractors for Phase 3 of the Rochester School Modernization Program. All submissions received by August 27, 2025, have been included.

Our analysis includes a verification of the data presented on Form DP-3 to the certified payroll transcript submitted, and a calculation of women and minority involvement in both work hours and workforce numbers. The analysis below is based on cumulative information received. As of August 27, 2025, we have received approximately 100.00 percent of the requested document submissions through the July 2025 reporting period. Approximately 99.74 percent of all data requested since the commencement of the project, (the period of October 2023 through July 2025) has been received and approved.

ANALYSIS OF WORKFORCE – PHASE 3

Process and Procedures

Each of the contractors and sub-contractors are required to submit Form DP-3 and corresponding certified payroll transcripts. The OCSD-3 summarizes the workforce breakdown by race and gender. The aforementioned documents are uploaded to the Huddle Workspace by each consultant or contractor. Contractor file folders are created for each PC involved in the RSMP for each project. All documentation received via the web portal is reviewed, approved and uploaded to the respective contractor file. This system allows the PCs to electronically submit the required documents in a manner that makes the document submission, review and publishing an efficient process. Each PC has access to their respective documents as well as those of their sub-contractors. The PM and the RJSCB have universal access to all document submissions from all contractors.

The chart below, “Comparison to Goals”, reflects overall work hours inclusive of work hours completed on Phase 3 projects through the completion of the project.

CATEGORY	WORK HOURS THROUGH JUNE 2025	PRIOR PERIOD SUBMISSIONS	JULY 2025 WORK HOURS	TOTAL WORK HOURS
Minority Work Hours	15,378.65	-	1,010.55	16,389.20
Non-Minority Women	4,359.30	-	626.05	4,985.35
Non-Minority Male	16,954.18	-	1,162.85	18,117.03
Total Work Hours	36,692.13	-	2,799.45	39,491.58

*Minority includes sub-categories "Black", "Hispanic", "Asian or Pacific Islander", and "American Indian or Alaskan Native".

COMPARISON TO GOALS:

COMPARISON TO GOALS OVERALL WORK HOURS - TRADITIONAL		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male and Female)	23.00%	41.50%
Women (Non-Minority Only)	7.00%	12.62%

*Note: Minority Women are included in the minority category only.

Analysis: The minority workforce participation and women's workforce participation goals have been met.

We have also examined the overall female participation on the project to include both minority and non-minority females.

COMPARISON TO GOALS OVERALL WORK HOURS – FEMALE PARTICIPATION ANALYSIS		
CATEGORY	PERCENTAGE GOAL	WORKFORCE PARTICIPATION REALIZED (WORK HOURS)
Minorities (Male Only)	23.00%	28.17%
Women (Non-Minority and Minority)	7.00%	24.57%

Analysis: The minority workforce participation and women's workforce participation goals have been met.

BUSINESS PARTICIPATION UTILIZATION – PHASE 3

POLICIES AND PROCEDURES

Each of the PCs are required to submit an OCSD-6: Compliance Report which lists their current contract amount as well as the current contract amount of all sub-contractors that qualify as a Minority Business Enterprise ("MBE"), Women Owned Business Enterprise ("WBE"), Small Business Enterprise ("SBE") and Disadvantaged Business Enterprise ("DBE"). Our analysis includes calculation of the percentages of MBE, WBE, SBE and DBE contract amounts relative to the total contract amounts of all PCs for all projects.

GOALS

The Rochester School Modernization Program Phase 3 participation goals for Minority, Women, Disadvantaged and Small Business Enterprises are apportioned as follows:

18% Minority Business Enterprises
12% Women Business Enterprises
2% Small Business Enterprises
2% Disadvantaged Business Enterprises

CERTIFICATION	RSMP PHASE 3 TOTAL CONTRACT VALUE	EBE TOTAL CONTRACT VALUE	ACTUAL PERCENTAGE	GOAL
MBE	68,346,273	22,879,030	33.48%	18.00%
WBE	68,346,273	5,172,435	7.57%	12.00%
SBE	68,346,273	1,442,820	2.11%	2.00%
DBE	68,346,273	2,629,508	3.85%	2.00%

The MBE, SBE, and DBE business participation goals have been met for the current reporting period. However, the WBE business participation goal has not been met for the current reporting period. In instances where an EBE firm possessed multiple certifications, the Phase 3 diversity plan required Prime Contractor's to elect one certification to be recognized on their project. This approach is designed to increase EBE firm participation and economically benefit more businesses throughout the Greater Rochester area.

PARTICIPATION OF ROCHESTER RESIDENTS IN WORKFORCE – PHASE 3

While Phase 3 does not have a local City of Rochester resident participation goal, our team is committed to tracking the project's impact on the local community. Currently, 14 Rochester residents are active in the Rochester School Modernization Project, which reflects 20.29 percent of the 69 members of the July 2025 workforce.

As always, we remain available to discuss any aspect of this report or any additional areas in which you may have questions. Please do not hesitate to contact us.

Respectfully submitted,

Brian P Sanvidge

Brian P. Sanvidge, CIG, CFE